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## AGENDA

<b>Committee</b>	POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE
<b>Date and Time of Meeting</b>	TUESDAY, 1 DECEMBER 2015, 4.30 PM
<b>Venue</b>	COMMITTEE ROOM 4 - COUNTY HALL
<b>Membership</b>	Councillor Howells (Chair) Councillors Goodway, Hunt, McKerlich, Murphy, Sanders, Thomas and Sanders, White and Wild.

### 1 **Apologies for Absence**

To receive apologies for absence.

### 2 **Declarations of Interest**

To be made at the start of the agenda item in question, in accordance with the Members' Code of Conduct.

### 3 **Minutes** (*Pages 1 - 6*)

To approve as a correct record the minutes of the meeting on 3 November 2015.

### 4 **Well-being of Future Generations (Wales) Bill - scrutiny implications** (*Pages 7 - 52*)

- a. In attendance to present national, independent, Council and Scrutiny context respectively; and to answer Members questions:

Claire Germain, Welsh Government, Local Government Transformation and Partnerships;  
Rita Singh, Director of Policy, Cynnal Cymru | Sustain Wales;  
Rachel Jones, Policy, Partnerships and Citizen Focus Manager;  
Paul Keeping, Scrutiny Manager.

- b. Questions by Members of the Committee

**5 Cardiff Liveable City Report**

- a. Councillor Phil Bale will be in attendance and may wish to make a statement;
- b. Gareth Newell, Head of Cabinet Office, will introduce the report and be available to answer Members questions;
- c. Questions by Members of the Committee.

**6 ADM Governance - Infrastructure Services Governance Options (Pages 53 - 124)**

- a. Councillor Bob Derbyshire, Cabinet Member Environment, will be in attendance and may wish to make a statement;
- b. Marie Rosenthal, Director of Governance and Legal Services; and Tara King; Assistant Director, Environment will be available to answer Member questions.
- c. Questions by Members of the Committee.

**7 Way Forward**

**8 Committee Business (Pages 125 - 174)**

- a. Correspondence Update
- b. Budget Scrutiny 2016/17

**9 Date of next meeting**

The date of the next meeting of the Policy Review and Performance Committee is Tuesday 12 January 2016 at 4.30 pm

**Marie Rosenthal**

**Director Governance and Legal Services**

Date: Wednesday, 25 November 2015

Contact: Mandy Farnham, 029 2087 2434, Mandy.Farnham@cardiff.gov.uk

***This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg***

## POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

3 NOVEMBER 2015

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

## 45 : APOLOGIES FOR ABSENCE

Councillors Sanders and Huw Thomas

## 46 : 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.

## 47 : MINUTES

The Committee AGREED that the minutes of the 8 September 2015 and 6 October 2015 by approved as a correct record.

48 : REVIEW OF THE NON OPERATIONAL INVESTMENT PROPERTY  
ESTATE

The Chairperson welcomed the following to the meeting:

- Councillor Phil Bale, Leader of the Council
- Neil Hanratty, Director of Economic Development
- Helen Jones, Corporate Property and Estates Manager
- Steve Watkins, Strategic Estates
- Paul Tarling, Jones, Lang, Lasalle

The Chairperson advised Members that they had an opportunity to consider the Council's proposed strategy for managing its Non-Operational Property portfolio and to offer our observations prior to consideration by the Cabinet. Members may recall there was a longstanding interest in the management of the Council's estate, receiving a presentation of the JLL review in January 2015. The Council's draft proposals had now been developed and this was an opportunity to offer comments to help shape the proposed strategy.

The Chairperson invited Councillor Bale to make a statement.

Councillor Bale explained it was essential for the Council to invest in the estate, subsequent to the recommendations provided by the Wales Audit Office. The Asset Management Programme was developing along with establishment of new governance arrangements to deal with the efficient management of the Investment Estate. Key findings were provided by JLL highlighting the Council's failure to reinvest in some areas of its estate. The Corporate Assessment outlined the need for change in this area following sale of assets with little or no return. The Change in direction would ensure the Council receive a good rate of return and a robust set of arrangements was being developed to support this.

The Committee received a presentation which outlined the following:

- Council's mixture of assets
- Proposed Approach
- Initial actions by Strategic Estates.

The Chairperson thanked officers for the presentation and invited the Committee to ask questions.

Members of the Committee were concerned the Council was seen to be selling its assets off at a lower price than expected and asked what investment was taking place to achieve capital gain.

The Committee was advised that properties that generated very little income were highlighted for sale as a result of their low performance. This included rationalising the estate by selling low yielding management investment properties and to reinvest the capital by acquiring better yielding assets. The maintenance of these properties was over £2M and focus was being directed towards generating a better return.

The Committee was provided with information on the dynamics between the capital and revenue. It was essential to identify and dispose of poor performing assets in term of yield; re-gearing of some existing arrangements and investment in properties that had the potential to generate further income along with purchase of properties that would deliver a better yield.

Some of the key principles was to ensure that monies were ring fenced from the disposal of assets to be reinvested in the estate. The properties list would be further refined and therefore easier to manage and move forward to create further rewarding investment. The Investment Portfolio was designed to generate income, including identifying capital to create additional revenue.

The Committee discussed the potential properties highlighted for sale and noted that sale of car parks to private run companies had created income for the Council. The market was being carefully monitored to identify a range of potential investment opportunities and all capital receipts would be marked to reinvest in projects that generated income.

The Committee was assured the new Investment Board had a recognised framework supporting disposal and investment. Decisions would be reported quarterly to Asset Management Board and subsequently Cabinet.

The Investment Board would undertake an Annual Review addressing performance over a year. Community Assets will now be managed as part of the operational estate and subject to the same level of member engagement as operational assets.

Members were provided with information on current process to deal with items close to being disposed of. Freeholders were provided with information on the specifics of the sale and the Council would establish possible monies to be realised.

The Committee made reference to the dynamics of the city centre and were slightly concerned with the number of buildings being developed for student accommodation. The quality of design was crucial in this matter along with the wellbeing of the city

and it was important to recognise the character and heritage of the city centre when developing future sites.

Members highlighted the need for additional hotels in the city and asked if unused buildings take on the roll for the much needed hotel space. In response Officers acknowledged this need but advised the process was costly.

The Members discussed the issues of older pubs being converted into shops and flats in community areas. The Committee was also concerned with the future of Celsa Steel and what the Council were doing to support this. In response the Committee was assured the Council were in contact with Celsa Steel.

The Committee welcomed the fact that the Council had signed up to the Charter for Sustainable Steel.

Members were provided with timelines for developing these processes including the establishment of the Investment Board. The process was ongoing and it was hoped to make the overall programme more transparent by developing the Asset Management Plan.

RESOLVED: The Committee AGREED that the Chairperson writes on behalf of the Committee to the Cabinet Member to convey their comments and observations (see attached)

#### 49 : REVIEW OF DISCIPLINARY POLICY, INCLUDING GRIEVANCE, BULLYING & HARASSMENT

The Chairperson welcomed the following:

- Councillor Graham Hinchey, Cabinet Member for Corporate Services and Performance
- Lynne David, Operational Manager, Centre of Expertise
- Chris Synan, Operational Manager

The Chairperson advised Members that they had an opportunity to consider proposed changes to the Disciplinary Policy and new comprehensive guidance notes and a new Resolution Policy (formerly Grievance and Bullying and Harassment policies) and contribute to pre-decision policy development, prior to Cabinet's consideration of the proposed recommended changes. CS had undertaken a review of 260 disciplinary investigations over an eighteen month period had resulted in a Report in March 2015 with recommendations for change. It was these recommendations which were the basis for proposed changes.

The Chairperson invited Councillor Hinchey to make a statement.

Councillor Hinchey explained that one of the Council's key objectives was to reduce the sickness absence rates and it was hoped the new Policy would contribute to this. This was a much more streamlined Policy and more user friendly for both managers and employees. The Policy included new Guidance information for all

roles involved in any aspects of the Disciplinary process. This new draft was designed to empower managers to support and assist their staff in a more sensitive way, and encourage engagement in the workplace. This was the initial draft and a consultation process was currently underway, involving Directorates, Trade Unions and Equality Network representatives. .

The Committee were provided with a presentation which outlined the following:

- Study of Workplace Investigations
- Key Principles for Future Workplace Investigations
- Key Policy Changes
- New Resolution Policy
- Policy Consultation programme
- Way forward.

The Chairperson thanked Officers for the information and invited Members to ask questions.

The Committee was pleased with the fact that the new Policy dealt with both minor and major incidents appropriately and proportionally. An incident termed “minor misconduct r” could be dealt with under a new Fast Track process which would be introduced which would mean that such matters could be dealt with more quickly and efficiently .. The more serious matters, termed” gross misconduct” would not be eligible for this process but would be dealt with in a more streamlined way. Members were provided with information on how incidents would be dealt with. An initial assessment into an allegation would take place before making decisions on how best to proceed. Support would be provided to managers on the process and this included input from Occupational Health, where required.

The Committee was provided with information on the new Employee Assistance Programme being introduced this month. Through the National Procurement Framework, CareFirst would be providing 24/7 telephone counselling and support in addition to access to advice services. It was reiterated that this would not replace the current in-house employee counselling service but would enhance the provision, providing an out of hours telephone advice service plus a one-stop-shop approach to information services available.

The Committee was concerned with the number of suspensions and time taken to resolve a number of disciplinary and grievance matters and asked if trends had been recorded to monitor these figures. In response Officers explained that the changes being proposed were designed to streamline the process and hopefully create a resolution culture of problem solving rather than defaulting to the traditional grievance/complaint approach. The new Resolution policy included reference to an expanded mediation service which would assist in some circumstances to find an agreed way forward. It was also noted that a number of the investigations taking place did not result in disciplinary sanctions and that the time taken to complete the process in these circumstances should be improved.

Members of the Committee were of the view that managers required training in this area not simply guidance and suggested that compulsory training sessions on the Policy be developed.

The Committee noted that the majority of decisions were put to the Chief Executive for confirmation, causing potential further delays in the procedure. As a result of this, it was proposed that the policy be amended to give Operational Managers the power to initiate and deal with the disciplinary process. In depth investigation on how disciplinary cases resulted in suspension had taken place and a recommendation was provided on the reporting mechanism of the process. The provision of additional management information to establish compliance with the new procedures from 1 April 2016 would be important as this would help reinforce accountability and responsibilities. Such matters should also be a standing item on every Directorate and Senior Management Team agenda.

The Committee was assured that managers were not acting on these processes in isolation and support was provided by HR. PPDR's would also contribute towards the change in approach and culture along with the Council's proposed Health & Wellbeing Strategy.

Members of the Committee were concerned at the number of employees subject to the current disciplinary process and confirmed that the:

- Number of disciplinary proceedings was too high.
- Number of grievances was higher
- Length of time taken for resolution ( in one extreme example of 194 weeks) was not acceptable.

The overall process was not satisfactory and further attention was required in order to reduce the current figures. Positive targets should be set, along with the streamlining of paperwork and processes.

The Committee was assured that the new Policy would support and reduce the number of current disciplinary cases in the system. The new Employee Assistance Programme would also contribute to the improvements in sickness absence levels as there was often correlation between investigatory processes and sickness absence. Once the new Policy was agreed and implemented a robust monitoring process would commence to observe the impact it would have on such matters. .

Members of the Committee were advised that the Council did have the staffing expertise to support this Policy and Directors would be involved when the case reached a certain level.

The Committee asked that the Policy be adhered to in schools.

RESOLVED: The Committee AGREED that the Chairperson writes on behalf of the Committee to the Cabinet Member to convey their comments and observations (see attached)

50 : CORRESPONDENCE UPDATE

The Committee noted the content of the report and appendices.

51 : DATE OF NEXT MEETING

Tuesday 1 December 2015.

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**CITY AND COUNTY OF CARDIFF  
DINAS A SIR CAERDYDD**

**POLICY REVIEW & PERFORMANCE  
SCRUTINY COMMITTEE**

**1 December 2015**

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**Well-being of Future Generations (Wales) Act: Implications for Cardiff**

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**Reason for the Report**

1. To assist the Committee's understanding of the Well-being of Future Generations (Wales) Act in terms of:
  - a. the national policy context for which the Council will need to strategically prepare;
  - b. the Council's current partnership delivery arrangements;
  - c. the Committee's role and purpose in the scrutiny of partnership arrangements; and
  - d. the implications within the Act for Scrutiny.

**Background**

2. The Well-being of Future Generations (Wales) Act (WFG) received Royal assent on 29 April 2015. It is anticipated that all public bodies will be subject to the duties under the Act from April 2016.
3. The purpose of the WFG Act is to ensure that the governance arrangements in public bodies for improving the well-being of Wales take into account the needs of future generations. The aim is for public bodies to improve the economic, social and environmental well-being of Wales in accordance with the detailed sustainable development principles and well-being goals that are prescribed by the Act.

4. Under the new legislation, public bodies have a duty to “pursue a common aim” to improve the economic, social and environmental well-being of Wales. The Act requires public bodies to apply sustainable development principles and take into account:
  - a. the importance of balancing short term needs with the ability to meet long term needs;
  - b. the benefits of a more integrated approach;
  - c. the importance of involving those with an interest in the objectives;
  - d. seeking views and taking them into account
  - e. collaborative working to meet objectives; and
  - f. the use of preventative measures to contribute towards meeting objectives.

### **The Cardiff Partnership Board**

5. This Committee has responsibility for scrutinising the work of the Cardiff Partnership Board (CPB). The CPB is the successor to the Cardiff Local Service Board (LSB), set up in 2007 as part of a Welsh Assembly Government initiative to establish pilots in six areas across Wales, prior to LSBs being set up in every Welsh local authority area. The CPB consists of South Wales Police, South Wales Fire & Rescue Service, The City of Cardiff Council, Cardiff Third Sector Council, Cardiff and Vale University Health Board and the Wales Probation Trust, with further organisations contributing as appropriate. The CPB strengthens local public service management to tackle challenges from a citizen perspective. To achieve this, the Board are responsible for overseeing the performance of city-wide programmes and work streams to address major issues in Cardiff.

### **Scope of the Scrutiny**

6. To facilitate this scrutiny and ensure a broad and balanced picture, the Committee will hear from a representative of the Local Government Transformation and Partnership Team of Welsh Government, Claire Germain; an independent representative from the

office of the Sustainable Commissioner, Cynnal Cymru, Rita Singh; the Council's Partnership Manager, Rachel Jones and Scrutiny Manager, Paul Keeping. The Partnership Manager and Scrutiny Manager roles will be central to delivering the Council's responsibilities under the new statutory requirements required by the WFG.

7. The witness panel will assist Members to form a good understanding of the national policy context for partnership working, and the practical challenge of delivering the vision locally, prior to Committee's scrutiny of the work of the Cardiff Partnership Board and the *What Matters* Report on 12 January 2016.

### **Supporting Information**

8. The report attached at **Appendix 1** provides Members with an overview of the Well-being and Future Generations (Wales) Act 2015 with specific focus on the role of the Public Service Boards (PSBs), the requirement for local authorities to designate a local government scrutiny committee to scrutinise the work of the PSB, and the Act's provisions regarding resourcing the scrutiny of Public Service Boards.
9. Also attached, at **Appendix 2**, is an 'Essentials' guide to the WFG Act, published by the Welsh Government as an accessible quick reference to the full version of the Act, which is available by following this link:  
[http://www.legislation.gov.uk/anaw/2015/2/pdfs/anaw\\_20150002\\_en.pdf](http://www.legislation.gov.uk/anaw/2015/2/pdfs/anaw_20150002_en.pdf).
10. The consultation on the Statutory Guidance for the WFG Act 2015 closed on 16 November 2015. If Members wish to familiarise themselves with this consultation, the document can be accessed by following this link:  
<http://gov.wales/docs/desh/consultation/150907-spsf-3.0-collective-role-public-services-boards-en.pdf>.
11. For ease of reference, attached at **Appendix 3** is the key chapter within the consultation for the purposes of this scrutiny: **Chapter 6 – Local Accountability**. The Council's response to the consultation can be found at **Appendix 4**.

12. Finally, at **Appendix 5** Members will find a visual explanation of how the new statutory requirements of the WFG Act might integrate with the Council's existing strategic planning publications.

### **Legal Implications**

13. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

### **Financial Implications**

14. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

## **RECOMMENDATIONS**

15. The Committee is recommended to:

- I. Note the contents and the requirement of the Act in relation to the discharge of its local accountability role, and the establishment and the function of the Public Service Board;
- II. Consider the information presented in this report and at this meeting; and
- III. Decide whether it wishes to make any comments or recommendations to the Cabinet as it prepares to deliver corporate planning that improves the economic, social and environmental well-being of Wales in accordance with the detailed sustainable development principles.

**MARIE ROSENTHAL**  
**Director Governance & Legal Services**  
**25 November 2015**

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## **POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

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### **BRIEFING PAPER: The Role of Local Service Boards and Overview and Scrutiny Committees under the Well-being of Future Generations (Wales) Act 2015**

**November 2015**

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#### **1 Purpose of the Paper**

To provide Committee Members with an overview the Well-being and Future Generations (Wales) Act 2015 (WFG) with specific focus on the role of the Public Service Boards (PSBs); the requirement for local authorities to designate a local government scrutiny committee to scrutinise the work of the PSB; the Act's provisions regarding the resourcing of the scrutiny of Public Services Boards with reference to available information on the Welsh Government's estimated costings of the scrutiny of PSBs and the limitations thereof.

#### **2. Background and Requirements of the Well-being of Future Generations (Wales) Act 2015**

2.1 The purpose of the Well-being of Future Generations Act is to ensure that the governance arrangements in public bodies for improving the well-being of Wales take into account the needs of future generations. The aim is for public bodies to improve the economic, social and environmental well-being of Wales in accordance with the detailed sustainable development principles and well-being goals that are prescribed by the Act. (Section 2, para 4, &5)

2.2 The Act received Royal assent on 29 April 2015. It is anticipated that all public bodies will be subject to the duties under the Well-being of Future Generations (Wales) Act from April 2016.

2.3. Under the new legislation, public bodies have a duty to “pursue a common aim” to improve the economic, social and environmental well-being of Wales. The Act requires public bodies to apply sustainable development principles and take into account:

- the importance of balancing short-term needs with the ability to meet long term needs;
- the benefits of a more integrated approach;
- the importance of involving those with an interest in the objectives;
- seeking views and taking them into account;
- collaborative working to meet objectives, and
- the use of preventative measures to contribute toward meeting objectives. (Section 3 &5)

2.4 The public bodies relevant to the Act are the following:

Welsh Ministers;  
Local Authorities;  
Local Health Boards;  
NHS Trust including Public Health Wales and Velindre Trust;  
National Park Authorities (in Wales);  
Welsh Fire and Rescue Authorities;  
Natural Resources Wales;  
Higher Education Funding;  
Arts Council of Wales;  
Sports Council of Wales;  
National Library of Wales;  
National Museum of Wales.

2.5 The Act requires “each public body” to publish annual reports of the progress it has made in meeting its well-being objectives”. (Section 13, Annual reports by other public bodies)

### 3 Future Generations Commissioner

3.1 The Act provides for the appointment of a Future Generations Commissioner for Wales with the duty to “promote the sustainable development principles and act as a *guardian of the ability of future generations to meet their needs*” and “to monitor and assess the extent to which well-being objectives set by public bodies are met”. (Section 17 Future Generations Commissioner for Wales and Section 18 Commissioner’s general duty)

### 4 Public Services Boards

4.1 The Act recognises that each public body has a role to play in improving well-being and sharing responsibility for contributing to well-being goals in accordance to sustainable development principles. (Section 5 para 26 Explanatory notes). Furthermore, it prescribes for public bodies to take into account collaborative working to assist in the achievement of their well-being objectives (Section 5 paragraph 2d). Adopting a collaborative approach recognises the different roles that each body plays in tackling challenges, preventing conflicting actions and contributing to the achievement of well-being goals. (Section 7.3. Explanatory memorandum, Collaboration paragraph 135-136)

4.2 The Act’s provision for the creation of Public Services Boards and the formulation of local well-being plans are to give maximum effect to collaboration at the local level. (Explanatory Memorandum Section 7.3. Collaboration, paragraph 136 p28)

4.3 The Act prescribes the establishment of a Public Services Board (PSB) for each local authority area in Wales” which has a duty to “*improve the economic, social, environmental and cultural well-being of its area by*

*contributing to the achievement of the well-being goals*". These boards are statutory and will replace the local partnership boards. (Section 29 Public services boards and Section 36 Well-being duty on public services boards)

4.4 The core members of each Public Services Board (PSB) will include:

(Section 29 Public Service Boards)

- the Local Authority;
- the Local Health Board;
- the Welsh Fire and Rescue Authority; and
- Natural Resources Wales.

4.5 The Act also states that the local authority must make administrative support available to the Public Services Board. (Part 5 Public Services Boards schedule 3 paragraphs 5.)

4.6 The Local Authority represented in this Board will also be responsible for convening the Public Services Board and facilitating its work by undertaking secretariat, publishing plans and reports on their website etc. (Explanatory Memorandum Para 191, p38)

4.7 Apart from the core membership of the board, the Act also sets out who must be invited as participants and partners and who the Board can seek advice from or involve as appropriate. (Section 30 Invitations to participate).

4.8 The PSB "*must invite the following to participate in the activity of the board*": Welsh Ministers; the Chief Constable of the Police Force; the Police and Crime Commissioner; and at least one body representing relevant voluntary organisations.

4.9 The PSB may also invite any other person who exercises functions of a public nature to participate in the activity of the Board. (Section 30 Invitations to participate & Section 32 Other partners). Other partners who the PSB must "*seek advice from*" or "*involve as considered appropriate*" would include: a Community Council; Public Health Wales NHS trust; Community Health

Council; National Park Authority; Higher Education Funding Council for Wales; Arts Council of Wales; the Sports Council for Wales; the National Library of Wales; the National Museum of Wales. (Section 32 Other partners)

4.10 The Act also allows for two or more public services boards to merge if they consider it would assist them in contributing to the achievement of the well-being goals. (Section 47 para 1)

4.11 Furthermore, two or more public services boards may collaborate if they consider it would assist them in contributing to the achievement of the well-being goals. (Section 48 para 1). The Act provides for the conditions and purposes on when PSB can merge or work collaboratively. (Section 47 & 48)

## **5 Assessment of Local Well-being**

5.1 The Public Services Board is required to “prepare and publish an assessment of the state of economic, social, environmental and cultural well-being in its area”. (Section 37 Assessment of local well-being)

5.2 The PSB is also required to consult on the assessment with a range of bodies including : the Commissioner; the Board’s invited participants; its other partners; the local authority’s overview and scrutiny committee; relevant voluntary organisations; resident representatives; business representatives; trade unions representatives; any other persons who, in the opinion of the board, are interested in the improvement of the area’s economic, social, environmental and cultural well-being (Section 38 Preparations of Assessments ) and must be published no later than one year before the PSB well-being plan is published.

