

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

1 DECEMBER 2015

Present: County Councillor Howells(Chairperson)
County Councillors Hunt, McKerlich, Murphy, Sanders, Thomas,
White and Wild

52 : APOLOGY FOR ABSENCE

Councillor Goodway

53 : WELCOME

The Chairperson welcomed Councillor Caro Wild who had been appointed by Council on 26 November 2015 as member of the Committee to replace the vacancy arising from the resignation of Councillor Love.

54 : DECLARATIONS OF INTEREST

The Chairperson advised Members that they had a responsibility under Article 16 of the Members' Code of Conduct to declare any interests.

Councillor Huw Thomas declared a personal interest in Item 4 – Well-being of Future Generations (Wales) Bill – Scrutiny Implications as an employee of Christian Aid Wales.

55 : MINUTES

The minutes of the meeting of the Policy Review and Performance Scrutiny Committee 3 November 2015 were approved as a correct record and signed by the Chairperson subject to the inclusion of an apology for Councillor Goodway.

56 : WELL-BEING OF FUTURE GENERATIONS (WALES) BILL - SCRUTINY IMPLICATIONS

The Chairperson welcomed the following invitees to the meeting: -

- Claire Germain from Welsh Government, Local Government Transformation & Partnership;
- Rita Singh from the office of the Sustainable Commissioner, Cynnal Cymru;
- Rachel Jones from City of Cardiff Council, Partnership Manager;
- Marie Rosenthal, Director of Governance and Legal services.

The Chairperson set the context for this item which was to prepare for its January meeting and consideration of the Cardiff Partnership Board.

This was an opportunity for the Committee to consider the requirements of the Well-being of Future Generations (Wales) Act in terms of the national policy context as a prelude to the Council's own strategic approach; consider the Council's current arrangements for partnership activity; and provide comments and observations on future arrangements required by the Act.

The Committee heard from Claire Germain of the Local Government Transformation Team, Welsh Government who introduced the main themes of the Future Generations (Wales) Act and the requirement that public bodies “pursue a common aim” to improve the economic, social and environmental well-being of Wales; apply sustainable development principles; think more about the long term; work together better; involve people reflecting the diversity of communities; look to prevent problems; and take a more joined-up approach. Public bodies need to make sure that when making decisions they take into account the impact they could have on people living their lives in Wales in the future.

The Act establishes a statutory Future Generations Commissioner for Wales, whose role is to act as a guardian for the interests of future generations in Wales, and to support the public bodies to work towards achieving the well-being goals.

The Act also establishes Public Services Boards (PSBs) for each local authority area in Wales. Each PSB is required to improve the economic, social, environmental and cultural well-being of its area by working to achieve the seven key well-being objectives. PSB’s are required to formulate local well-being plans. Local Authorities are required to provide governance and administrative support; publish plans and reports. PSB’s are required to prepare, publish and consult on an assessment of its plan; produce annual reports for Scrutiny; report on prescribed indicators and performance measures which would be subject to scrutiny.

Claire Germain was interested in the engagement of scrutiny; the involvement of co-optees; collaboration/ mergers under the proposed new local government landscape.

Rita Singh from Cynnal Cymru welcomed the opportunity to participate in the scrutiny process. Cynnal Cymru (Sustain Wales) is an independent body set up to support cross-sector organisations to better understand sustainable development and a more sustainable future for Wales; it has helped inform the Act by involvement in the ‘The Wales We Want’ National Conversation in March 2015; the development of guidance to inform the Act; the seven well-being goals as a shared vision for Wales for all public bodies listed in the Act. It identifies the layers that public bodies need to think about when applying the sustainable development principles namely: - long-term safeguards; prevention; integration; collaboration; & involvement.

Cynnal Cymru supported the statutory legislation; the role of the Future Generations Commissioner; greater weight given to Local Service Boards; obligations for a well-being statement and plan; annual reports; setting of indicators and performance measures; and the involvement of overview & scrutiny.