5.3 The above provision prescribes that the designated Local Authority Overview and Scrutiny Committee is a statutory consultee of the draft assessment of well-being. (para 398, p90 Explanatory memorandum)

5.4 A copy of the assessment will need to be sent to: the Welsh Ministers; Future Generations Commissioner; the Auditor General for Wales and the local authority's overview and scrutiny committee. (Section 37 Assessments of local well-being)

## 6 Local Well-being Plans

6.1 The PSB is required to prepare and publish a “local well-being plan” which sets out the local well-being objectives and the steps it proposes to take to meet them. The publication of the local well-being plan must tie in with the local government election cycle, no later than one year after the date of the next ordinary election. (Section 39 Local well-being plans)

6.2 Prior to the publication of the local well-being plan, the PSB must provide a draft copy for consultation to the Commissioner; its invited participants and its other partners; the local authority's overview and scrutiny committee; relevant voluntary organisations, resident and business representatives; trade unions representatives etc. as identified in the Act for a period of no less than 12 weeks (Section 39 Local well-being plans).

6.3 It is required that the PSB must send a copy of its plan to the Welsh Ministers; the Commissioner; the Auditor General for Wales; the local authority's overview and scrutiny committee send a copy of its approved local well-being plan. (Section 39 Local well-being plans)

## 7 Review of Local Well-being Plan

7.1 The Act provides that the PSB may review and revise its local objectives and review and amend its local well-being plan. However, if directed by Ministers, the PSB would be required to review its objectives and local well-

being plan and may amend its plan in consequence of such a review. (Section 44 Review of local well-being plans)

7.2 The PSB is required to send a copy of the amended plan to: the Welsh Ministers; the Commissioner; the Auditor General for Wales; the local authority's overview and scrutiny committee. (Section 44 Review of local well-being plans)

### **8 Annual Progress Report**

8.1 The PSB is required to prepare and publish an annual progress report that must be sent to the Welsh Ministers; the Commissioner; the Auditor General for Wales; and the local authority's overview and scrutiny committee. (Section 45 Annual progress reports)

### **9 Ministerial Powers**

9.1 The Act requires that Welsh Ministers must establish a set of "*national indicators*" and "*milestones*" which will be used for measuring progress towards the achievement of the well-being goals, and "*specify the periods of time to which the measurement of each indicator relates*". (Section 10, National indicators and annual well-being report)

9.2 It is also prescribed that Welsh Ministers "*must publish a report (an "annual well-being report") on the progress made towards the achievement of the well-being goals by reference to the national indicators and milestones*". (Section 10, National indicators and annual well-being report)

9.3 It is expected that PSBs will generally establish their own performance management system. Where a PSB's progress in establishing their own performance management systems is deemed poor or inconsistent, Welsh

Ministers have the power to set performance measures (indicators and standards) so that the local authority overview and scrutiny committee can function more effectively as an improvement mechanism. (Explanatory Memorandum para 223 p.43)

9.4 The Welsh Ministers will not approve well-being plans. Well-being plans of the Public Services Board are locally owned and subject to local scrutiny. Welsh Ministers, however, will have a power to refer a plan to the relevant local government scrutiny committee if it is not considered sufficient; for example, due to an adverse report by the Future Generations Commissioner. (Explanatory Memorandum para 226 p.44)

9.5 The Welsh Ministers may direct two or more public services boards to merge if the Welsh Ministers consider it would assist the Boards in contributing to the achievement of the well-being goals. (Merging of Public Services Boards section 47 paragraph 2)

9.6. The Welsh Ministers may also direct two or more public services boards to collaborate in whatever way the Welsh Ministers consider would assist the boards in contributing to the achievement of the well-being goals. (Collaboration between public services boards Section 48)

## **10 Role of Overview and Scrutiny Committee**

10.1 A designated overview and scrutiny committee of a local authority will have a key role in assuring democratic accountability of the Public Services Board via its prescribed role as outlined in the Act.

10.2 The Act prescribes that a local authority must designate an overview and scrutiny committee who will have the powers to: (Section 35 para 1-4)

- review or scrutinise decisions made, or other action taken, by the PSB including the draft well-being plan and annual report;

- review or scrutinise the PSB's governance arrangements;
- make reports or recommendations to the PSB with respect to the board's functions or governance arrangements;
- consider such matters relating to the board as referred by Welsh Ministers and report to the Welsh Ministers accordingly;
- carry out such other functions in relation to the board as are imposed on it by the Act; and
- require the PSB or its individual members to attend a meeting of the committee and provide it with explanations of such matters as it may specify.

10.3 The Act also requires that the overview and scrutiny committee must send a copy of any report or recommendations to: the Welsh Ministers; the Commissioner; and the Auditor General for Wales. (Section 35 Overview and scrutiny committee of local authority)

10.4 Where a local authority has more than one overview and scrutiny committee, the local authority must designate a committee for the purposes outlined above. It is recognised that it is legitimate for another scrutiny committee to scrutinise the work of PSBs on subjects that are relevant to its specific terms of reference. It is important, however, that a designated scrutiny committee takes an overview of the overall effectiveness of the Public Services Board. (Explanatory memorandum Section 9.5. Accountability para 22, p44.)

## **11 Basic assumptions made in costing scrutiny of partnership arrangements**

11.1 The Explanatory Memorandum for the Well Being and Future Generations (Wales) Bill published in July 2014 provides an estimate of the annual cost per local authority or area in relation to the scrutiny of the Public Services Board. The assumptions that were used in deriving these values as

well as the key elements that have been included in the costing are presented below.

11.2 The values presented were based on a number of assumptions that are outlined in this document. The elements that were considered in arriving at the estimated values were mainly based on data and figures from the previous experiences in Wales of scrutinising the Local Service Boards (LSB). (Explanatory Memorandum Policy Intention 4, paragraph 485-487 p. 115).

11.3 The costings recognised that various formats or arrangements had been adopted by local authorities in Wales for scrutinising the LSB (for instance by a single existing overview scrutiny committee, by different overview and scrutiny committees within an authority, or via a specific LSB Scrutiny Committee). This informed the assumptions made on the frequency and number of hours that were involved in the scrutiny process.

11.4 The estimated costing assumed that a total of eight hours in a year was spent scrutinising the LSB by a scrutiny committee comprising of eight elected Members, one of whom is a scrutiny committee chair. It is also assumed that one day of preparation is required for each hour of scrutiny.

11.5 The estimates provided a cost for the role of a scrutiny officer, assisted by an analyst, to support the scrutiny of the LSB. These costs are separate from the costings of supporting the LSB via dedicated LSB Support Officer. (para 487 and Table 33 Estimated costs of LSB per annum p115-116)

11.6 With the introduction of Well-being and Future Generations legislation, it is also assumed that the resources that were previously available for the LSB will continue to be available to Public Service Boards. It is, however, recognised that additional costs will be incurred with the creation of Public Service Boards as there is a specification for scrutiny to be undertaken by a designated local authority scrutiny committee.

11.7 The Act also prescribes for greater role for scrutiny in holding the PSB to account as outlined above. This specifically relates to the following roles of scrutiny:

- as a statutory consultee on the draft assessment of the well-being plan;
- the requirement to consider the draft well-being plan and reviews of the plan;
- to receive copies of the PSB annual report and to respond to referrals made by the Welsh Minister;
- and in producing its report and recommendations to Welsh Minister and to Wales Audit Office.

11.8 The Explanatory Memorandum document proposes that estimated costs for the scrutiny of the PSB will be double that previously invested in the scrutiny of the LSB, due to the anticipated increased responsibility and scope of the PSB scrutiny.

## 12 Estimated annual cost of scrutiny of the PSB

12.1 The table below summarises the estimated annual cost of PSB Scrutiny, reflecting values that are double the figures of the estimated cost of scrutiny of the LSB.

Table 1: Estimated annual costs of PSB scrutiny

Organisation	Official	Commitment	Annual Salary	Total Cost (£)
Local authority	Scrutiny Officer	16 days	51,900	3,800
Local authority	Analyst	16 days	51,900	3,800
Local authority	Scrutiny Committee Chair	2 days	22,000	200

Local authority	7 Elected Members	14 days	13,300	1,200
Total				9,000

(Source: Explanatory Memorandum, Estimated Cost of Scrutiny Table 41, p122)

12.2 The above figures assume that a total of 16 hours Committee time will be invested annually in scrutinising the work of the PSBs and also assumes that the scrutiny officer and the analyst will both spend one day preparing for each hour of scrutiny.

### **13 WFG Act: Existing provisions for resourcing scrutiny**

13.1 The Act prescribes in Section 35 para 1 that the executive arrangements of a local authority must ensure that there is a designated overview and scrutiny committee who will have the powers to scrutinise the work of the PSB. However there is no other provision within the Act that specifies how resources should be allocated to support the scrutiny of the PSB. The information that is provided above was taken from Chapter 7 (the assumptions that were made on cost and benefits of the policy option section of the Explanatory Memorandum released in 2014).

13.2 The Act also does not refer to how the scrutiny function will be resourced given the additional scope of its work and responsibilities. The Explanatory Memorandum, however, makes the assumption that each local authority already has existing arrangements for the Scrutiny of the LSB and these resources can be harnessed to support the scrutiny of the PSB.

13.3 Cardiff Council was identified as unique in previously having a dedicated multi-agency LSB Scrutiny Panel, which is no longer resourced. The overview role for scrutinising the PSB has been designated to this Committee in addition to its existing work load and terms of reference. The Council will need

to further consider these responsibilities in the context of the shrinking resources available to support scrutiny to enable it to effectively deliver its roles as prescribed by the Act.

13.4 The Act does not prescribe the format and membership of the scrutiny committee who will be designated to scrutinise the PSB. The previous LSB scrutiny arrangements in Cardiff Council wherein a specific LSB Scrutiny Panel was created comprising elected Members and co-opted members was cited by the document as unique. The costing for this type of arrangement to scrutinise the PSB has not been considered or estimated.

**Paul Keeping**  
**Operational Manager (Scrutiny Services)**  
**November 2015**

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# Well-being of Future Generations (Wales) Act 2015



Llywodraeth Cymru  
Welsh Government

[www.gov.wales](http://www.gov.wales)

## The Essentials

### Appendix 2



Advise, Encourage & Promote



Advisory Panel



Annual Report



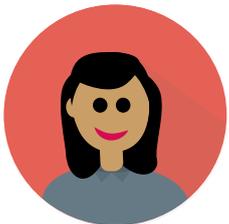
Auditor General for Wales



Carry out Reviews



Collaboration



Future Generations Commissioner for Wales



Future Generations Report



Future Trends Report



Integration



Involvement



Long Term



Make Recommendations



National indicators & Milestones



Prevention



Public Services Boards



Research



Responding to the Future Generation Commissioner



Sustainable Development



Sustainable Development Principle



Transparency



Well-being Duty



Well-being Goals



Well-being Statement

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This document is prepared by the Department for Natural Resources of the Welsh Government to assist the reader of the Act and does not form part of the Act nor is statutory guidance in respect of the Act.

This document is issued by the Welsh Government as a helpful communication tool and readers should obtain their own legal advice in respect of the Act and the provisions therein.

# Well being of Future Generations (Wales) Act 2015

## What is it?

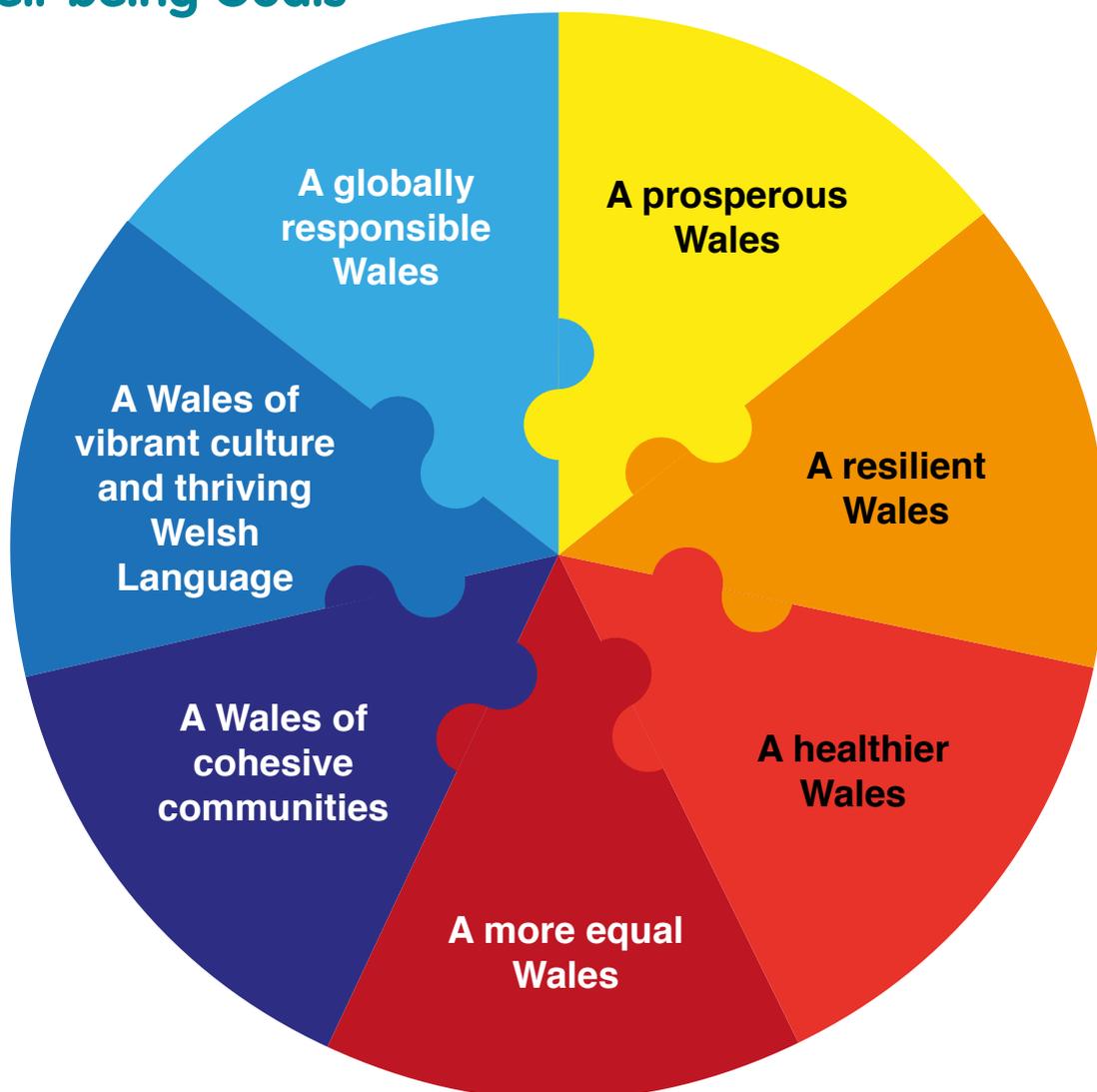
The Well-being of Future Generations (Wales) Act is about improving the social, economic, environmental and cultural well-being of Wales.

It will make the public bodies listed in the Act think more about the long-term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach.

This will help us to create a Wales that we all want to live in, now and in the future.

To make sure we are all working towards the same vision, the Act puts in place seven well-being goals.

## Well-being Goals



## Why do we need this law?

Wales faces a number of challenges now and in the future, such as climate change, poverty, health inequalities and jobs and growth. To tackle these we need to work together. To give our children and grandchildren a good quality of life we need to think about how the decisions we make now will impact them. This law will make sure that our public sector does this.

## Which public bodies does the Act include?

- Welsh Ministers.
- Local Authorities.
- Local Health Boards.
- Public Health Wales NHS Trust.
- Velindre NHS Trust.
- National Park Authorities.
- Fire and Rescue Authorities.
- Natural Resources Wales.
- The Higher Education Funding Council for Wales.
- The Arts Council of Wales.
- Sports Council of Wales.
- National Library of Wales.
- National Museum of Wales.

# How does it work?



## Sustainable Development

Sustainable development is about improving the way that we can achieve our economic, social, environmental and cultural well-being. The Act starts by giving a definition of what we mean by sustainable development.

**In this Act “sustainable development” means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the well-being goals.**

*Part 2 ‘improving well-being’ section 2 ‘sustainable development’.*

For Wales to be sustainable it is important that we improve all four aspects of our well-being. Each is as important as the other.



## Well-being Duty

The Act places a duty that the public bodies will be expected to carry out. A duty means they have to do this by law. The well-being duty states:

**Each public body must carry out sustainable development.**

**The action a public body takes in carrying out sustainable development must include:**

- a. setting and publishing objectives (“well-being objectives”) that are designed to maximise its contribution to achieving each of the well-being goals, and**
- b. taking all reasonable steps (in exercising its functions) to meet those objectives.**

*Part 2 ‘Improving Well-being’ section 3 ‘well-being duty on public bodies’ paragraphs (1) and (2).*

This means that each public body listed in the Act must work to improve the economic, social, environmental and cultural well-being of Wales. To do this they must set and publish well-being objectives.

These objectives will show how each public body will work to achieve the vision for Wales set out in the well-being goals. Public bodies must then take action to make sure they meet the objectives they set.

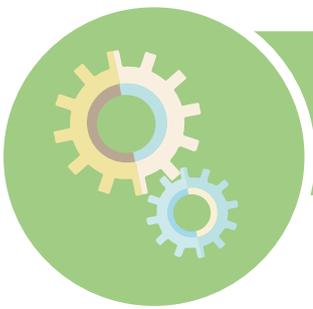


# Well-being Goals

The seven well-being goals ('the goals') show the kind of Wales we want to see. Together they provide a shared vision for the public bodies listed in the Act to work towards.

They are a set of goals; the Act makes it clear the listed public bodies must work to achieve all of the goals, not just one or two.

Goal	Description of the goal
<b>A prosperous Wales</b>	An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.
<b>A resilient Wales</b>	A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).
<b>A healthier Wales</b>	A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.
<b>A more equal Wales</b>	A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).
<b>A Wales of cohesive communities</b>	Attractive, viable, safe and well-connected communities.
<b>A Wales of vibrant culture and thriving Welsh language</b>	A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.
<b>A globally responsible Wales</b>	A globally responsible Wales. A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being and the capacity to adapt to change (for example climate change).



# Sustainable Development Principle

The Act puts in place a 'sustainable development principle' which tells organisations how to go about meeting their duty under the Act.

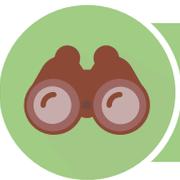
**In this Act, any reference to a public body doing something “in accordance with the sustainable development principle” means that the body must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.**

*Part 2 'Improved well-being, section 5 'the sustainable development principle, paragraph (1)'.*

Public bodies need to make sure that when making their decisions they take into account the impact they could have on people living their lives in Wales in the future.

There are 5 things that public bodies need to think about to show that they have applied the sustainable development principle. Following these ways of working will help us work together better, avoid repeating past mistakes and tackle some of the long-term challenges we are facing.

## Long term



The importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs.

## Prevention



How acting to prevent problems occurring or getting worse may help public bodies meet their objectives.

## Integration



Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies.

## Collaboration



Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives.

## Involvement



The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves.



## Transparency

It is important that public bodies apply the sustainable development principle in their work, and that they can show people that they are making progress towards achieving the well-being goals. The Act puts in place a number of steps to make sure that the public bodies listed in the Act are doing this:

### Well-being Statement



Public bodies must publish a statement when setting their well-being objectives explaining why they feel the objective will help them achieve the goals and how it has applied the sustainable development principle. They must also make sure that they involve people interested in achieving the goals and that those people reflect the diversity of their area.

### Annual Reporting



Each year public bodies must publish an annual report showing the progress they have made in meeting their objectives.

### Responding to the Future Generations Commissioner



Where the Future Generations commissioner for Wales has made recommendations to a public body, they must publish their response. If the public body doesn't follow a recommendation they must say why, and what alternative action they will take.



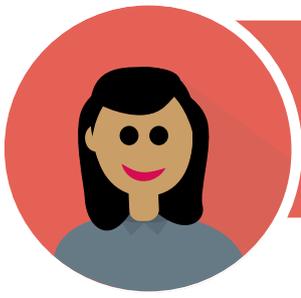
## Auditor General for Wales

The Auditor General for Wales may carry out examinations of the public bodies listed in the Act to assess:

...the extent to which a body has acted in accordance with the sustainable development principle when;

- a. Setting well-being objectives, and
- b. Taking steps to meet those objectives

*Part2 'Improved well-being' section 15 'the sustainable development principle: Auditor General's Examinations paragraph (1).*



# Future Generations Commissioner for Wales

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

The Future Generations Commissioner for Wales has a range of actions they can carry out:

## Advise, encourage and promote



The Commissioner can provide advice to public bodies and Public Services Boards and promote and encourage them to work to meet their well-being objectives.

## Research



The Commissioner may carry out research including into the well-being goals, the national indicators and milestones, and the sustainable development principle and how public bodies apply it.

## Carry out reviews



The Commissioner may conduct a review into how public bodies are taking account of the long-term impact of their decisions, and make recommendations based on the findings.

## Make recommendations



The Commissioner can make recommendations to a public body about the steps it has taken or proposes to take to set and then meet its well-being objectives. Public bodies must take all reasonable steps to follow the recommendations made by the Commissioner.

## Future Generations Report



The Commissioner must publish, a year before an Assembly election, a report containing the Commissioner's assessment of the improvements public bodies should make to achieve the well-being goals.

## Advisory Panel



The Commissioner will be supported by an Advisory Panel. The Panel includes the other Wales Commissioners, the Chief Medical Officer for Wales, a representative of Natural Resources Wales, Wales TUC and Welsh business. The Commissioner may invite others to attend and Welsh Ministers can appoint new members.



## National Indicators and Milestones

To help us know whether we are making progress towards achieving the well-being goals, Welsh Ministers ('Ministers') must set national indicators.

### An indicator:

- a. Must be expressed as a value or characteristic that can be measured quantitatively or qualitatively measured against a particular outcome;
- b. May be measured over such a period of time as the Welsh Ministers deem appropriate;
- c. May be measurable in relation to Wales or any part of Wales.

*Part 2 'improved well-being' section 10 'national indicators and annual well-being report, paragraph (2).*

Ministers must also set milestones to show expectations of what the indicators should show at certain points in the future. The Act enables Ministers to review and amend the national indicators and milestones so that they stay up to date and relevant. At the start of each financial year Ministers must publish an annual progress report setting out the progress made over the last year.



## Future Trends Report

It's important that we understand the challenges that we will be facing, and have a clear picture of where we are heading. To do this, twelve months before an Assembly election, Ministers must publish a 'Future Trends Report' that shows:

- a. predictions of likely future trends in social, economic, environmental and cultural well-being of Wales; and
- b. Any related analytical data and information that the Welsh Ministers consider appropriate.

*Part 2 'Improved well-being' section 11 'Future Trends Report' paragraph (1)*

In preparing the report, Ministers must take account of the United Nation's sustainable development goals and the impact of climate change on Wales.



# Public Services Boards

The Act establishes Public Services Boards (PSBs) for each local authority area in Wales. The Members of each Public Services Board must include:

- a. The local authority;
- b. The Local Health Board for an area any part of which falls within the local authority area;
- c. The Welsh Fire and Rescue Authority for an area any part of which falls within the local authority area;
- d. The Natural Resources body for Wales

*Part 4 'Public Services Boards' section 29 'Public Services Boards', paragraphs (1) and (2).*

In addition to these members, each PSB must also invite the following people to participate on the Board who become 'invited participants' if they accept the invite:

- Welsh Ministers.
- The Chief constable for a police area, any part of which falls within the local authority area.
- The police and crime commissioner for a police area.
- Certain Probation Services.
- at least one body representing relevant voluntary organisations'.

PSBs can also invite other people who carry out public functions.

Each PSB must improve the economic, social, environmental and cultural well-being of its area by working to achieve the well-being goals. It will do this by:

- Assessing the state of economic, social, environmental and cultural well-being in its area; and
- Setting objectives that are designed to maximise the PSBs contribution to the well-being goals.

They must do this in accordance with the sustainable development principle.

Each PSB must prepare and publish a plan setting out its objectives and the steps it will take to meet them. This is called a Local Well-being Plan. It must say:

- Why the PSB feels their objectives will contribute within their local area to achieving the well-being goals, and
- How it has had regard to the Assessment of Local Well-being in setting its objectives and steps to take.

Each PSB will carry out an annual review of their plan showing their progress.

When producing their assessments of local well-being and Local Well-being plan, PSBs must consult widely.

# Find out more

## Website:

Welsh Government  
[www.gov.wales](http://www.gov.wales)

The Wales We Want  
[www.thewaleswewant.co.uk](http://www.thewaleswewant.co.uk)

Sustainable Development Charter  
[www.sd-charter.net](http://www.sd-charter.net)

National Assembly for Wales  
[www.assembly.wales](http://www.assembly.wales)

## Twitter:



#FGActWales  
#thewaleswewant / #ygyrmruagarem

## Email:

Sustainable Development Branch, Welsh Government  
[FGActWales@wales.gsi.gov.uk](mailto:FGActWales@wales.gsi.gov.uk)

**Exert from:**  
**Statutory Guidance for the Well-being of Future Generations (Wales) Act 2015.**  
**Issued 7 September 2015**

**Chapter 6 - Local accountability**

161. Local integrated planning will only be effective if the members of the public services board take joint responsibility themselves for securing improvement, with local democratic processes providing appropriate challenge and support. For this reason, the Act gives the Welsh Ministers relatively few powers and relies predominantly on the role of local government scrutiny to secure continuous improvement.
162. The Welsh Ministers will not approve local well-being plans. Local wellbeing plans are the plans of the public services board members, locally owned and subject to local scrutiny. The Welsh Ministers instead have a power to direct a board to review its local well-being plan; or to refer a plan to the relevant local government scrutiny committee if it is not considered sufficient; for example, due to an adverse report by the Future Generations Commissioner for Wales or a concern statutory duties are not being met.
163. In order to assure democratic accountability there is a requirement for a designated local government scrutiny committee of the relevant local authority to scrutinise the work of the public services board.
164. While it will continue to be entirely legitimate for a subject scrutiny committee (such as a children and young people's scrutiny committee) to scrutinise the public services board's work in relation to a specific issue, it is important that one committee takes an overview of the overall effectiveness of the board. This is the reason one committee must be designated to undertake this work.

**165. Overview and Scrutiny Functions;**

Each Local Authority must ensure its overview and scrutiny committee has the power to;

- a) Review or scrutinise the decisions made or actions taken by the public services board;
- b) Review or scrutinise the board's governance arrangements;

- c) Make reports or recommendations to the board regarding its functions or governance arrangements;
- d) Consider matters relating to the board as the Welsh Ministers may refer to it and report to the Welsh Ministers accordingly; and
- e) Carry out other functions in relation to the board that are imposed on it by the Act.

166. The Local Authority will do the above through the 'executive arrangements' it is required to make under Part 2 of the Local Government Act 2000. Executive arrangements are arrangements for the setting up and operation by a Local Authority of an executive, which has responsibility for certain functions of the authority.
167. The designated committee will be provided with evidence in the form of the draft assessment of local well-being and, the draft local well-being plan (both of which they will be formally consulted on) and copies of the final versions of both. It will also be provided with annual reports.
168. In addition, the committee will be able to draw on the published advice provided to the public services board by the Future Generations Commissioner for Wales.
169. The committee can require any member of the board to give evidence, but only in respect of the exercise of joint functions conferred on them as a member of the board under this Act. This includes any person that has accepted an invitation to participate in the activity of the board.

# City of Cardiff Council Response to the Statutory Guidance for the Well-being of Future Generations (Wales) Act 2015- Consultation

The City of Cardiff Council supports the aims of the Act and welcomes the move to place sustainability at the heart of decision making in Wales.

## Key Points:

### 1. **Local well-being objectives must sit within the local Well-being Plan, not individual corporate plans (or equivalent).**

With particular reference to:

- P7. Core Guidance: *“... for public bodies the core duty in the Act (Wellbeing duty) is that you must set well-being objectives that maximise your contribution to achieving the well-being goals.”*
- P4: Statutory Guidance for the Well-being of Future Generations (Wales) Act 2015 SPSF2 – Individual role (Public Bodies) *“We consider that for greatest impact public bodies should ensure that their well-being objectives form part of their central planning arrangements, such as a corporate plan or similar organising tool.”*

The key to successfully delivering against well-being goals is effectively marshalling all local resources to ensure a coordinated whole area approach. Having well-being objectives sit within the Well-Being Plan is a clear and effective method of doing so. Having the Well-being objectives sit within the local Well-being Plan- rather than individual corporate plans (or equivalent) thus enables:

- A whole area response,
- alignment between national “well-being goals” and local “well-being objectives”,
- local areas to measure their contribution towards achieving “well-being objectives” through an Annual Review of Well-being Plans and a High level Needs Assessment
- Welsh Government to observe the contribution of local areas to “wellbeing Goals”,
- Public Service Board performance management structures to capture the contribution of local organisations/public bodies against well-being objectives.

### 2. **The Guidance must provide clarity on how, if at all, any inspectorate regime will expect public bodies to demonstrate compliance with the 5 sustainable development principles and linkages with the Well-being Goals**

Demanding that all public bodies demonstrate that all their actions contribute to all the well-being goals will create an overly burdensome reporting structure. Certainly, organisations should be encouraged to consider their contribution to multiple well-

being goals, but demonstrating link with all 7 is overly prescriptive. The Council already compels all internal policies, strategies or activities to engage with a policy integration tool to shape integrated, long term and statutory compliant decision making.

We would ask however that Welsh Government confirms how compliance will be audited.

This is particularly relevant since the 7<sup>th</sup> Well-being Goal of ‘*A Globally Responsible Wales*’ will be difficult for all public bodies to evidence, beyond policy statements and evidence of compliance (i.e. provisions within procurement policy).

The City of Cardiff Council proposes to build on existing measures undertaken internally to demonstrate compliance and support the aims of the act by:

- **Developing a “Future Generations Decision Making Guide”**: The Council already has a Statutory Integration Tool- embedded in the Council’s Formal Decision Making Process- which ensures that any new policy, strategy or initiative is aware of statutory requirements. It also encourages new policies, strategies and initiatives to consider what impact they will have on the 7 local outcomes as included in the Single Integrated Plan. We intend to develop this into the “Future Generations Decision Making Guide” which will ensure that any decision has considered the 5 sustainability principles as well as the well-being objectives, in addition to other important considerations, such as the Welsh Language Standards. This will enable the Council to embed the act formally within the organisation and demonstrate how the aims of the Act have been considered.
- **Investing in informed decision making**: Training on the Future Generations Act could be incorporated in Corporate Inductions and form part of the Council’s ongoing programme of training, delivered through the Cardiff Academy.

### 3. **Strong local partnerships, with the power and discretion to deliver local outcomes**

*With particular reference to the Statutory Guidance for the Well-being of Future Generations (Wales) Act 2015SPSF3 – Collective role (public services boards)*

- The Focus on more formal joined up working is welcomed. We share the view that Public Service Boards represent the right vehicle at the right geographical level to progress sustainable public service and drive forward public service reform. However, we believe that the Future Generations Act would be best served if the focus was on ensuring Public Service Boards have appropriate funding, powers and responsibilities to deliver local outcomes within a national outcomes framework (as set by the Well Being Goals). We would also take this opportunity to note that we have yet to receive confirmation of the LSB Development Grant, which is a crucial enabler of joined up local delivery.

- We welcome the requirement that public sector partners are compelled to collaborate, with the Public Service Boards providing the appropriate mechanism. We would however strongly contest the assertion that some of the named invitees “*are not required to accept the invitation*”. We believe that the participation of a representative of the police force, as well as a body which acts on behalf of the voluntary sector, are crucial to the success of local partnerships.
- We welcome the recognition that the cost of servicing the Public Service Boards should be shared proportionally. This will help ensure that they are not regarded as Local Authority constructs.
- The guidance place demanding requirements upon public bodies and, whilst the spirit of the act is welcomed, there is no denying that demonstrating compliance will inevitably be a technical requirement. Whilst many public bodies are already compliant with several aspects of the guidance, there will be undoubtedly additional demands. As a consequence, **some organisations may have limited capacity to respond to a series of additional requirements**. Natural resource Wales, for instance, will be expected to sit on 22 Public Service Boards.
- We would contest the stipulation that “*All the members must be in attendance at a meeting of a public services board for the decisions made during that meeting to be considered valid*”. **Decision making should be at the discretion of the Public Service Board.**
- We believe that the governance arrangements determining the Political Leadership (involving elected officials) and Strategic Management (involving senior public sector management) should be an issue for local discretion.
- We support the suggestion that “*a public services board must prepare and publish an assessment of the state of economic, social, environmental and cultural well-being in its area a year before it publishes its local well-being plan*”. The Council’s Liveable City Report pre-empted this requirement and is aligned with the draft national indicators identified by Welsh Government. This is in addition to the Joint Needs Assessment undertaken by local partners.
- We see the value of local needs assessments- which we have successfully been undertaking for a number of years – to “*include predictions of likely future trends in the economic, social, environmental and cultural well-being of the area.*” It must be recognised however, that **trend forecasting is a highly specialised statistical exercise, made even more demanding by the 25 year planning horizon reflected in the act**. This requirement should be tempered, and that an analysis of the current state of an area, along with an understanding of the anticipated direction of travel of key indicators, represents a more realistic requirement of the Needs Assessment.
- We strongly disagree with the requirement that “*prior to publishing [the] assessment of local well-being, a public services board must consult with the persons outlined*”. The development of **the assessment of well-being will be**

**an objective statistical exercise.** It will, as far as possible, align with the emerging national outcome indicators, and will include data on all relevant local indicators, whether they are a statutory or not. **Consultation on the needs assessment is therefore ill advised** and represents unnecessary use of resources. We agree, however, that the Well-being plans should be consulted on, and that these should make clear the local evidence base used to inform priorities and well-being objectives. Consultation on the needs assessment is an unnecessary requirement.

- We agree that the “well-being assessment must identify the geographic community areas within the board’s overall area.” Cardiff has already led on much work in this area to identify community needs based on appropriate geographical scale. We would note however that it should be a matter of local discretion as to what level of detail the needs assessment drills down to. Should they wish to drill down as far as electoral wards, this should be accepted, even encouraged, given that Ward Councillors are strong local champions and a key part of a local democracy.
- We agree that a public service board should publish an annual report; however this annual report should discharge the obligations of all local public delivery partners to produce a report. Cardiff currently does produce an annual report which demonstrates how partner organisations are contributing to local outcomes (via our What Matters strategy), and which also notes how population indicators are performing. This allows local areas to demonstrate how they are collectively contributing to the well-being goals.

#### 4. Opportunities for Further Integration and Alignment

- Aligning National Indicators with Programme Indicators: Cardiff welcomes the work to develop national outcome indicators, and has already sought to respond positively at a local level by developing the Liveable City Report. The Liveable City Report contains a small number of outcome indicators to demonstrate the overall performance of the city against our seven “well-being outcomes” as included in our single integrated plan. This means that our corporate plan can focus on “organisational performance” (how effectively we are delivering our services) whilst the Liveable City Report will demonstrate “city performance” (how the collective action of a number of organisations are impacting the performance of the city at the population level).

We can therefore consider how any activity we take forward is likely to impact on the city, and will be doing this by ensuring organisational performance indicators can be seen to be contributing to City Wide outcome indicators.

It is therefore important that Welsh Government also ensures that the performance indicators for major funding programmes are aligned with any national outcome indicators. This means ensuring that indicators relating to the Youth Engagement Act, Social Services and Well-being Act as well as the Families First, Flying Start and Communities First funding programmes are all aligned to a national outcomes framework.

- **Workforce Planning:** From a Workforce Planning perspective, work is currently being undertaken through the **Workforce Partnership Council** across the public sector in Wales and it would be beneficial to ensure that this work delivers the change envisaged by the Act. Supporting a workforce with the right skills and support to adapt to the changing needs of society is an aim of the act which strongly resonates with the aims of the Workforce Partnership Council.
- **Financial systems** - of particular significance are the difficulties of embedding long term planning into organisations that operate under a short term budgetary framework. Whilst the City of Cardiff Council has a Corporate Plan focused on the medium term and a Single Integrated Plan (Well-being Plan) focused on the long term, it is locked into a one year budget setting cycle. This makes aligning policy and budget difficult over the long term. There will be an important opportunity to consider this issue as part of the **Travers Commission on local government finance**.
- **Social Services and Well-being Act** – Clear distinction is required between Well-being objectives as articulated in the Social Services and Well-being Act. Equally, it is important not to create a cluttered landscape of “statutory objectives” particularly since Local authorities are also required to formally agree “improvement objectives” under Local Government (Wales) Measure, 2009.

## 5. Demonstrating Compliance

Provided below is an overview of how the City of Cardiff Council intends to respond to major aspects of the Future Generations Act.

<b>Individual well-being duty on public bodies</b>	
<b>Guidance:</b>	<b>City of Cardiff Council response:</b>
<p>19. Part 2 of the Act places a well-being duty on public bodies:</p> <p>(1) Each public body must carry out sustainable development.</p> <p>(2) The action a public body takes in carrying out sustainable development must include –</p> <p>a) <b>setting and publishing objectives (“well-being objectives”)</b> that are designed to maximise its contribution to achieving each of the wellbeing goals, and</p> <p>b) taking all <b>reasonable steps</b> (in exercising functions) to <b>meet those objectives</b></p>	<p>The City of Cardiff Council and the Cardiff Partnership Board (Local Service Board) believe <i>the “well-being objectives” should be captured within the statutory well-being plan (single integrated plan).</i></p> <p>This allows local areas to clearly demonstrate their contribution to the National Well Being Objectives, within an established framework for delivery.</p> <p>For example in Cardiff, all partners could demonstrate how public bodies would work through the well-being plan to deliver local well-being objectives. These could then be aligned with national well-being goals.</p>

<p>20. This means that for public bodies the core duty in the Act (Wellbeing duty) is that you must set well-being objectives that maximise your contribution to achieving the well-being goals. In doing so, take all reasonable steps to meet those well-being objectives, in accordance with the sustainable development principle.</p> <p>21. The other duties that apply to individual public bodies are outlined in the remainder of this document, with detailed guidance provided in SPSF2.</p> <p>22. It is fundamentally important that the requirements of the Act are not seen as ‘an additional layer’ to existing activity. For example, the setting of well-being objectives should be the primary way in which a public body sets priorities; it should not take place in addition to an existing process.</p>	<table border="1" data-bbox="756 228 1468 833"> <thead> <tr> <th data-bbox="756 228 1018 295">“Well Being Goals”</th> <th data-bbox="1018 228 1468 295">Local Area “Well-Being Objective” (Cardiff’s 7 outcomes)</th> </tr> </thead> <tbody> <tr> <td data-bbox="756 295 1018 427">A prosperous Wales</td> <td data-bbox="1018 295 1468 427">Cardiff has a thriving and prosperous Economy &amp; People in Cardiff achieve their full potential</td> </tr> <tr> <td data-bbox="756 427 1018 495">A resilient Wales</td> <td data-bbox="1018 427 1468 495">Cardiff is clean, sustainable and attractive</td> </tr> <tr> <td data-bbox="756 495 1018 551">A healthier Wales</td> <td data-bbox="1018 495 1468 551">People in Cardiff are healthy</td> </tr> <tr> <td data-bbox="756 551 1018 651">A more equal Wales &amp; A globally responsible Wales</td> <td data-bbox="1018 551 1468 651">Cardiff is fair, just and inclusive</td> </tr> <tr> <td data-bbox="756 651 1018 730">A Wales of cohesive Communities</td> <td data-bbox="1018 651 1468 730">People in Cardiff are safe and feel safe</td> </tr> <tr> <td data-bbox="756 730 1018 833">A Wales of vibrant culture and thriving Welsh language</td> <td data-bbox="1018 730 1468 833">Cardiff is a great place to live, work and play</td> </tr> </tbody> </table> <p>Progress can then be measured through the existing and established Local Service Board performance management structures.</p> <p>This would effectively demonstrate the collective contribution of local organisations to a national outcomes framework set by Welsh Government.</p> <p>Also this <b>ensures that “the requirements of the Act are not seen as ‘an additional layer’ to existing activity”</b>.</p>	“Well Being Goals”	Local Area “Well-Being Objective” (Cardiff’s 7 outcomes)	A prosperous Wales	Cardiff has a thriving and prosperous Economy & People in Cardiff achieve their full potential	A resilient Wales	Cardiff is clean, sustainable and attractive	A healthier Wales	People in Cardiff are healthy	A more equal Wales & A globally responsible Wales	Cardiff is fair, just and inclusive	A Wales of cohesive Communities	People in Cardiff are safe and feel safe	A Wales of vibrant culture and thriving Welsh language	Cardiff is a great place to live, work and play
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A Wales of cohesive Communities	People in Cardiff are safe and feel safe														
A Wales of vibrant culture and thriving Welsh language	Cardiff is a great place to live, work and play														
<p>23. In order for public bodies to effectively carry out sustainable development the requirements of the Act should be embedded within existing corporate processes – for example:</p> <ul style="list-style-type: none"> <li>- The setting of well-being objectives should take place through a corporate planning process, and be reflected in a corporate plan (or equivalent);</li> <li>- Reporting on progress toward meeting objectives should take place through a corporate reporting process, and be reflected in an annual report (or equivalent).</li> </ul>	<p>Sustainable development will be embedded in the Council’s (and the partnership’s) strategic planning process.</p> <p>It will be demonstrated via a consideration of the strategic needs assessment and the undertaking of statutory assessments where necessary.</p> <p>We would contest that “well-being objectives should ... be reflected in a corporate plan”. As outlined above, “well-being objectives should be included in the overarching well-being plan.</p> <p>Otherwise there is a risk of creating a confusing bureaucratic exercise, that creates unnecessary confusion with “improvement objectives” etc.</p>														

<b>Collective well-being duty on public services boards</b>	
<b>Guidance:</b>	<b>City of Cardiff Council response:</b>
<p>24. Section 36 of the Act sets out the well-being duty on public services boards.</p> <p>(1) Each public services board must improve the economic, social, environmental and cultural well-being of its area by contributing to the achievement of the well-being goals.</p>	<p>If the “wellbeing objectives” are captured in the well-being plan it allows an area to</p> <ol style="list-style-type: none"> <li>i. Demonstrate alignment between local wellbeing objectives and national well-being goals</li> <li>ii. Demonstrate progress against local “well-being objectives” by measuring progress against locally selected (macro level) wellbeing indicators”.</li> <li>iii. Demonstrate the contribution of local outcomes to national outcomes.</li> </ol>
<p>(2) A public services board’s contribution to the achievement of the well-being goals must include</p> <ol style="list-style-type: none"> <li>a) assessing the state of economic, social, Environmental and cultural well-being in its area,</li> <li>b) setting objectives (“local objectives”) that are designed to maximise its contribution within its area to achieving those well-being goals, and</li> <li>c) the taking of all reasonable steps by members of the board (in exercising their functions) to meet those objectives.</li> </ol> <p>(3) Anything a public services board does under this section must be done in accordance with the sustainable development principle.</p>	<p>Cardiff Council and the Cardiff Partnership will (and currently do) assess the state of economic, social, Environmental and cultural well-being in its area by producing a Strategic Needs Assessment and a “Liveable City Report”.</p> <p>We believe that Well-being objectives for all organisations should sit within the Well-being Plan</p>
<p><b>Sustainable Development Principles</b></p>	<p><b>Ensuring Compliance with the Future Generations Act:</b> An Integration Tool- embedded in the Council’s Formal Decision Making Process- to ensure that any decision on a policy or activity has considered the 5 sustainability principles and well-being objectives. This will enable the Council to embed the act formally within the organisation and demonstrate how the aims of the Act have been considered.</p>

	<b>Ensuring informed decision making:</b> Training on the Future Generations Act could be incorporated in Corporate Inductions and form part of the Council’s ongoing programme of training.
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**Simply Put:**

<b>Welsh Government</b>	<b>Local Area (Cardiff)</b>
A National Outcomes Framework: <b>Wellbeing Goals</b>	Local Outcomes Framework: <b>Well-being Goals</b> <ul style="list-style-type: none"> <li>• Captured in Well Being Plans</li> <li>• Aligned to Wellbeing Goals</li> <li>• Contributed to by public body partners</li> </ul>
Measuring Delivery: <b>National Indicators</b> (once agreed)	Measuring Delivery: <ul style="list-style-type: none"> <li>• <b>Strategic Needs Assessment</b> (5years)</li> <li>• <b>Liveable City Report</b> (Annual and aligned to national indicators)</li> </ul>
Performance Reporting Requirement: <i>“taking of all <b>reasonable steps by members of the board</b> (in exercising their functions) <b>to meet those objectives.</b>”</i>	Performance Reporting Compliance: <b>Cardiff Partnership performance framework</b> will capture the collective contribution of organisations to the “well-being objectives” using an outcomes focused performance management framework.