Rachel Jones, City of Cardiff Council, Partnership Manager provided the context of the Well-being of Future Generations (Wales) Act in terms of the Council’s existing partnership arrangements; policies and the seven agreed partnership outcomes and the overall joint working What Matters Strategy. Committee were advised of the statutory requirements and compliance with the Act; the refresh of the What Matters Strategy to reflect statutory compliance; issues around governance/secretariat function; resources and costs; reporting mechanisms; consultation and engagement; ensuring all public sector partners; need for involvement from probation service, police and community safety; the changing Local Government landscape and implications; importance of robust core set of relevant performance data sets. The

Committee was advised of the importance of embedding a separate partnership scrutiny process that involves its partners.

Marie Rosenthal, Director Governance and Legal Services described the statutory requirements of the Council to establish a Local Service Board; report on performance; establish arrangements for an Overview and Scrutiny Committee to scrutinise decisions or actions taken; scrutinise the Board's governance arrangements; and make reports or recommendations to the Board with respect to the Board's functions or governance arrangements. The Director suggested that this Committee would take on the Overview and Scrutiny role, and that the terms of reference of all five scrutiny committees should be streamlined to reflect the legislative requirements.

The Chairperson thanked officers for the presentation and invited the comments and observations from Members. In the discussions a number of matters were raised, and the Committee concluded that:

- The Council own approach to Local Service Board (LSB) Partnership work was established and was a good starting point in tackling the statutory requirements of the Act.
- The implementation of the Scrutiny Improvement Project would necessitate that the Terms of Reference of all five of its scrutiny committees would address the statutory requirements of this Act.
- The need for greater clarity of roles between national and local scrutiny arrangements for holding to account the statutory Public Service Board.
- It was noted that the role of the Future Generations Commissioner and the role of Scrutiny were not intended to overlap - they would both play a critical friend role. However Committee was keen to receive clear guidance on how the Future Generations Commissioner would interact with local Scrutiny functions.
- The Committee endorsed the importance of making legislation relevant to the citizens as a whole; and agreed that successful decision making embracing greater long term planning, with greater focus on outcomes, helped take the community along with you was a successful outcome;
- The Committee was concerned about the risk of focussing on vehicles to achieve the Act rather than actual outcomes.
- The Committee noted that everything the Council does will need to sit within the framework of the Act; and felt that the Council would need to improve how it communicates its well-being goals, and that a clear set of partnership objectives would be crucial.
- Members are keen to establish whether there will be new Key Performance Indicators to assist them in their monitoring role, and whether these will be in addition to existing KPI's.
- The Committee reiterated the Council's recent consultation response that it embraced the spirit of the Act and the aspiration to put in place mechanisms to hold Public Service Boards to account locally rather than nationally.
- It was felt that there would be resource considerations that would impact on the achievability of the Government's vision. Members were concerned that with the escalation in statutory scrutiny responsibility there is no resource earmarked for the role and responsibility it places upon Scrutiny.
- That Scrutiny as a key stakeholder in all local authorities across Wales should have an opportunity to shape the guidance.

- It was noted that there had been well attended consultation events with Local Service Board stakeholders and that these type of events should be extended to partnership scrutiny.

RESOLVED – That the Chairperson of the Policy Review and Performance Scrutiny Committee write to thank the external witnesses for attending the meeting and facilitating the scrutiny of the Well-being of Future Generations (Wales) Act 2015; and set out the comments made by Members (as attached).

57 : CARDIFF LIVEABLE CITY REPORT

The Chairperson welcomed the following:

- The Leader of the City of Cardiff Council, Councillor Phil Bale;
- Gareth Newell, Head of Cabinet.

The Chairperson introduced the item and advised that the first Cardiff Liveable City Report comparing the Council's performance perspective against a group of ten major UK core cities, not including London, had recently been published. This will be an annual publication of data available for scrutiny reference in its corporate planning overview capacity and for monitoring progress.