## Consultation Questions:

- **Question 1:** Does the Core Guidance (SPSF 1) explain what is expected of public bodies and public services boards subject to the Act in a way that can be understood by public bodies and interested stakeholders?

Yes, the Guidance is clearly expressed. That said, some of the requirements need further consideration- please see key points 1 and 2 (page 1), 3 (page 2) and 4 (page 4) above.

- **Question 2:** Does the statutory guidance (SPSF 2) enable **public bodies** to discharge the requirements provided by Part 2 of the Well-being of Future Generations (Wales) Act 2015?

Yes, the Guidance is clearly expressed. That said, some of the requirements need further consideration- please see key points 1 and 2 (page 1), 3 (page 2) and 4 (page 4) above.

- **Question 3:** Does the guidance (SPSF 2) explain how public bodies should respond to the recommendations of the **Commissioner**?

Yes, though further clarity is required on how, if at all, any inspectorate regime will expect public bodies to demonstrate compliance with the 5 sustainable development principles and linkages with the Well-being Goals.

Please see key points 1 and 2 (page 1), 3 (page 2) and 4 (page 4) above. Also key point 5 (page 5) on demonstrating compliance.

- **Question 4:** Does the statutory guidance (SPSF 3) enable **public services boards** to establish and complete all its functions as provided for in Part 4 of the Well-being of Future Generations (Wales) Act 2015?

Yes, provided there is sufficient local discretion to build on existing structures and practices and that some of the requirements are re-considered. Please see Key point 3 (page 3).

- **Question 5:** Does the statutory guidance (SPSF 3) support **public services boards** to achieve a step change in the way they work collectively towards shared objectives?

Please see Key Point 1 (page 1).

- **Question 6:** Does the statutory guidance (SPSF 4) to **Community and Town Councils** make clear which councils are subject to the duty in section 40, and what those affected are required to do?

Yes, however there is some concern about the ability of Community Councils to respond. To respond to this, Cardiff Council proposes to put in place a framework for compliance with the requirements of the Well-being of Future Generations Act 2015 and share good practice, information and opportunities for engagement with Community Councils with a view to working towards the well-

being goals outlined in the Act. In return, Community Councils will take all reasonable steps to contribute towards meeting the local objectives included in the local well-being plan prepared pursuant to the Well-being of Future Generations Act 2015. It is intended that this will be included in a revised Community Council Charter.

- **Question 7:** In the context of Local Government Reform and new authorities to be in place in 2020, we would welcome your views on the appropriate arrangements for the development of assessments of local well-being, and local well-being plans, in order to enable the Act to be implemented in a timely and effective manner but in a way that minimises the need to duplicate effort.

In the event of Local government Reform, an exercise would need to be taken to align the local well-being plans and well-being assessments of two previously separate authorities. This would need to be considered alongside a number of other considerations associated with any re-organisation of Local Government in Wales.

- **Question 8:** Do you have examples of good practice that show key actions under the Well-being of Future Generations (Wales) Act 2015 that could be shared with other public bodies?

We would consider the Liveable City Report (please see page 4) as an example of good practice which we have discussed with the previous Sustainability Commissioner, and Cynnal Cymru. We would also consider the Cardiff Partnership model an example of good practice. Taken together, Cardiff is well positioned to meet the *requirements* of the Act and undertake activity to improve well-being that is consistent with the *spirit* of the Act.

- **Question 9:** We have asked eight specific questions on the draft guidance. If you have any related issues which we have not specifically addressed, please use the consultation response form to express your views.

Please see response above, p1 onwards.

# Cardiff Approach

Appendix 5

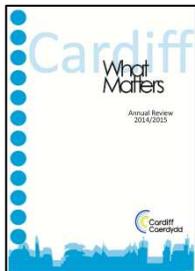
**Wellbeing objectives** = 7 What Matters/Corporate Plan outcomes

Wellbeing goals linking to Outcomes



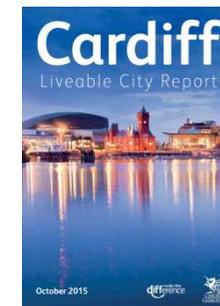
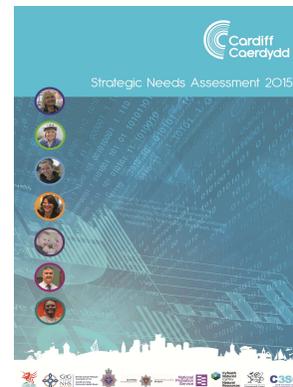
**Wellbeing Plan = What Matters Strategy**

**Wellbeing milestones** – need to be set out in What Matters Action Plan and Partner Corporate Plans



**Annual Report = What Matters Annual + Partner Annual improvement reports**

**Well-being Indicators** – need to align with Partner statutory indicators and others being developed e.g. Social Services & Wellbeing /Aligning Poverty / Youth engagement and progression outcome frameworks / Liveable city



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**CITY AND COUNTY OF CARDIFF  
DINAS A SIR CAERDYDD**

**POLICY REVIEW & PERFORMANCE  
SCRUTINY COMMITTEE**

**1 December 2015**

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**Cardiff Liveable City Report**

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**Reason for the Report**

1. To inform Members of the first Cardiff Liveable City Report, which compares the Council's performance to that of other major UK cities, and is to be published annually by the Council.

**Background**

2. The Cardiff Liveable City Report, attached at **Appendix A**, is a new output of the Council's Policy Team that offers a comparative benchmark perspective against a group of ten major UK core cities, not including London. The Committee may find it useful to monitor annual progress on the Council's stated vision that Cardiff should aspire to become Europe's most liveable City.
3. The October 2015 report claims Cardiff is already one of the most liveable capital cities in Europe, and that the annual presentation of data on Cardiff in this format will help the Council to understand the City's strengths and weaknesses. It explains Cardiff's position in comparison to other core cities and other Welsh areas, illustrating where the city is performing well and where Cardiff needs to improve to become an even better place for people to live, work and visit.

## Scope of the Scrutiny

4. To facilitate this scrutiny the Leader, Councillor Phil Bale and Head of Cabinet Office, Gareth Newell, will be in attendance to make a statement, facilitate discussion and answer Members' questions.
5. Members may wish to explore:
  - a. how this document sits alongside the Council's suite of strategic planning documents such as the *What Matters* 10 year strategy and the *Corporate Plan*;
  - b. the report's structure, content and accessibility;
  - c. how far Members recognise the picture presented; and
  - d. whether there is value in this annually produced document forming a part of scrutiny's role in monitoring the Council's progress.

## Legal Implications

6. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

## **Financial Implications**

7. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

## **RECOMMENDATION**

The Committee is recommended to consider the information presented in this new report, and whether it wishes to make any comments or recommendations about the publication to the Leader of the Council.

**MARIE ROSENTHAL**  
**Director Governance & Legal Services**  
**25 November 2015**

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# Cardiff

## Liveable City Report



October 2015

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## A Liveable City

The most successful cities are those that offer a high quality of life as well as a high quality of job opportunity. Cities like Cardiff. That's why we've put liveability at the centre of our long term strategy for Cardiff and for the Cardiff Capital Region. This requires much more than a thriving economy and excellent job opportunities – it requires creating great public spaces and access to our natural environment, culture, high quality schools and learning opportunities, as well as a commitment to protect the most vulnerable. It's about taking a much broader approach, appreciating everything that makes a city a great place to live.

If we are to achieve our vision of Cardiff becoming Europe's most liveable capital city, we need to first of all understand how our city is performing.

This report outlines our strengths and our weaknesses, and compares our performance to that of other major UK cities which face similar challenges, across the factors that make up a great liveable city:

- Cardiff has a thriving and prosperous economy
- People in Cardiff are safe and feel safe
- People in Cardiff are healthy
- People in Cardiff achieve their full potential
- People in Cardiff have a clean, attractive and sustainable environment
- Cardiff is a fair, just and inclusive society
- Cardiff is a great place to live, work and play

The strengths far outweigh the weaknesses. As one of the fastest growing and most highly skilled cities in the UK we were recently named as the 'Best City for Young People in Britain' as well as the 'UK's most liveable city.' The European Commission's Urban Audit also placed Cardiff as the highest ranking UK city and the 6th most liveable capital city in Europe. We can be number one.

Cardiff is well placed 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.



**Cllr Phil Bale**  
Leader, City of Cardiff Council

Successful liveable cities offer a viable alternative to the world's mega-cities





## Commentary from Jonathon Porritt

People like living in Cardiff! The city scores well in most quality of life indices. And that includes young people: in a 2013 poll, 70% of young people said they loved their work, and were happy with their work-life balance in Cardiff.

So that's a good starting point – and important in a city that is likely to be the UK's fastest-growing city between now and 2034. Managing that growth will be a huge challenge – as will its vision of becoming Europe's most liveable capital city.

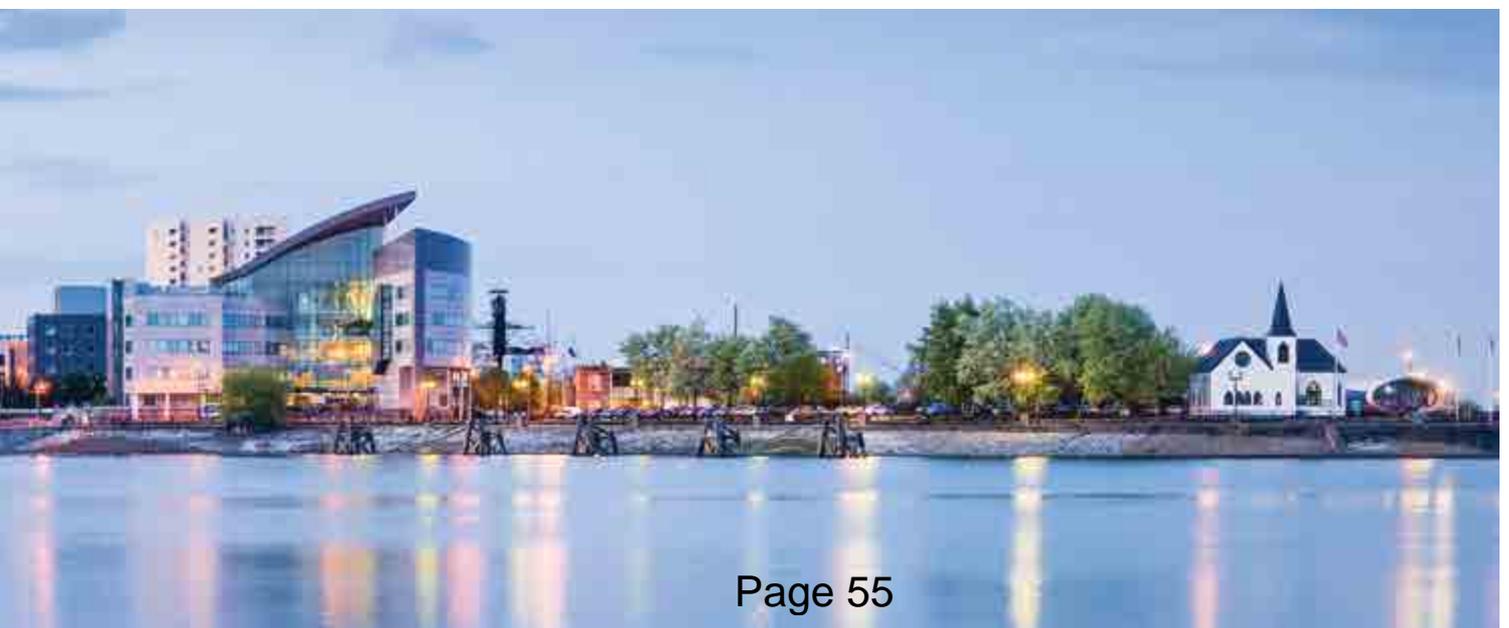
Liveability is all about the things that matter most to people: work, health, education, quality of life, a clean and sustainable environment, feeling safe in their homes and when out and about. All these things matter, and any attempt to boost performance in one area at the expense of the rest is bound to fail.

It's the synergies that matter. Just take health: the interventions that are needed to address significant problems in Cardiff around obesity, physical activity and diet will all improve liveability in other respects – in terms of better transport, cleaner air, reduced health inequalities, a thriving local food economy, low emissions of greenhouse gases and so on.

Whether you call it liveability or sustainability, this is now the challenge that confronts politicians and policymakers across Europe. It's hugely encouraging to see Cardiff aspiring to be amongst the best – and applying itself to what now needs to be done, in practice, to make that happen.



**Jonathon Porritt CBE**  
**Founder and Director of Forum for the Future**





## Why the Liveable City Report?

Cardiff is already one of the most liveable capital cities in Europe. If we are to achieve our vision of becoming number one then we need to understand the city's strengths and weaknesses.

This report explains Cardiff's position in comparison to other core cities and other Welsh areas. It shows where the city is performing well and where Cardiff needs to improve to become an even better place for people to live, work and visit.

## Key terms

**Outcomes** – An outcome is a future condition we want to achieve. Seven high level outcomes have been agreed by the Cardiff Partnership Board and are contained in Cardiff's Single Integrated Plan, "What Matters". The Partnership Board includes representatives from the City Council, Welsh Government, Blue Light services, the health service, Wales Probation Trust, Natural Resources Wales and the third sector.

**Indicators** – performance indicators are ways of measuring progress towards achieving our outcomes. The indicators used in this report have been agreed by the Cardiff Partnership Board.

**UK Core Cities** – the UK core cities is a group of 10 major cities, not including London. Comparisons to these cities, such as Manchester and Leeds, are included throughout this document.

**Cardiff Capital Region** – This includes the following local authorities: Vale of Glamorgan, Bridgend, Rhondda Cynon Taf, Merthyr Tydfil, Caerphilly, Blaenau Gwent, Torfaen, Monmouthshire and Newport. The region accounts for nearly half (48%) of the population of Wales.





## Delivering Our Vision

The Council and partners will need to work together towards a series of outcomes on the issues that are most important to the people of Cardiff

CARDIFF HAS A THRIVING AND PROSPEROUS ECONOMY

This means that everyone in Cardiff should have access to a good quality job, or an opportunity that suits their ambitions.

PAGE 16

PEOPLE IN CARDIFF ARE SAFE AND FEEL SAFE

Safety is always a top priority for residents, businesses and visitors and a liveable city offers a safe living environment for everyone.

PAGE 22

PEOPLE IN CARDIFF ARE HEALTHY

A liveable city will be somewhere that promotes good health at every opportunity, whilst making sure that those who do suffer poor health receive the care they need.

PAGE 28

PEOPLE IN CARDIFF ACHIEVE THEIR FULL POTENTIAL

A liveable city will offer school children the very best education, whilst offering opportunities for learning to people of all ages.

PAGE 34

PEOPLE IN CARDIFF HAVE A CLEAN, ATTRACTIVE AND SUSTAINABLE ENVIRONMENT

The quality of our surrounding environment has a big impact on how we feel. Cities that offer easy access to lots of high quality parks and public spaces not only attract people, but also help promote a good quality of life.

PAGE 40

CARDIFF IS A FAIR, JUST AND INCLUSIVE SOCIETY

Great cities are defined by how they treat the most vulnerable in society, offering everyone an equal opportunity to get the most out of life in the city, regardless of background.

PAGE 46

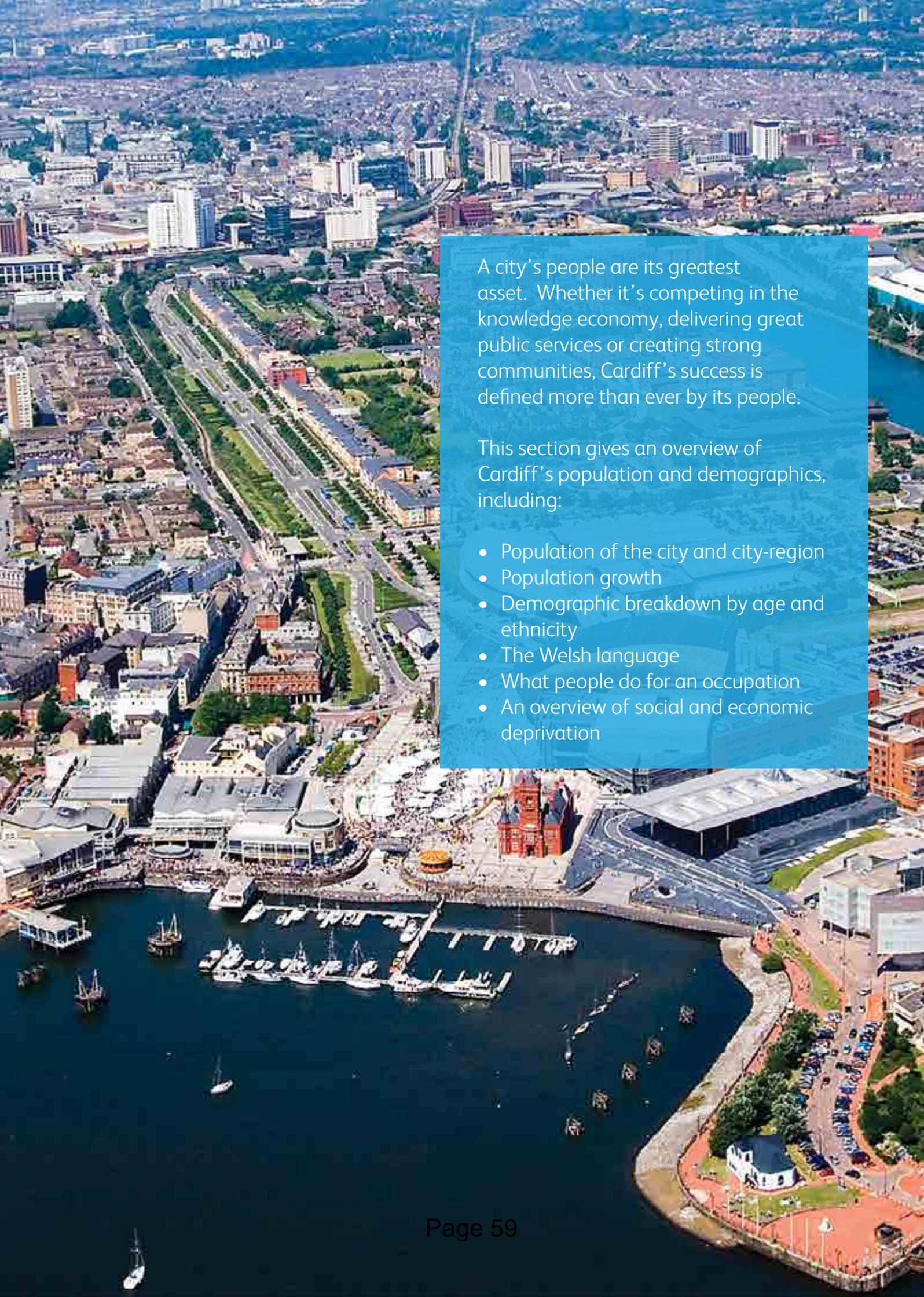
CARDIFF IS A GREAT PLACE TO LIVE, WORK AND PLAY

The most popular and successful cities offer a range of leisure and cultural opportunities. They also host some of the most exciting events that capture the public's imagination and create experiences that last long in the memory.

PAGE 53

# Cardiff Today

An aerial photograph of Cardiff, Wales, showing a dense urban landscape. The city is built on a hillside overlooking the sea. In the foreground, there are modern buildings and a large parking lot. The middle ground shows a mix of residential and commercial buildings, with a large green field. In the background, the Principality Stadium is visible, along with other large buildings and a river. The sky is clear and blue.

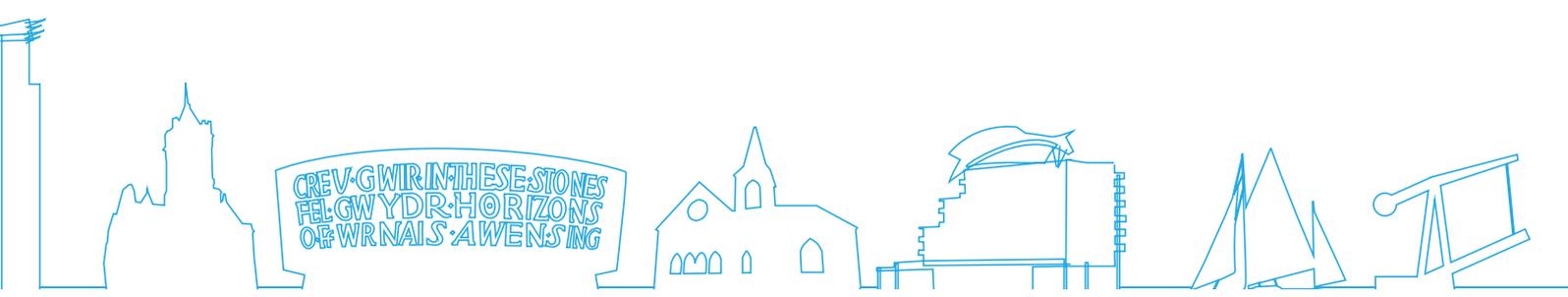


A city's people are its greatest asset. Whether it's competing in the knowledge economy, delivering great public services or creating strong communities, Cardiff's success is defined more than ever by its people.

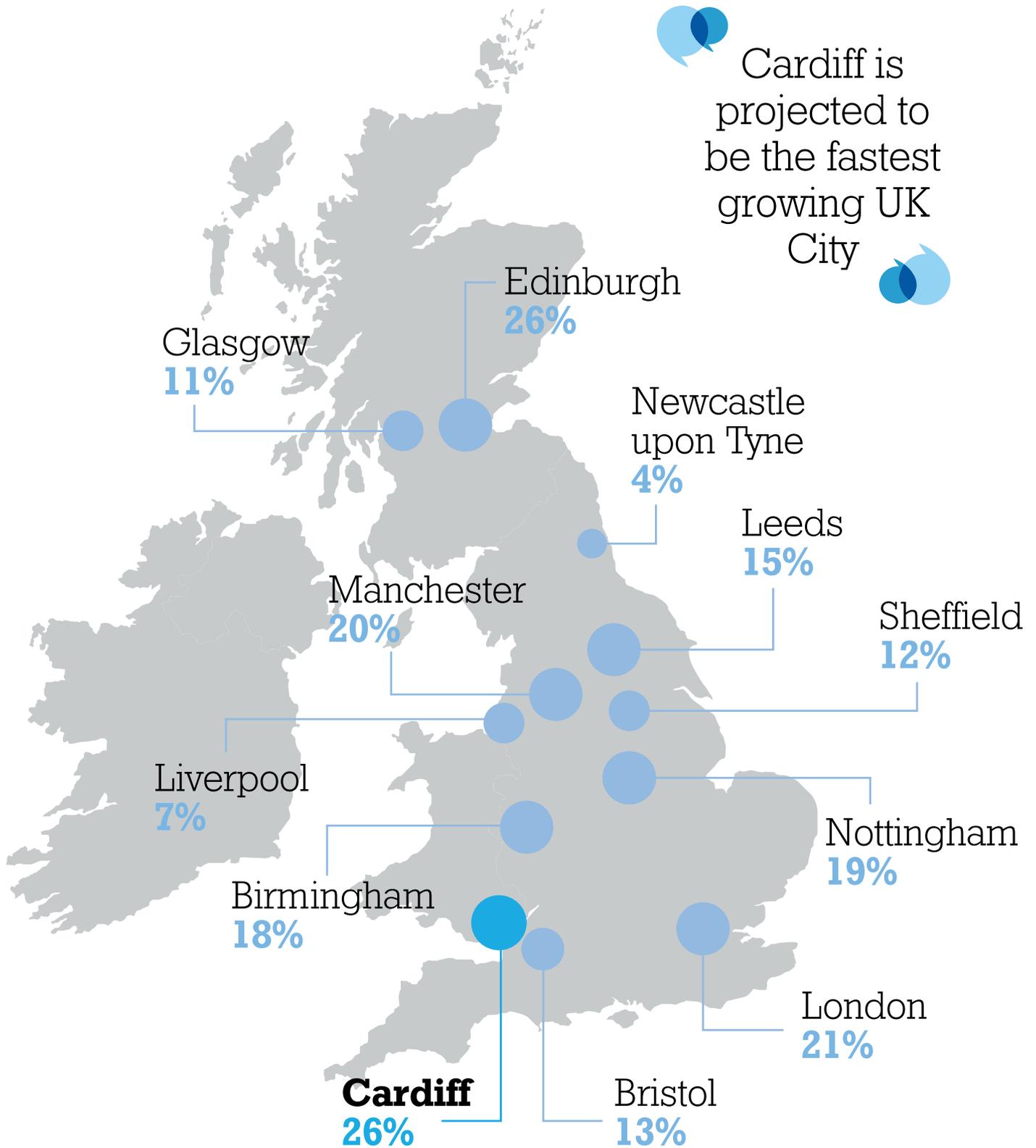
This section gives an overview of Cardiff's population and demographics, including:

- Population of the city and city-region
- Population growth
- Demographic breakdown by age and ethnicity
- The Welsh language
- What people do for an occupation
- An overview of social and economic deprivation





Population Growth within selected UK cities  
(2014-34)



Cardiff is projected to be the fastest growing UK City

\* The Edinburgh and Glasgow figures relate to projected population growth between 2010-35 as part of the National Records of Scotland's 2010 Local Authority population projections  
\* Source: Welsh Government mid-2011 based population projections, office of national statistics, 2010 figures based on population projection.

# Cardiff Today

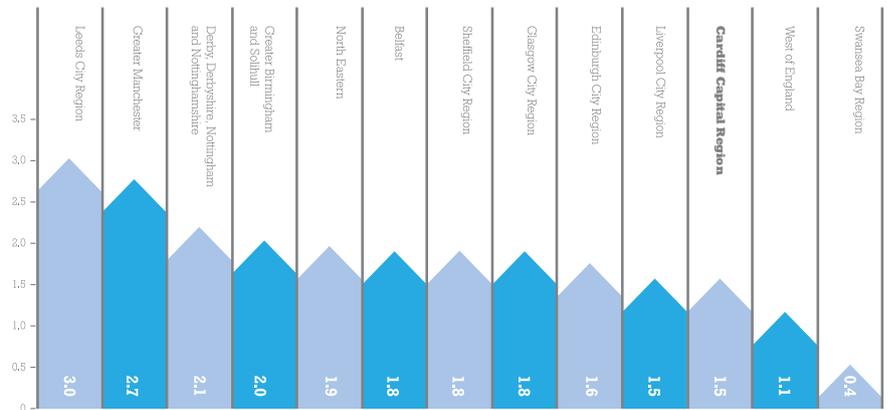
## Cardiff Capital Region

Cardiff is at the heart of the Cardiff Capital Region of 1.5m people, and makes up nearly a quarter (24%) of the city-region population.

The capital city is the economic engine of the city-region. Nearly 2 out of 3 net new jobs created in South East Wales over the last 10 years have been in Cardiff.

Each day around 80,000 people – or over a third of the city’s 200,000 strong workforce – commute in to Cardiff from elsewhere in the Cardiff Capital Region.

Population of Major UK Major Urban Conurbations, 2013 (in millions)



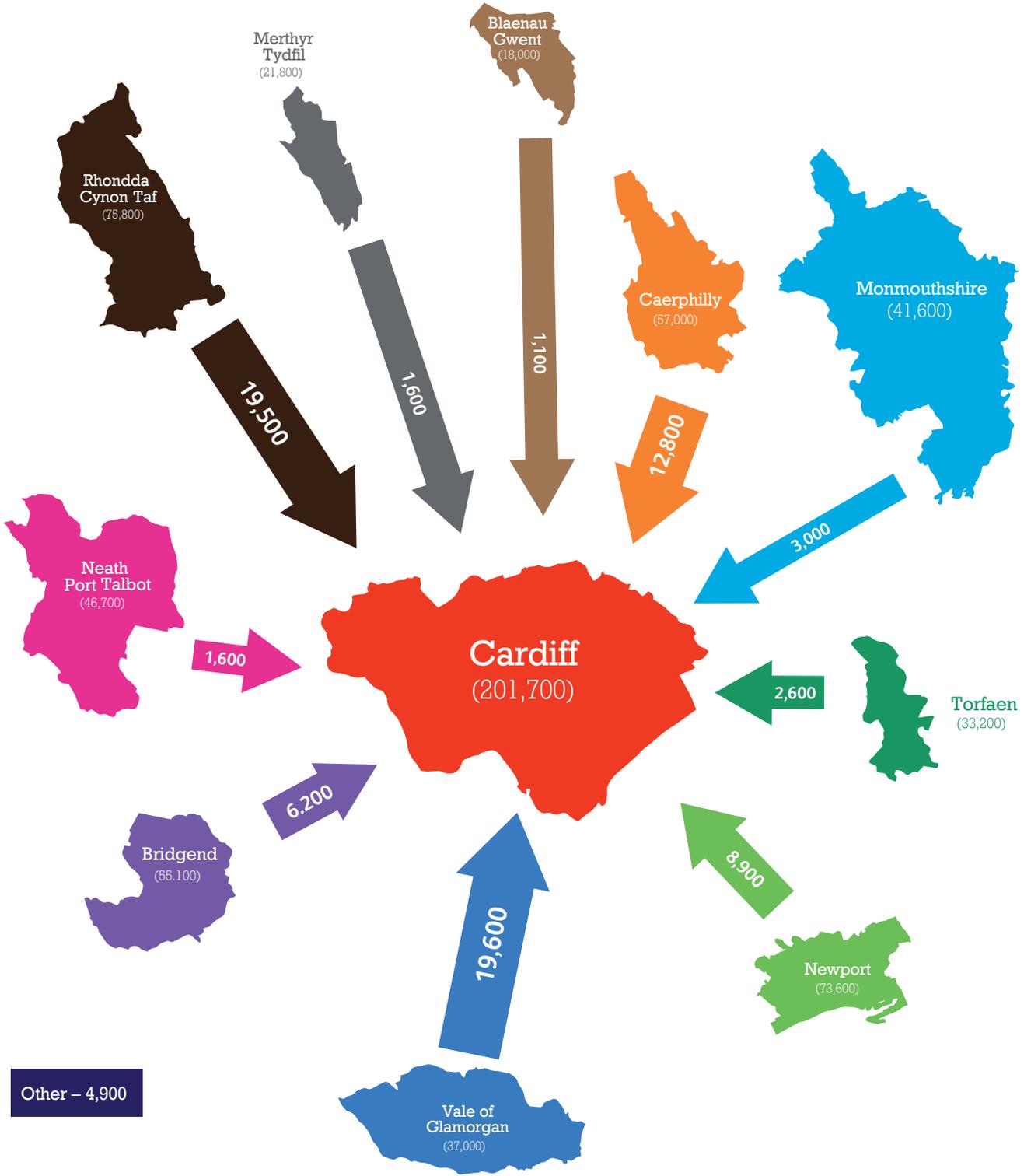
Each day around **80,000 people** commute in to Cardiff from surrounding local authorities.





## Commuters into Cardiff

This diagram shows people commuting into Cardiff from surrounding areas, and shows how Cardiff supports the economy of the wider city region.



•••➔➔➔ **81,800** Flow of Cardiff's Daily In-Commuters

Total Workplace Population in brackets, for example Cardiff (201,700)

# Cardiff Today

## A Closer Look at our Growing Population

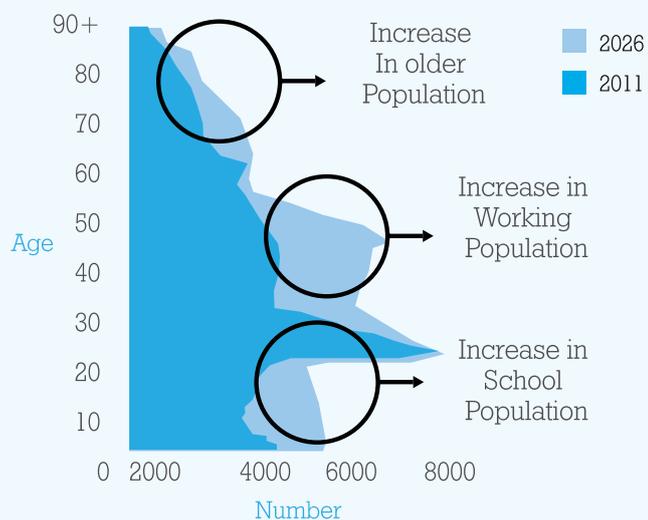
Cardiff's rapid growth won't be evenly spread across age-groups. There will be significantly more people between the age of 30 and 50, more school children and more people over 65 years old.

These changes in the make-up of Cardiff's population will put pressure on services because we know that certain age-groups are more likely to rely on public services.

Young people are entitled to high quality education, and so a 25% increase in school age children will mean that we will need more schools and more teachers in Cardiff.

Similarly older people – particularly those over 85 years old whose numbers are expected to nearly double over the next 10 years - are far more likely to need health and care services to help them live independent lives.

So, whilst population growth is a sign of success, there are challenges to be managed.



Source: Welsh Government population projection 2011-2026



## Ethnicity in Cardiff

Cardiff has a long history of being open and inclusive and is by far the most ethnically diverse local authority in Wales. This openness and cultural diversity is part of what makes Cardiff a great place to live, work and visit.

The table below demonstrates the diversity of people living in Cardiff.

## Welsh Language

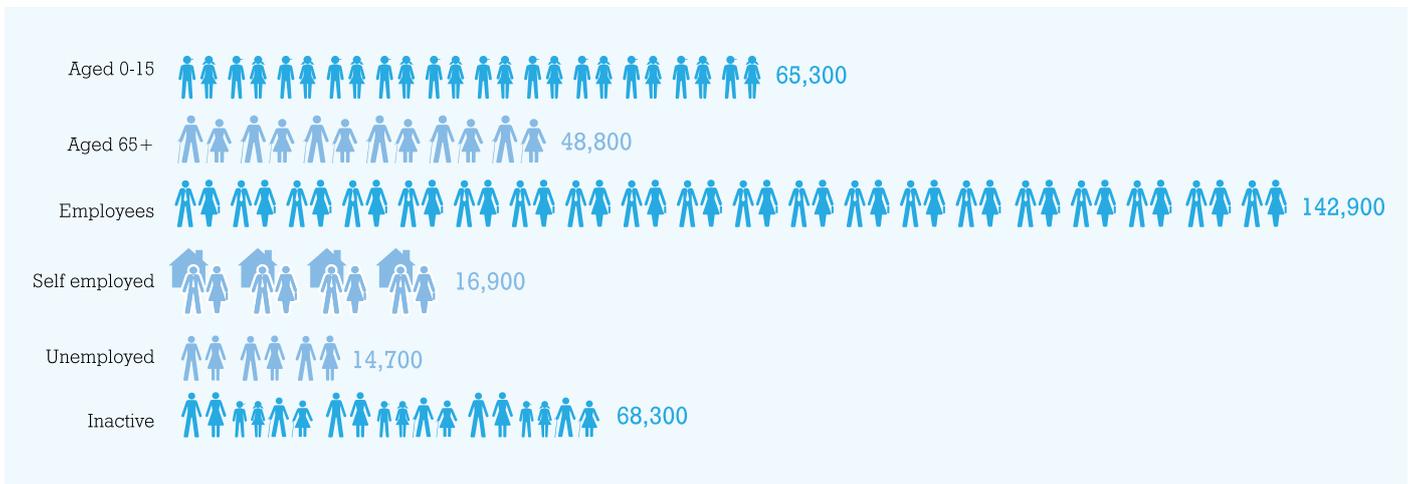
As a capital city, Cardiff also has an important role in promoting Wales as a fully bilingual country. Overall, 16.2% of people in Cardiff identified themselves as having one or more skills in the Welsh language (53,680) with 11.1% being able to speak Welsh (36,735).

Ethnic Group (Nomis Categories)	CARDIFF		
	No.	%	Cardiff % of Wales Total
Non-white:	52,976	15.3	39.2
Mixed/multiple ethnic groups	10,031	2.9	31.8
Asian/Asian British	27,885	8.1	39.8
Black/African/Caribbean/Black British	8,201	2.4	44.9
Other ethnic group	6,859	2.0	44.9

Source: 2011 Census, Office of National Statistics

## What people do in Cardiff

A number of people in Cardiff are classified as “economically inactive”, which means that they are not actively looking for work, and would include Cardiff’s large student population (over 30,000 people).



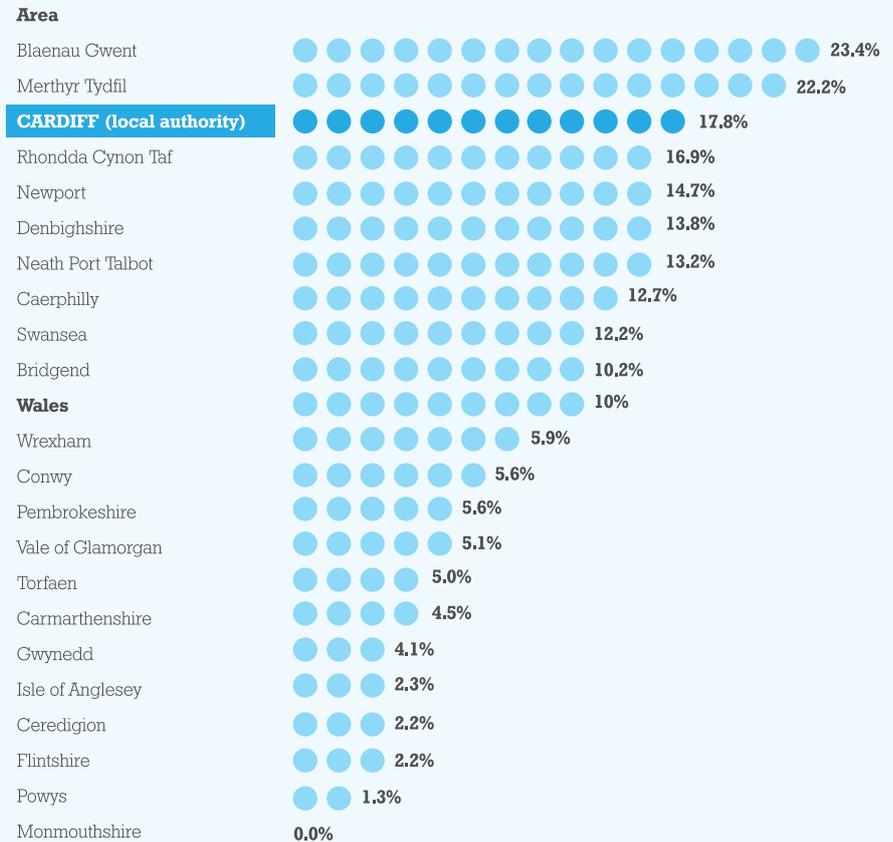
## Deprivation in Cardiff- An Overview

Cardiff faces some major challenges which are too often hidden by strong performance at a city level. For example, over a quarter of households in Cardiff – that’s over 41,000 homes - are deemed to be living in poverty.

The Welsh Index of Multiple Deprivation is the official measure of relative deprivation for small areas in Wales. It is designed to identify those small areas containing 1,000 to 3,000 people, known as local super output areas, where there are the highest concentrations of different types of deprivation.

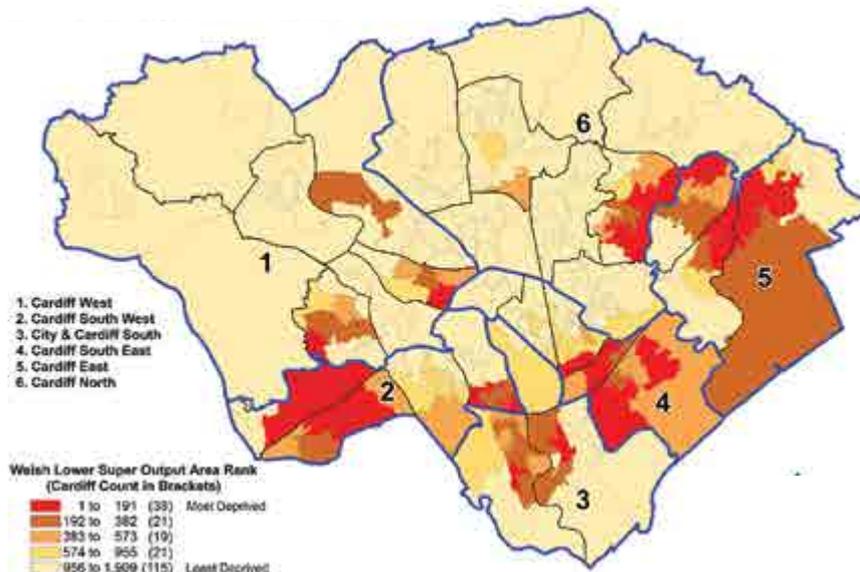
In terms of overall performance, only two other local authorities in Wales have a higher percentage of people who are amongst the 10% most deprived in Wales. The graph below shows the concentration of deprivation across the city.

### % in 10% Most Deprived Areas of Wales



Source: Welsh Index of Multiple Deprivation (2014)

## The 2014 WIMD Overall Ranks in Cardiff



Over **60,000** people in Cardiff are amongst the 10% most deprived in Wales



## Summary

Cardiff plays a unique role in Wales. Over the past decade it has been the main source of new jobs in the city-region, and over a third of the city's workforce commute in each day from surrounding areas.

It has grown rapidly, both in a Welsh and UK context. More strikingly, Cardiff's growth rates outstrip all the major UK cities, with projections placing it as the fastest growing UK city over the next 20 years.

This economic and population growth is good news for Cardiff – a successful city attracts people, particularly talented people.

However, it also brings challenges: new homes – indeed, new communities - will need to be built for these new citizens; new schools – and new teachers will be needed to accommodate the large rise in school age children; new transport infrastructure and services – roads, buses, trains, cycle-routes – will be needed to keep the city moving, particularly at peak times; and services will need to adapt to care for the needs of the city's growing elderly population.

Large inequalities exist within the city, with big differences evident in the economic and health outcomes for citizens, differences which are hidden by strong performance across key city wide indicators.



# Outcome 1

## Cardiff has a Prosperous Economy

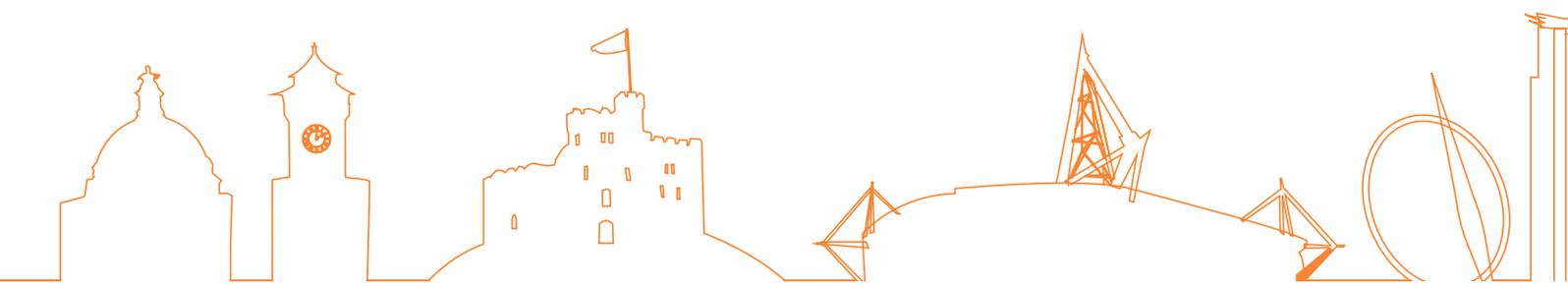




A growing and prosperous economy, with opportunities for all, is an essential component of making Cardiff Europe's most liveable capital city.

The following section gives an overview of Cardiff's economic performance, looking at the following indicators:

- GVA
- Median wage
- Unemployment
- Economic activity
- Business start-ups
- Visitor numbers and tourist spend



## Economic Output (Gross Value Added)

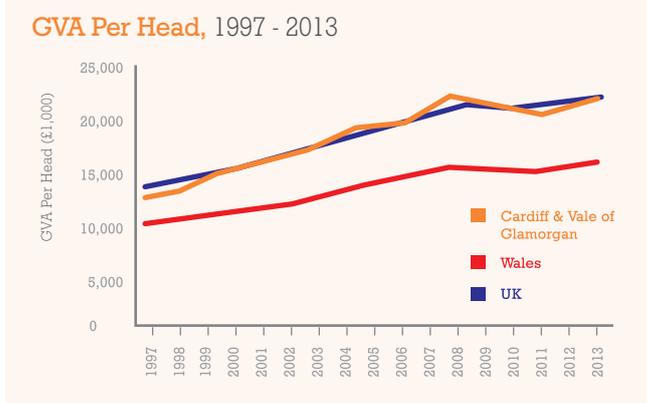
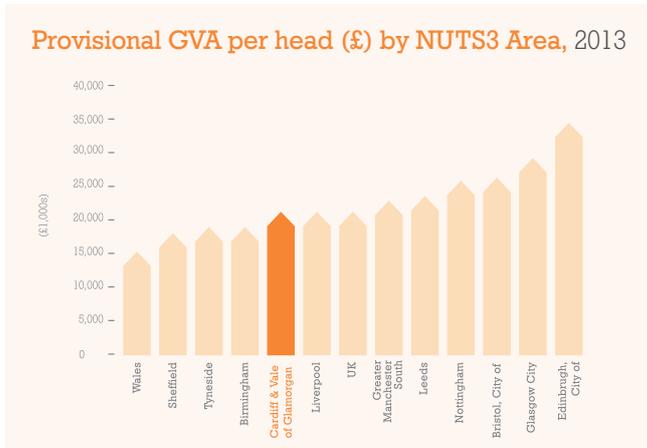
The measure of GVA per head gives an indication of the wealth created per person, and is often used as the way of measuring the strength of an economy.