The Chairperson invited the Leader to make a statement. The Leader was pleased to present this first Liveable City Report which sets out in one document the key factors that matter to people; its sense of place; the quality of life and sustainability as a city that people wish to live, work and visit, all of which are central to the long-term strategy for Cardiff and for the Capital Region. This is a document which provides understanding on 'City Performance;' will act as an annual measurement; supports the work started at the Cardiff Convention and the National Conversation.

The report helps to align the performance reporting framework; and support the Council to build on its success and become Europe's most liveable capital city – a great place to work and do business; which attracts and retains the best talent; a place where people love to live and a city of opportunity for everyone, regardless of background.

The Head of Cabinet in introducing the report supported the Leader's comments around the vision; development of an improved performance reporting framework to support actions from the Wales Audit Office Improvement Plan; take on board outcomes from the Future Generations (Wales) Act; compares Cardiff with core cities; supports Cardiff Partnerships and the What Matters Strategy; ensuring a sustainable and accessible city available for all.

The Chairperson thanked the Leader and Officers for their contributions and invited Members to explore whether the report complemented the What Matters - 10 year Strategy and the current Corporate Plan; comment on the structure, content and accessibility; and whether the report had was a true reflection on Cardiff's success and adds value.

- Overall the Committee was pleased with the format, accessibility, look and feel of the report, and that it presented a positive light to external stakeholders;
- The Committee however was keen to place on record that the document should not replace other improvement reports;

- Members expressed particular concern that they had not been involved in the development of the document at an earlier stage, rather than after the document had been published. Members wished that if this became an annual document that the Leader consult Members before launching the document.
- Members also felt that stamping out inequality is a central role for the Council and its Councillors, therefore involving Members at an early stage in developing the document would ensure greater reference to inequalities, and better address how we make the City more liveable for the 60,000 poorest citizens, and indeed for older residents;
- The Committee was keen to clarify the validity of the European Commission's Urban Audit award of the title 'UK's most liveable city', as the evidence was not always backed up by the data presented throughout the report benchmarking Cardiff against UK core cities.

RESOLVED – That the Chairperson of the Policy Review and Performance Scrutiny Committee write to the Leader and Head of Cabinet to thank them for attending the meeting and set out the comments made by Members (as attached).

58 : ALTERNATIVE DELIVERY MODEL - INFRASTRUCTURE SERVICES GOVERNANCE OPTIONS

The Chairperson welcomed the following:

- Councillor Bob Derbyshire, Cabinet Member Environment;
- Marie Rosenthal, Director of Governance and Legal Services;
- Tara King, Assistant Director Environment.

The Chairperson explained that Members were invited to focus on the governance proposals presented. The Committee would have an opportunity to consider the Full Business Case in early February jointly with the Environmental Scrutiny Committee. The key objective of this scrutiny was not to consider whether a trading company is the most appropriate vehicle for the Council's Infrastructure services, but to ensure appropriate arrangements are put in place to provide effective governance to preserve and enhance Council services to the citizens of Cardiff.

The Chairperson invited Councillor Derbyshire to make a statement. He explained the process that would be put in place to consider the Full Business Case in the new year; and stated that this was an opportune time for the Committee to look at governance; possible company structure; and representation / make-up of the Board.

Marie Rosenthal, Director of Governance and Legal Services; and Tara King, Assistant Director Environment provided a presentation on governance relating to the Full Business Case for the preferred model of a Wholly Owned company; to be tested alongside a modified in house model; work streams of key activities including procurement; legal and due diligence; statutory guidance on company structure; issues around a Teckal; Articles of Association; Board Membership and the legal support documentation.

It was noted that a report would be sent to Cabinet on the ADM Infrastructure model, contract and Business Plan and that the Committee along with the Environmental Committee would have the opportunity to further scrutinise this matter in February.