In 2013 the GVA in Cardiff and the Vale of Glamorgan was £22,986.

This is substantially and consistently higher than the Wales level. However, Cardiff compares relatively poorly to other major UK cities, being markedly lower than the highest performing cities.

The UK has the widest regional economic disparity in Western Europe and compared to the core cities average, productivity per person is 88% higher in Munich, 42.8% in Rotterdam and 26.7% in Barcelona.

The line chart (right) also shows that Cardiff's GVA grew faster than the Welsh and UK average between 1999 and 2007 and though it suffered during the recession of 2008 – 2010 has since rebounded to 98.3% of the UK average.

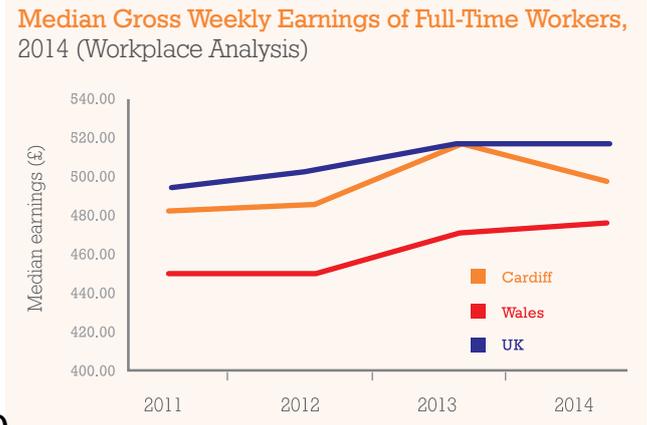
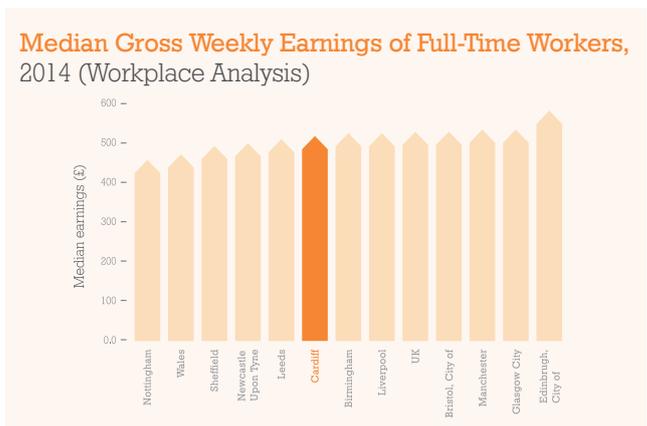


## Median Wage

In simple terms, this indicator is the average wage of those currently in employment in the city.

The chart (right) shows a comparison of the median gross weekly earnings of full-time workers.

The 'average wage' of people living in Cardiff is therefore some way off the best performing cities of Manchester, Glasgow and Edinburgh.



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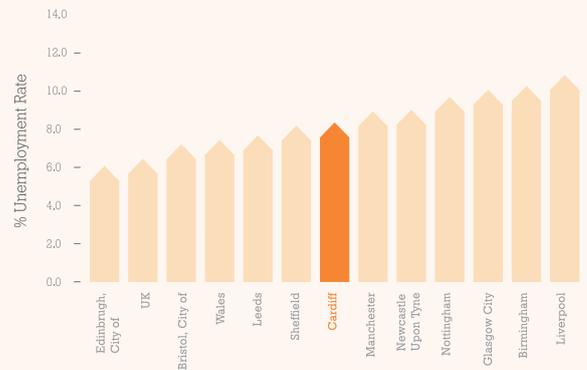
## Unemployment

There are numerous ways of measuring unemployment. The unemployment rate reveals the number of people who are out-of-work and who are actively seeking work.

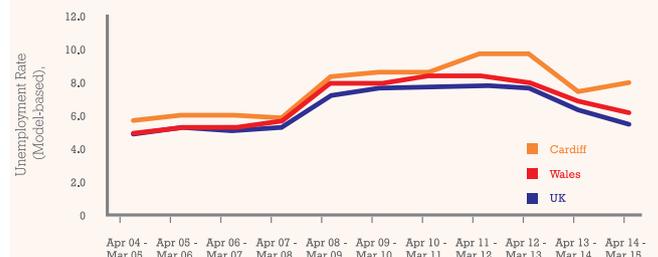
At 8.4% Cardiff's unemployment rate is mid-ranking across the core city areas, and it is higher than the average rate in both Wales and the UK.

Looking back over the last 10 years it can be seen that unemployment increased sharply in Cardiff since 2007, in line with the national trend, demonstrating the impact of the financial crisis and the economic downturn that followed. However, unemployment has fallen markedly since 2012.

Unemployment Rate (Model-based),  
 Apr 2014 to Mar 2015



Unemployment Rate (Model-based),  
 Apr 04 - Mar 05 to Apr 14 - Mar 15

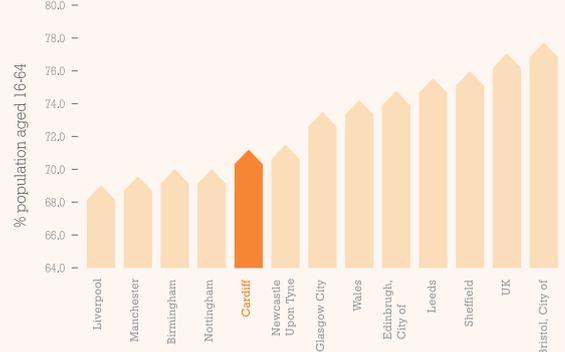


## Economic Activity

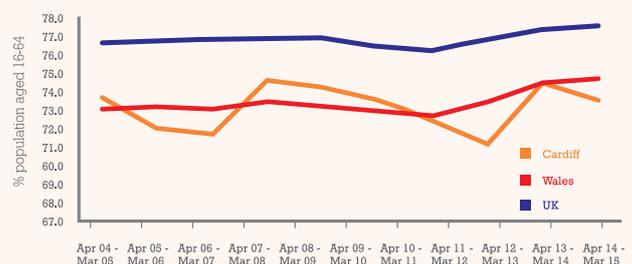
The economic activity rate is the number of people in the city who are either in work or are actively looking for work. It's an important indicator as it gives the overall capacity of the city's workforce to contribute to the economy.

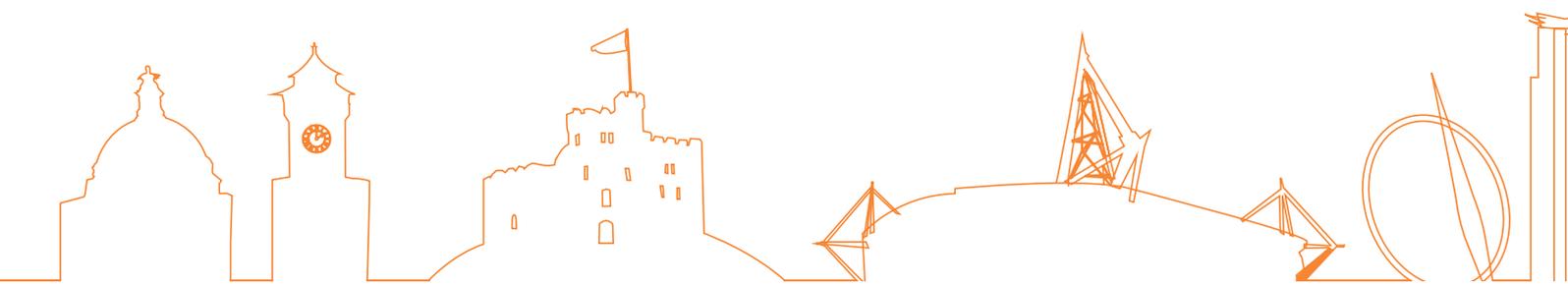
Cardiff's economic activity is relatively low compared to other core cities. This might be because Cardiff has a substantial student population which brings down economic activity levels.

Economic Activity Rate (% of population aged 16-64),  
 Apr 04 - Mar 05 to Apr 14 - Mar 15



Economic Activity Rate (% of population aged 16-64),  
 Apr 04 - Mar 05 to Apr 14 - Mar 15

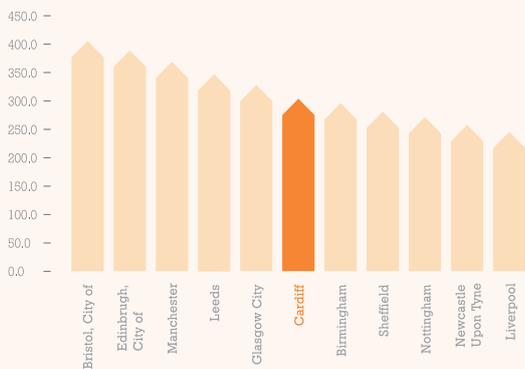




### Business Births per 10,000 population 2013



### Active Businesses per 10,000 population 2013



## Business Start-Ups

The number of business start-ups is an area where Cardiff is not performing well compared to other core cities. Cardiff also finds itself mid-placed in terms of the rate of active businesses, with around 92 businesses less per 10,000 residents than the top ranked core city, Bristol.



### Visitor numbers and expenditure for Cardiff 2002-2013



### Expenditure (£) per FTE for Cardiff and a few Core Cities; 2013



## Tourism

Attracting tourists can bring real economic benefits – both for Cardiff and the wider area. In 2013 the visitor economy was worth £1.05bn to Cardiff's economy from 1.91m overnight trips and some 18m day visitors. Tourism directly supports over 13,700 FTE jobs in the city. Visitors to Cardiff have risen significantly over the last 10 years and this has been matched by an increase in the money spent by those visiting.





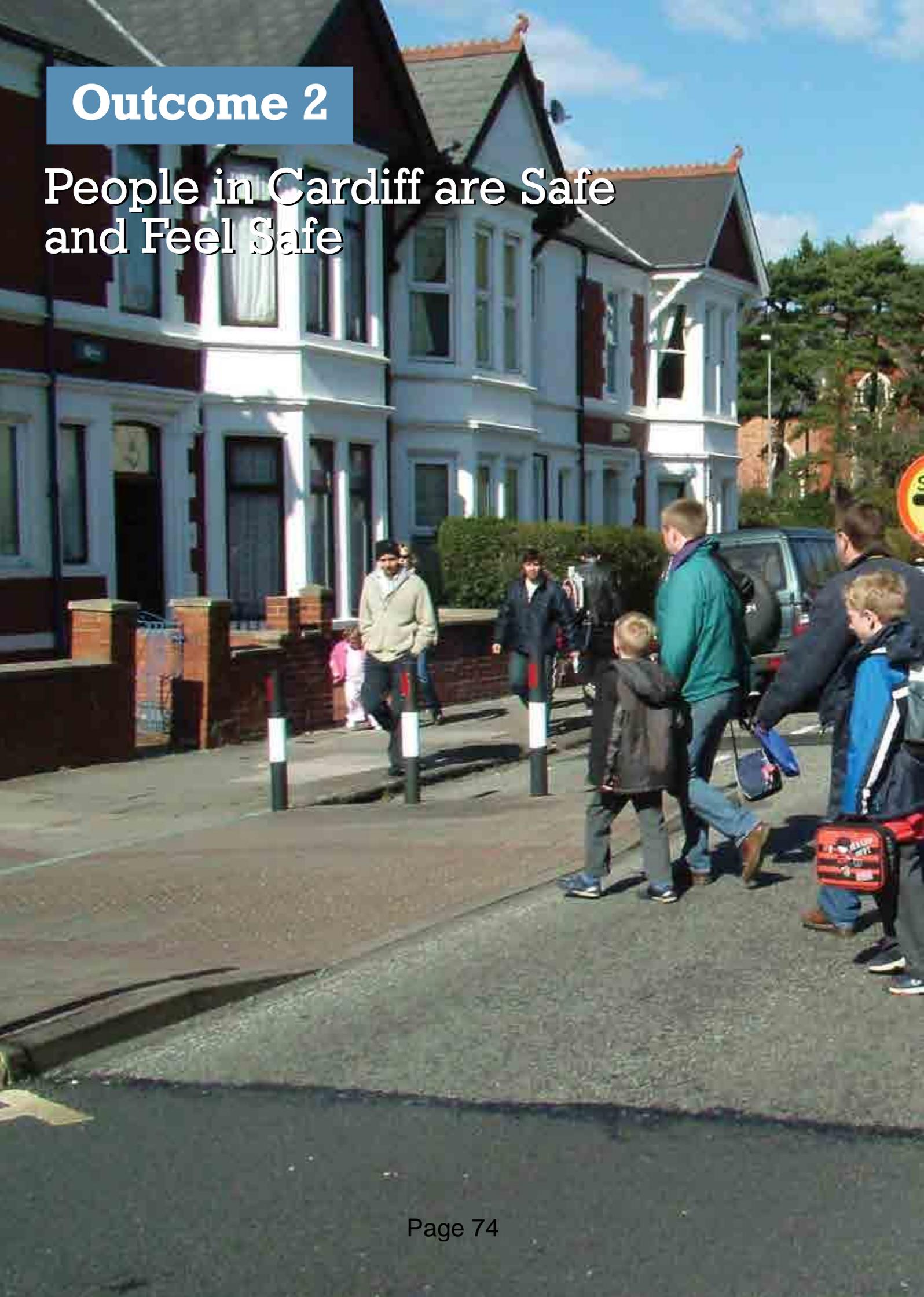
## Summary

Cardiff's economic performance is the strongest in Wales, and plays a vital role in creating jobs for the people of the city and the wider city-region. It has also demonstrated strength in relation to UK core cities, with faster jobs growth and consistently lower unemployment. With the fast population growth projected, particularly for people of a working age, many of the indicators point to a strong period for the city economy.

To move forward successfully the city's relatively low GVA must be addressed. This suggests that though jobs are being created, they are often lower paid. The city must therefore focus on creating and attracting more and better-paid jobs over the coming period if it is to deliver the opportunities expected in a leading liveable city.

## Outcome 2

# People in Cardiff are Safe and Feel Safe



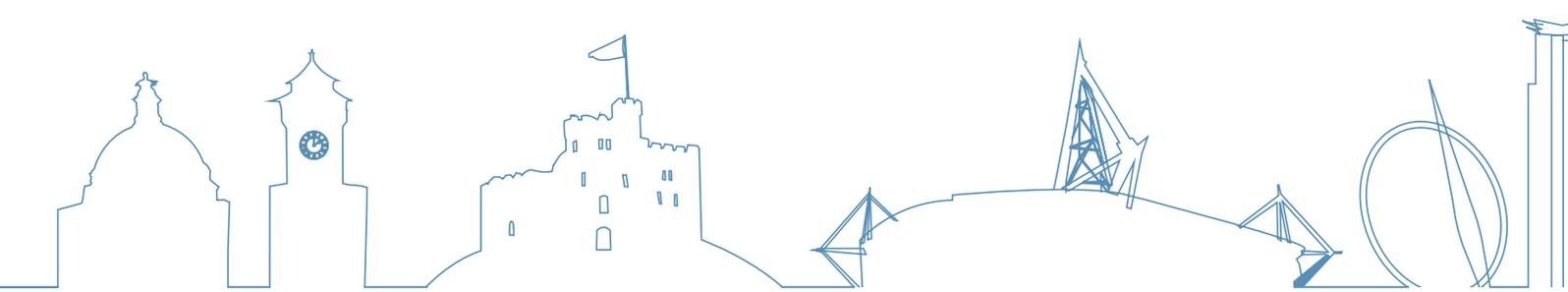


Being safe and feeling safe consistently rank as top priorities for residents, businesses and visitors.

This means more than being free from harm, injury, or risk. No matter how positive crime and community safety trends are, residents must feel confident they will live free from concerns about their safety.

The following section gives an overview of crime trends in Cardiff over the last decade and performance compared to UK core cities, looking at the following indicators:

- Total recorded crime
- Hate crime
- Violence against the person
- Anti-social behaviour
- House burglaries
- Other thefts
- Criminal damage
- Perceptions of crime



## Total Recorded Crime

Total crime in Cardiff has been reduced significantly in recent years. Even though the city's population grew by 12% between 2003 and 2013, the amount of crime reduced by 36.8%.

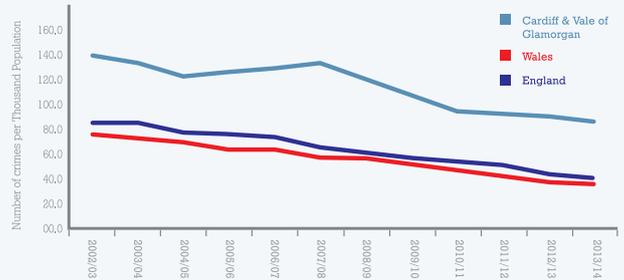
This means that over the last decade, when taking into account population growth, the city has experienced a 45.5% decrease in total crime. **Simply put, people in Cardiff are almost half as likely to be a victim of crime as they were 10 years ago.**

Cardiff is not alone in becoming much safer, with similar reductions seen across England and Wales.

Whilst overall crime has decreased in Cardiff at a significant rate, there is an inconsistent picture across the various crime categories, which make up the overall crime total. These vary from a 3% increase in "Violence Against the Person" to a 54% reduction in "Criminal Damage".

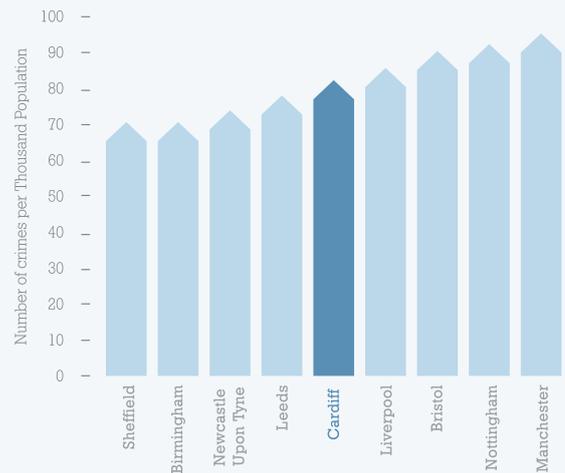
*Please note that over the last decade there have been significant changes to the way the Home Office records crime within England and Wales. Whilst these guidelines are published by the Home Office it is up to each individual police force how they implement these guidelines.*

## Overall Crime Trends



Source: Home Office Crime Statistic & South Wales Police

## Comparison of Overall Crime per City 2013/14



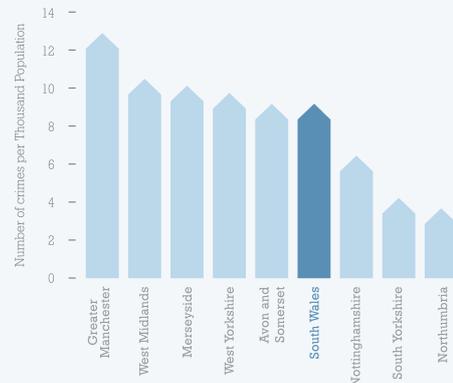
Source: Home Office Crime Statistic & South Wales Police



## Hate Crime

A comparison of the total number of hate crimes shows that South Wales is a mid-performing police force area. Whilst there are areas with higher levels of hate crime, there are also areas with significantly lower levels, such as the Northumbria Police Force area which includes Newcastle Upon Tyne. *Please note that data is not available at a city-level for this type of crime.*

## Police force area Hate crime per 10,000 population 2013/14



Source: Home Office Crime Statistic & South Wales Police



## Violence against the Person

Cardiff has seen a 3% increase in Violence against the Person Offences when 2003/04 is compared with 2013/14.

This may not mean that Cardiff has become a more violent city. A closer look at the data shows that violence against the person was falling until 2012, after which it started to rise. This rise coincided with a change in the way the data was collected. Furthermore, a sharp decline in the number of people attending A&E due to violence related admissions over the same period suggests that this apparent rise may be down to the way the crime is reported, not the city becoming more violent.



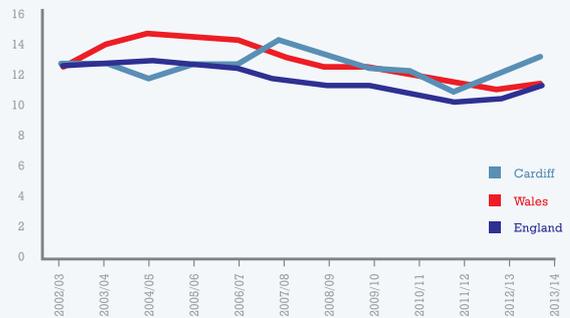
## Anti-Social Behaviour

Anti-Social Behaviour (ASB) covers a wide range of unacceptable activities that blight the lives of many people on a daily basis and tends to be behaviour which causes or is likely to cause harassment, alarm or distress. This can include anything from drinking in the street, being loud and inconsiderate or trespassing.

The city has seen a significant decrease of 71% in recorded incidents of ASB between 2005/06 (from when statistics are available) and 2013/14.