The Chairperson thanked Officers for the information and invited Members comments and questions from which the following matters were agreed: -

- The Committee welcomed the opportunity to contribute to the discussion on potential governance arrangements for an arms-length company to deliver essential Council services;
- A joint meeting of the Committee and the Environment Committee to scrutinise the Full Business Case will be arranged for February 2016; and should the Council decide to go ahead the Policy Review & Performance Committee would wish to factor scrutiny of the final contract into its future work programme;
- The Committee noted that the Council has commissioned external legal expertise to support the process and Members endorsed the approach taken by the appointed company, to work with the in house legal team in developing its own internal expertise. We also note that the Council has commissioned external commercial advice to support potential Board Members and budget holders to develop commercial acumen;
- To ensure tight control on the Company, the Committee wished to highlight the importance of adhering both to the Companies Act and the Council's governance requirements. Members felt that it was critical to have appropriate accounting procedures and standing orders in place for the new company.
- The Committee recognised that a Finance Director would be employed by the company and answerable to the Board, but emphasised that there was a need to balance this with Council controls;
- The Committee also wishes to caution against hampering the Company by putting in place too many reserved powers;
- The Committee noted that Member and Officer Board Member roles would be one and the same, and felt there needed to be clarity around the Member-Officer relationship;
- The Committee noted with caution the suggestion that in the longer term the Board might have little Member representation and welcomed the opportunity to offer a view on this matter;
- The Committee recommended that the Council takes external advice as to Member involvement in the Board;
- The Committee endorsed the suggestion that the nominated Member(s) should be non- executive Councillors;
- The Committee endorsed the view that the nominated Member(s) should ideally have business skills and expertise; and therefore recommended that an appropriate competitive process be adopted to ensure the right Member appointment(s);
- The Committee was of the understanding that should the proposals be accepted, the scale of the operation would require a Transition Board to be put in place, and hoped that the Committee would be able to engage with the Transition Board in monitoring the progress of matters that fall within the remit of the Committee, particularly as the Board introduces new arrangements that impact on the finances and staff of the Council.
- The Committee wished to ensure that the new operating arrangements maintain the existing Council ethos of working with SME's. In this respect the Committee would like to have sight of the list of SME's with whom services under consideration for transfer to the new Company are currently working.

RESOLVED – That the Chairperson of the Policy Review and Performance Scrutiny Committee write to the Cabinet Member, Environment and officers to thank them for

attending and contributing to the scrutiny of the Alternative Delivery Model – Infrastructure governance arrangements scrutiny and drawing attention to comments and recommendations made by the Committee (as attached).

59 : CORRESPONDENCE UPDATE

The Committee noted the content of the report and appendices.

60 : BUDGET SCRUTINY 2016/17

RESOLVED – That the Policy Review & Performance Scrutiny Budget Committee Meeting be re-arranged from Tuesday 9 February 2016 to: - Wednesday 17 February 2016 time to be agreed.

61 : COMMITTEE BUSINESS

(a) Information Governance Task Group

The Committee was reminded that this Task Group was set up to examine the Council's approach to information governance with particular reference to ensuring that information management positively supports improvement; Data security; and information sharing and the open data agenda.

RESOLVED – That the Principal Scrutiny Officer email the Committee to seek re-nominations for this Task Group.

(b) Community Infrastructure Levy Task and Finish Group

Members were reminded that the second meeting of the Task Group will take place on Monday 14th December 4pm in the Courtyard Meeting room, County Hall.

(c) Next Meeting – 12 January 2016

Agenda items for this meeting could include:

- Scrutiny of Cardiff Partnership Board/ What Matters refresh
- Wales Audit Office Corporate Assessment Review
- Commercialism Strategic Framework
- Office Accommodation
- Draft of the Corporate Plan.

62 : DATE OF NEXT MEETING - 12 JANUARY 2016 AT 4.30PM IN COMMITTEE ROOM 4