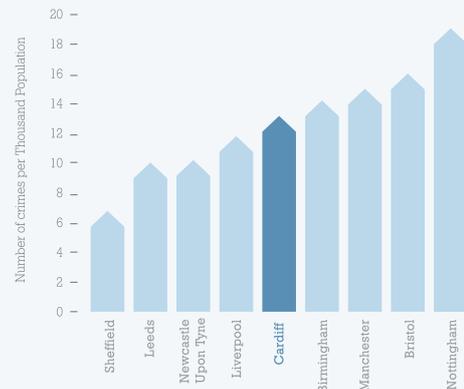
*Please note there are no figures available to compare against other core cities, but Home Office figures are available between 2007/08 and 2013/14 at a police force/ regional level.*

### Violence Against The Person Crime Trends



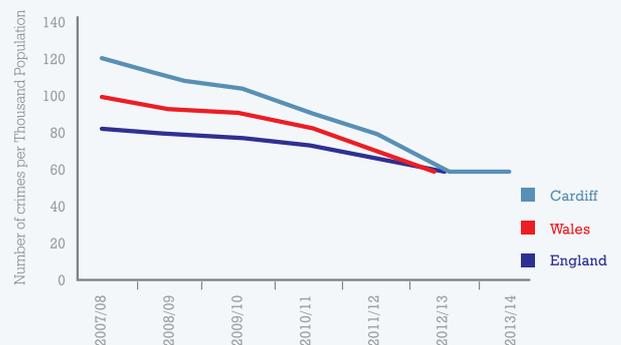
Source: Home Office Crime Statistic & South Wales Police

### Comparison of Violence against the Person per City 2013/14

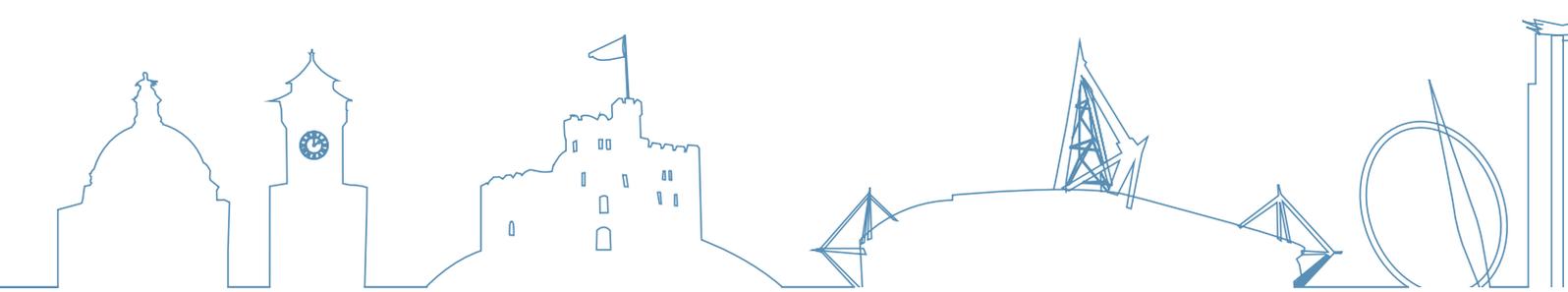


Source: Home Office Crime Statistic & South Wales Police

### Anti-Social Behaviour Trend Charts



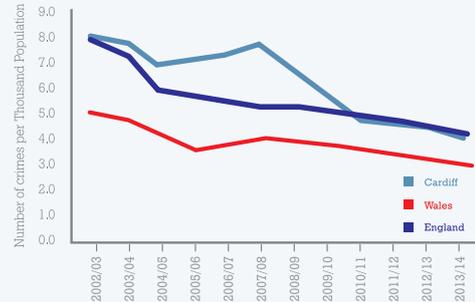
Source: Home Office Crime Statistic & South Wales Police



## Dwelling House Burglaries

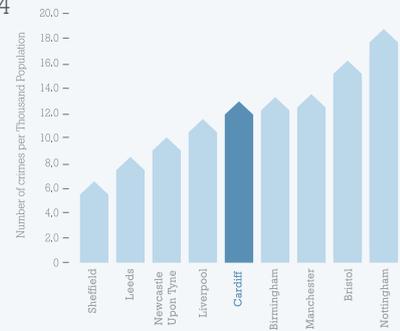
The number of Dwelling Burglaries fell by 50% between 2003/04 and 2013/14. This means that Cardiff is a mid-placed core city with respect to the number of Dwelling House Burglaries.

### Dwelling House Burglary Crime Trends



Source: Home Office Crime Statistics

### Comparison of Dwelling Burglaries per City 2013/14



Source: Home Office Crime Statistics



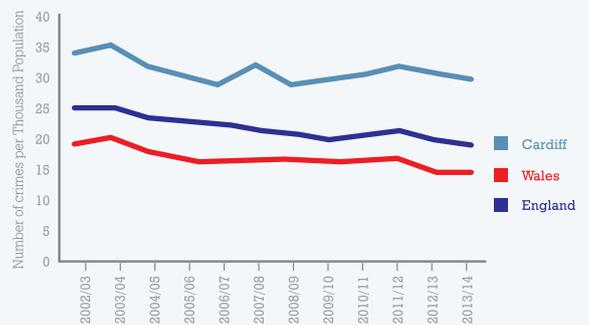
## Other Thefts

Other Thefts includes various classifications of theft but does not include offences relating to motor vehicles.

Over the years the number of offences recorded under this offence group has shown a 16% reduction when comparing 2003/04 to 2013/14.

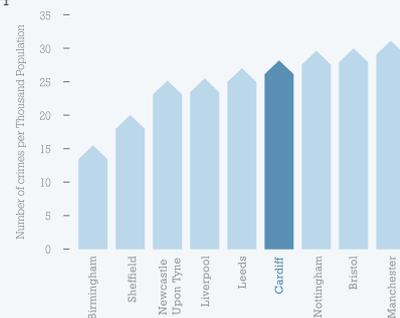
When Cardiff is compared against similar cities by thefts per thousand of population, it is a mid-ranking city.

### Other Thefts Crime Trends

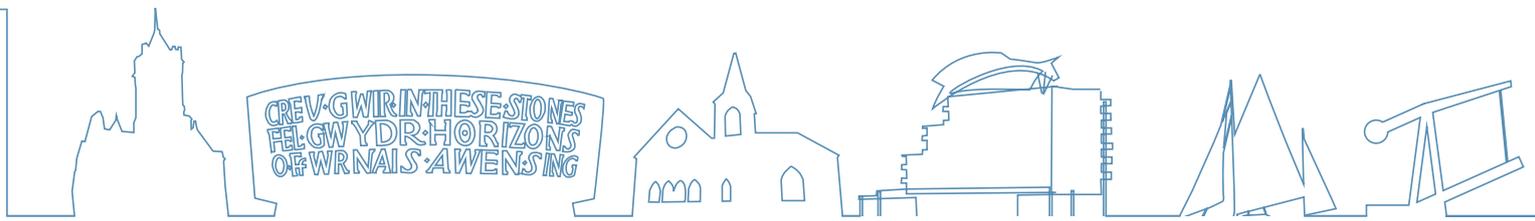


Source: Home Office Crime Statistics

### Comparison of Other Thefts per City 2013/14



Source: Home Office Crime Statistics



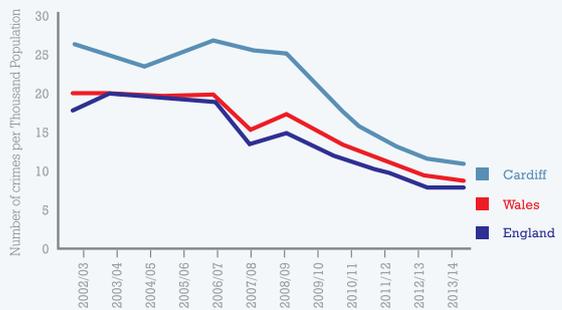
## Criminal Damage

In Cardiff there has been a reduction of 53.9% in the number of offences of criminal damage recorded, in line with the reduction in ASB incidents, which places Cardiff as a mid-ranking city in UK terms.

An analysis over time suggests a link between the level of anti-social behaviour and offences of criminal damage.

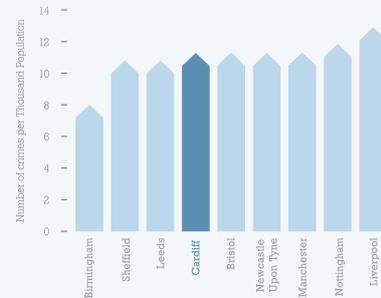


### Criminal Damage Crime Trends



Source: Home Office Crime Statistics

### Comparison of Criminal Damage per City 2013/14



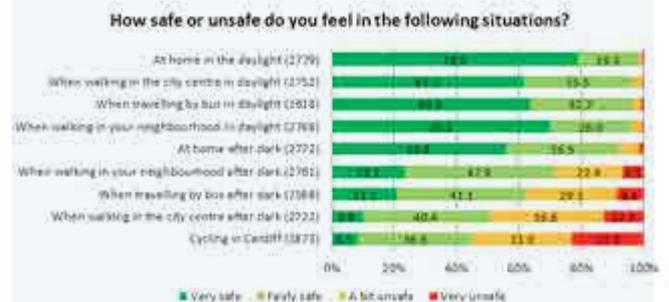
Source: Home Office Crime Statistics

## Perceptions of crime

How safe people feel is important because the way people feel often affects their quality of life. Responses to the Ask Cardiff Survey, Cardiff's annual survey to engage the views of citizens, reveal that people feel fairly safe in Cardiff.

Respondents felt most safe in their homes (both during daylight and after dark), and in their local neighbourhoods, the city centre and on buses during daylight, with over nine in ten respondents reporting they felt 'very' or 'fairly' safe in each of these situations. They were least likely to feel safe when cycling (45.1%), when walking in the city centre after dark (50.3%) or when travelling by bus after dark (62.3%).

It is noticeable therefore that people feel less safe after dark, but only a relatively small percentage feel 'very unsafe'.



Source: Ask Cardiff (2014) 'City of Cardiff Council'



## Summary

Cardiff today is a much safer city than it was 10 years ago. When taking into account population growth, overall crime per 1,000 of the population has decreased by 45.5% in this time. But it is also important that people feel safe. The Council and partners will continue to monitor and respond proactively to crime, and perceptions of crime, across the city and ensure that Cardiff is a city where people feel safe and are safe. This is an important part of being a liveable city and by targeting crime, and the underlying causes of crime, South Wales Police and the Council can help ensure Cardiff is a place where people enjoy living in a safe environment.

# Outcome 3

## People in Cardiff are Healthy



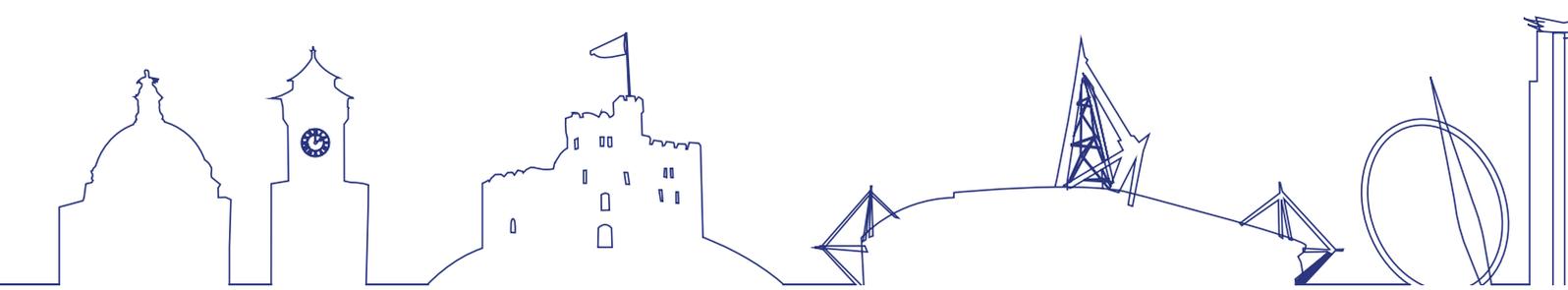


Being healthy allows people to live happy and fulfilled lives. Exercise, good nutrition and living a healthy lifestyle, such as not smoking or drinking heavily, are important if people in Cardiff are to be fit and well.

A healthy population also places less strain on public services, particularly the Health Service.

This chapter looks at the following indicators of whether people in Cardiff are healthy:

- Life expectancy
- Obesity
- Physical activity
- Nutrition
- Smoking
- Binge drinking



## Life Expectancy

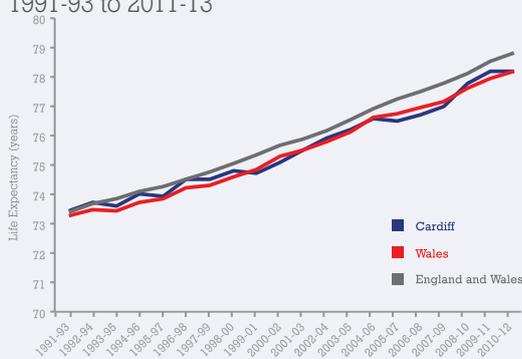
Life expectancy, for both men and women, has increased steadily over the last twenty years and is higher in Cardiff than in many of the UK core cities.

In fact, women in Cardiff are projected to live longer than in any other major British city.

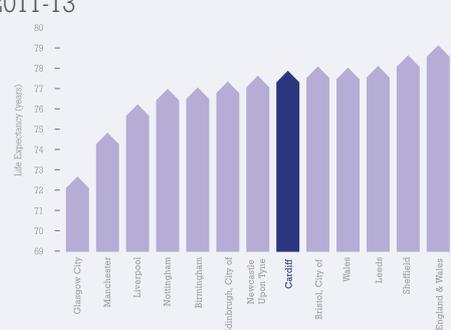
There is a substantial difference in projected life expectancy for those born in the city's poorest and richest areas. The graph below displays the extent of this gap.



**Male Life Expectancy (Years), 1991-93 to 2011-13**

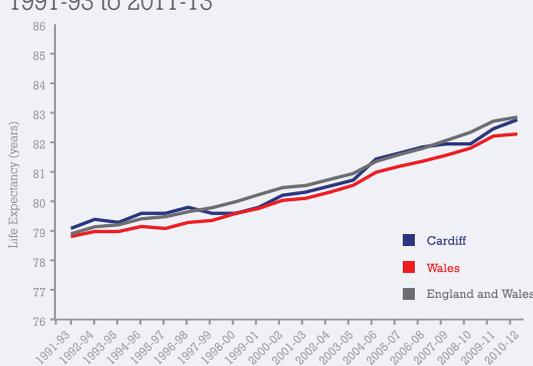


**Male Life Expectancy (Years), 2011-13**

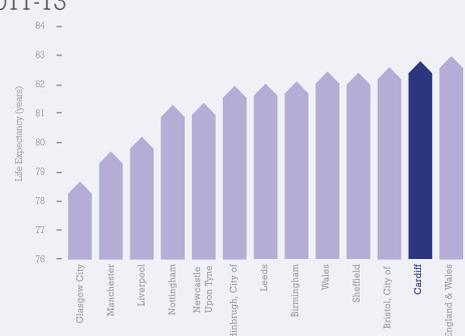


Source: Office of National Statistics

**Female Life Expectancy (Years), 1991-93 to 2011-13**

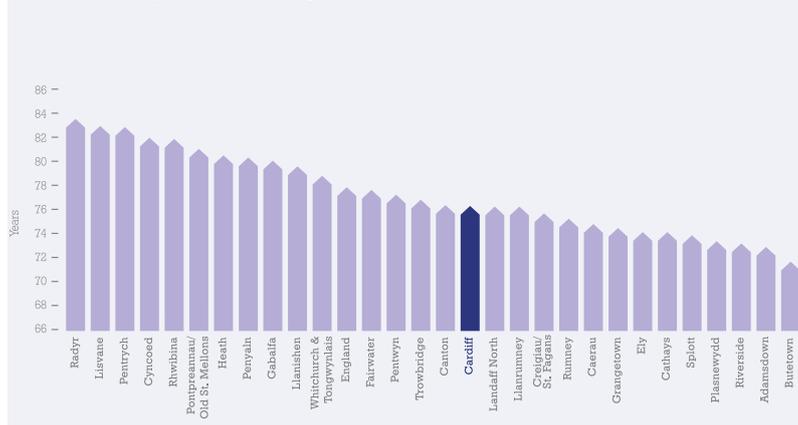


**Female Life Expectancy (Years), 2011-13**

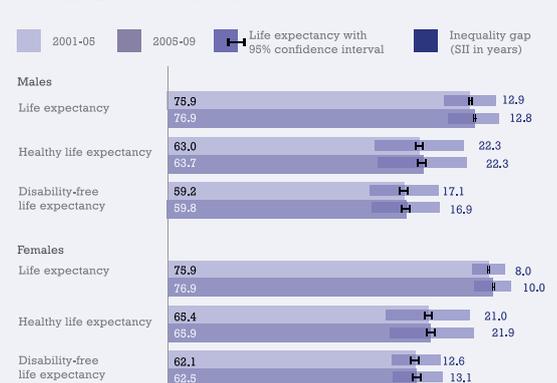


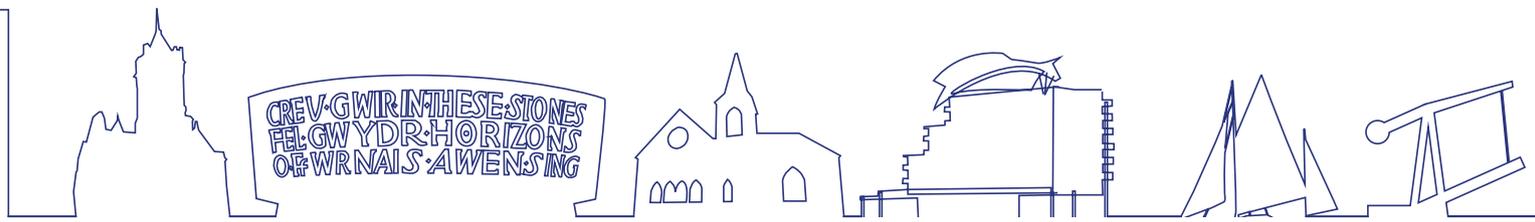
Source: Office of National Statistics

**Life Expectancy Projections 1999 - 2003 (Ward Level)**



**Comparison of life expectancy, healthy life expectancy & disability-free life expectancy at birth, Cardiff 2001-05 and 2005-09**





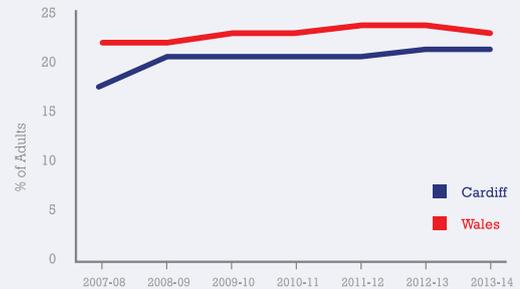
## Obesity

Over a fifth of Cardiff's adult population was considered obese in 2013-14.

Though this places Cardiff below the Welsh average, and significantly lower than areas in the South Wales valleys, it remains a concerning issue.

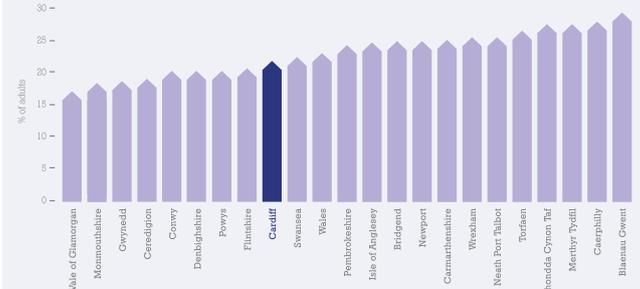


**% of Adults who were Obese (Age Standardised), 2013-14**



Source: Welsh Health Survey Lifestyle trends (2015) Public Health Wales

**% of Adults who were Obese (Age Standardised), 2013-14**



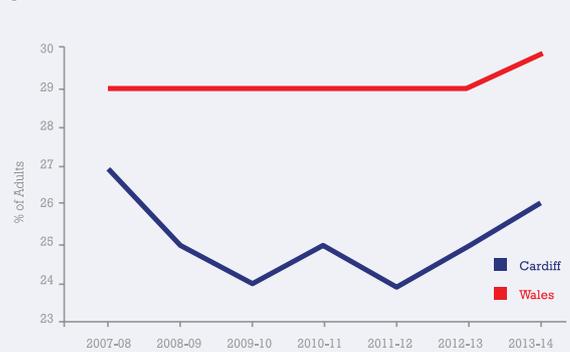
Source: Welsh Health Survey Lifestyle trends (2015) Public Health Wales



## Physical Activity

Over the last six years the percentage of adults who meet physical activity daily guidelines has dropped for men in Cardiff, falling behind the Welsh average, and has slightly increased for women reaching almost the same level as the Welsh average.

**% of adults who met physical activity daily guidelines in Wales**



Source: Welsh Health Survey Lifestyle trends (2015) Public Health Wales



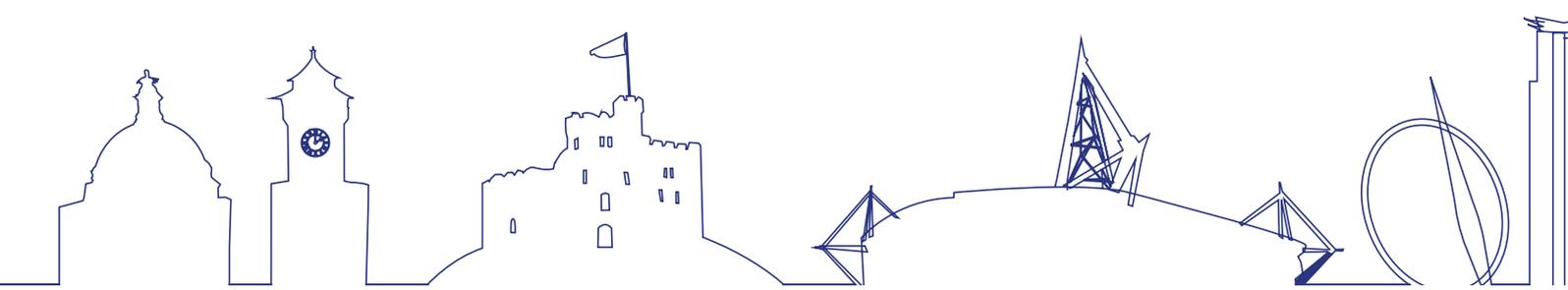
## Healthy Eating

There has been a fall in the number of adults who report eating five or more portions of fruit or veg the previous day and whilst relatively in line with the Welsh average this will be of growing concern given the decline in physical activity and gradual increase in obesity rates.

**% of adults who ate five or more portions of fruit and veg in the past week for Cardiff and Wales**



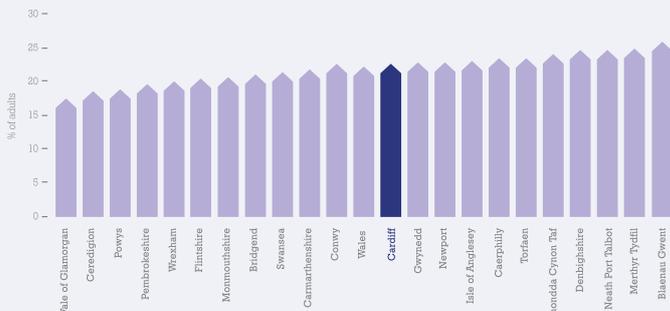
Source: Welsh Health Survey Lifestyle trends (2015) Public Health Wales



### % of Adults who Reported Being a Current Smoker (Age Standardised), 2007-08 to 2013-14

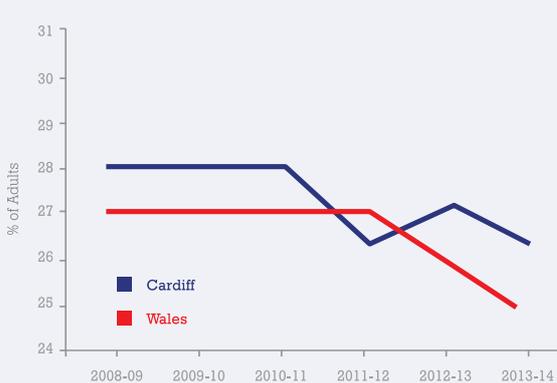


### % of Adults who Reported Being a Current Smoker (Age Standardised), 2013-14

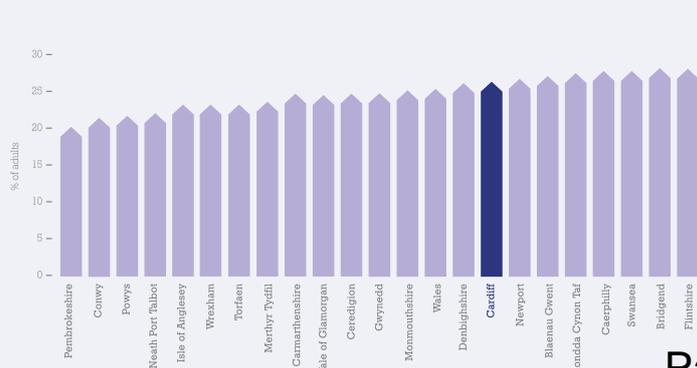


Source: Welsh Health Survey Lifestyle trends (2015) Public Health Wales

### % of adults that admit to binge drinking at least one night per week for Cardiff and Wales; 2008-14



### 2013-14



## Smoking

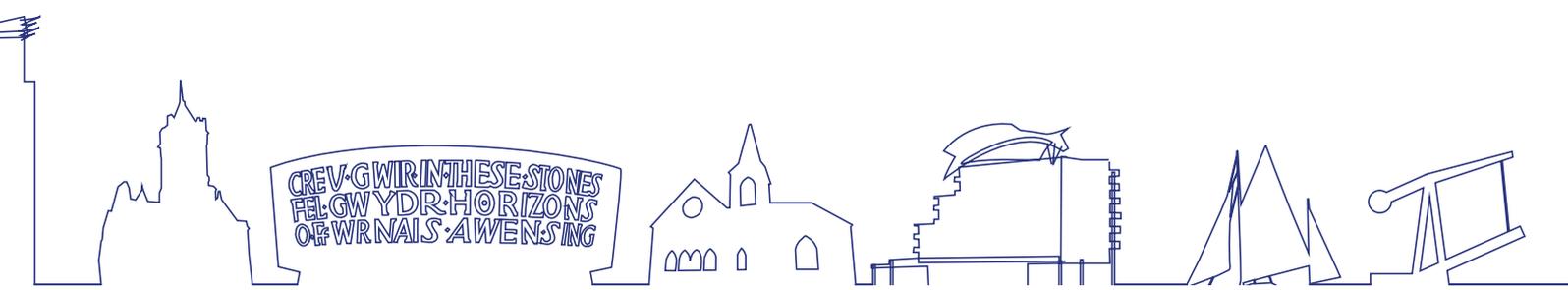
With regards to smoking, the number of people who smoke has fallen over recent years, but levels of smoking remain slightly above the Welsh average.



## Binge drinking

The level of reported binge drinking at least one night per week is higher for both men and women in Cardiff than the Welsh average. The general trend has been downward in the last six years, however this figure has remained relatively consistent. Binge drinking is behaviour that could lead to significant pressure on health services both in the short and long term – increasing the chance of heart disease and liver/kidney failure.





## Summary

People in Cardiff could be described as being healthier than ever before; levels of good general health are high, average life expectancy is up and mortality rates have continued to fall. Cardiff's performance is strong in comparison to other areas of Wales and core cities.

Despite the positive trend in life expectancy, there are specific and persistent health problems that are a result of modern lifestyles: obesity, diabetes and coronary heart disease, among others. These present immediate challenges for the health of the population, and bring with them challenges for public services, particularly in view of a growing and ageing population

Public health behaviour also suggests that a lack of physical activity, poor eating habits and binge drinking might create additional pressure on health services in the future.

## Outcome 4

People in Cardiff achieve their Potential



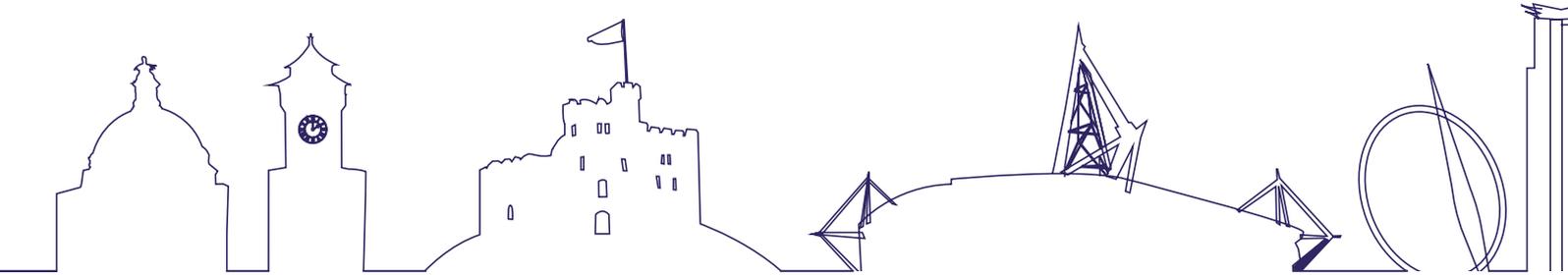


A great education is the most important platform for people to realise their potential and succeed in life, and, in a knowledge economy, it's also the most important factor in a city's economic success.

Providing high quality schools, colleges and universities is therefore a fundamental part of any successful city. Education does not stop at the school gate, and it is important to allow people to keep learning throughout their lives, to give them the skills and qualifications to do the things they want to do – whether that be gain skills to start a new career or learn a language.

This section looks at the following:

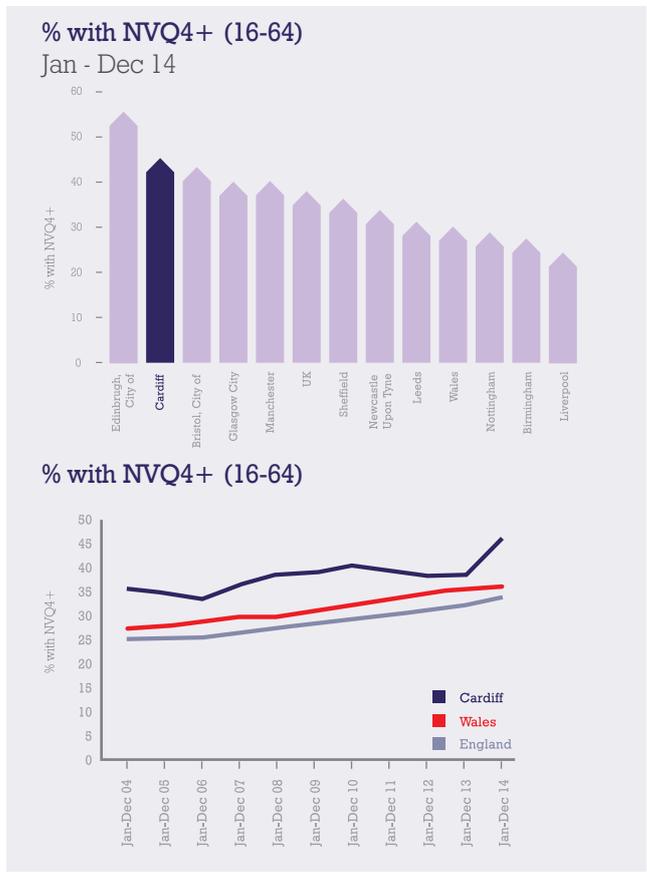
- The number of people with a degree-level qualification
- The number of people with no qualifications
- The number of people with the equivalent of 5 GCSEs
- Performance at primary school level
- Those not in education, employment or training (NEETs)



## Degree-level or equivalent

In relation to high end skills – like degrees and post-graduate qualifications – Cardiff is performing well. Cardiff is in the top 2 of UK core cities in relation to the number of people qualified to a degree level or equivalent (NVQ Level 4) and is well above both the UK and Wales average – with a sharp rise in recent years.

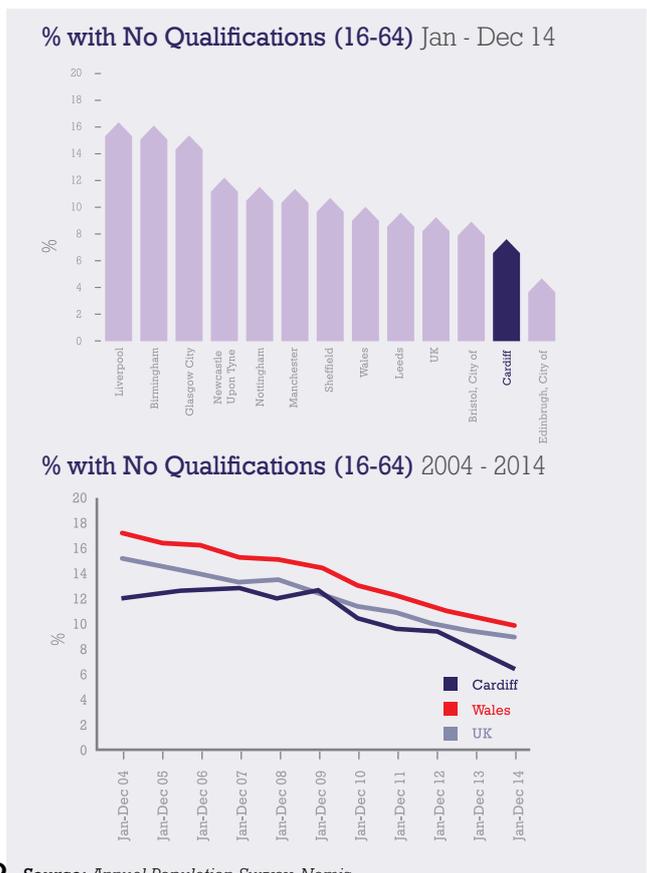
This means that people in Cardiff are well-educated and have a good chance of fulfilling their potential. Having a highly skilled population is also increasingly recognised as a driver for economic success with liveable cities placing a strong emphasis on keeping highly skilled people in the city.

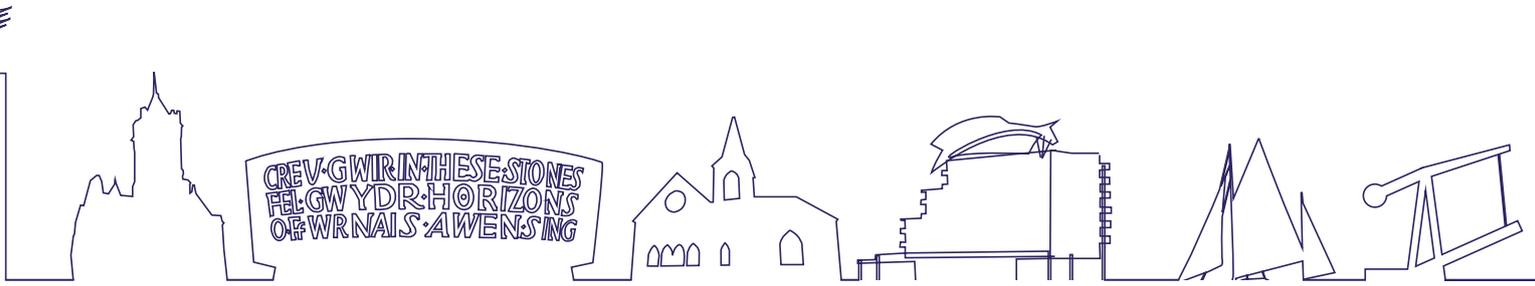


## The number of people with no qualifications

Only Edinburgh has fewer people with no qualifications than Cardiff. Over time there has been a marked reduction in the percentage of the population with no qualifications and the Cardiff level is below both the UK and Welsh average.

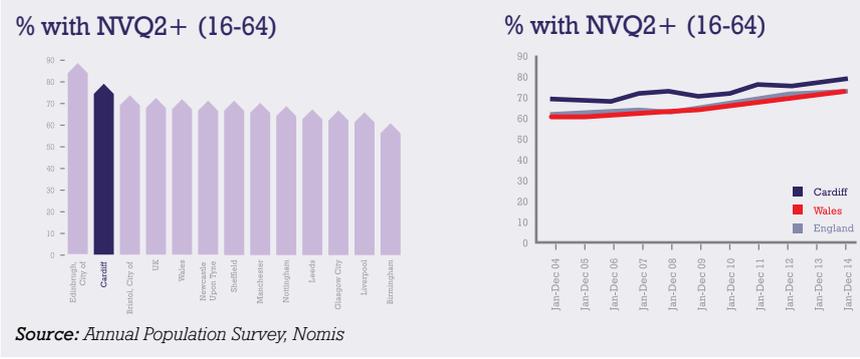
This is important as it ensures not only the city's economic competitiveness but also social justice within a city. Education and qualifications are key drivers of social mobility.





## GCSE Results

In terms of the percentage of the working age population with four or five GCSEs at grades A\*-C (qualified to NVQ Level 2) Cardiff is performing well in comparison to other core cities. Only Edinburgh has a higher percentage of the working age population qualified to this level or above and this figure has consistently risen in the last few years.



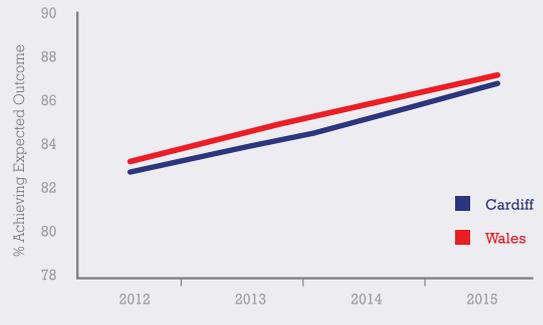
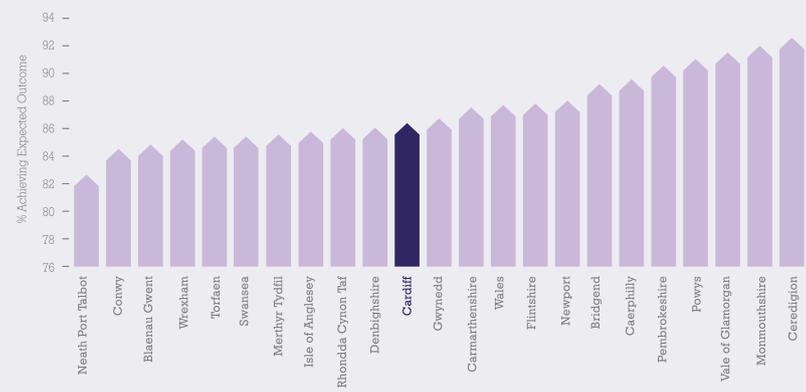
## Performance at Primary School level

With regards to primary school performance, Cardiff's comparative position against other local authorities in Wales is improving. There is a growing body of evidence to suggest that the gap is closing, and this continues to represent a priority area for the city.



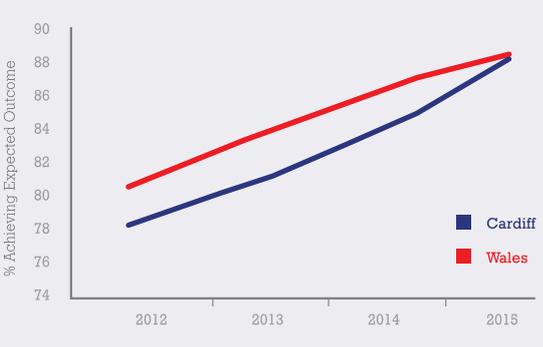
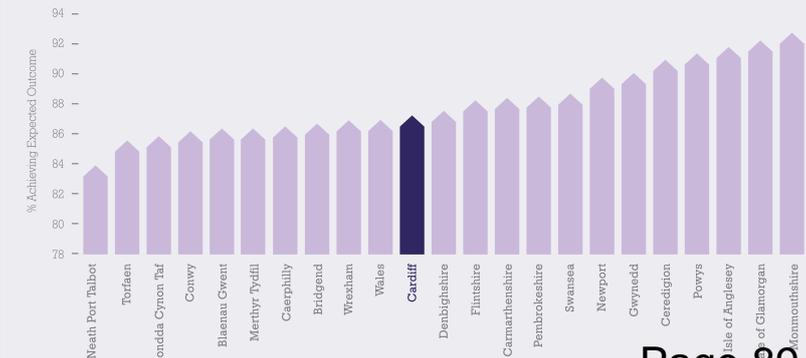
### % of Foundation Phase Pupils (5-7 years old) Achieving the Expected Outcome (Outcome 5+) in the Areas of Learning, 2015

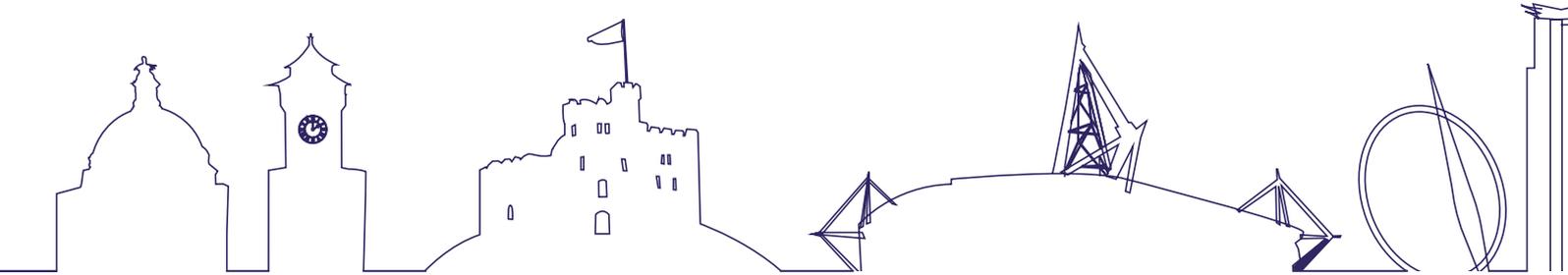
### % of Foundation Phase Pupils (5-7 years old) Achieving the Expected Outcome (Outcome 5+) in the Areas of Learning 2012-15



### Key Stage 2 pupils (7-11 years old) achieving the expected level (L4+)

### Key Stage 2 pupils achieving the expected level (L4+) over time





## Number of young people known to be NEETS

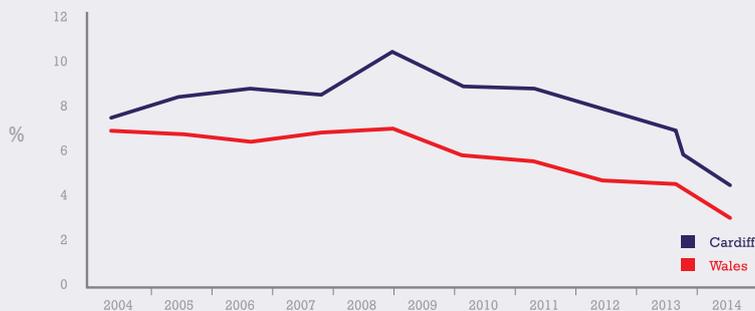
Cardiff has a higher percentage of young people (Year 11) deemed to be Not in Education, Employment or Training (NEET) than almost any local authority in Wales.

There has been a reduction of over 6 percent between 2008 and 2014, bringing the numbers in the capital city nearer to the Welsh average. This remains a priority for the city as it is an area where performance needs to improve significantly.

## Year 11: % NEETS

LEA	2014
Newport	4.7
<b>CARDIFF</b>	<b>4.3</b>
Rhondda Cynon Taf	3.9
Neath Port Talbot	3.8
Bridgend	3.6
Caerphilly	3.5
Swansea	3.5
Blaenau Gwent	3.4
Carmarthenshire	3.4
Pembrokeshire	3.2
Wales	3.1
The Vale of Glamorgan	2.8
Merthyr Tydfil	2.6
Powys	2.3
Torfaen	2.2
Denbighshire	2.1
Ceredigion	1.8
Conwy	1.8
Wrexham	1.8
Gwynedd	1.7
Isle of Anglesey	1.7
Monmouthshire	1.7
Flintshire	1.3

## Destination of School Leavers - NEET, 2004-2014 (Careers Wales), Year 11

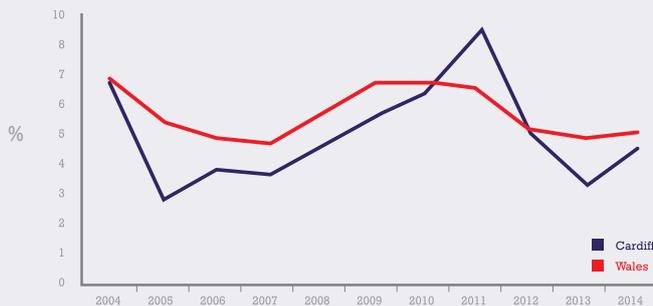


Destination of School Leavers data for Year 13 shows that, in 2014, Cardiff performed fairly well in terms of the number of young people identified as being NEET. The trend in Cardiff has also seen a reduction since 2010, with the fall continuing year on year, with the exception of a small rise in the number of young people identified as being NEET over the last year. Cardiff, however, remains below the Welsh average.

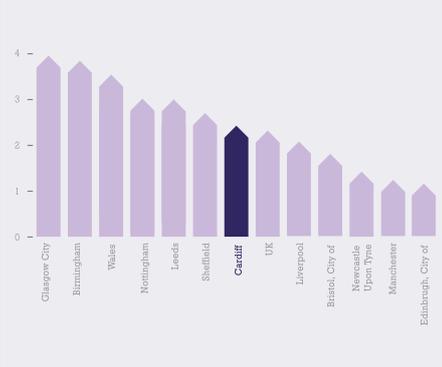
## Year 13: % NEETS

LEA	2014
Wrexham	7.9
Torfaen	7.7
Bridgend	7.5
Powys	6.7
Newport	6.3
Carmarthenshire	6.1
Rhondda Cynon Taff	5.9
Caerphilly	5.5
Wales	4.9
Pembrokeshire	4.5
Neath Port Talbot	4.4
<b>CARDIFF</b>	<b>4.4</b>
Swansea	4.4
The Vale of Glamorgan	4.1
Gwynedd	3.9
Monmouthshire	2.9
Conwy	2.7
Merthyr Tydfil	2.5
Ceredigion	2.7
Flintshire	2.3
Denbighshire	2.1
Isle of Anglesey	2.9
Blaenau Gwent	2.5

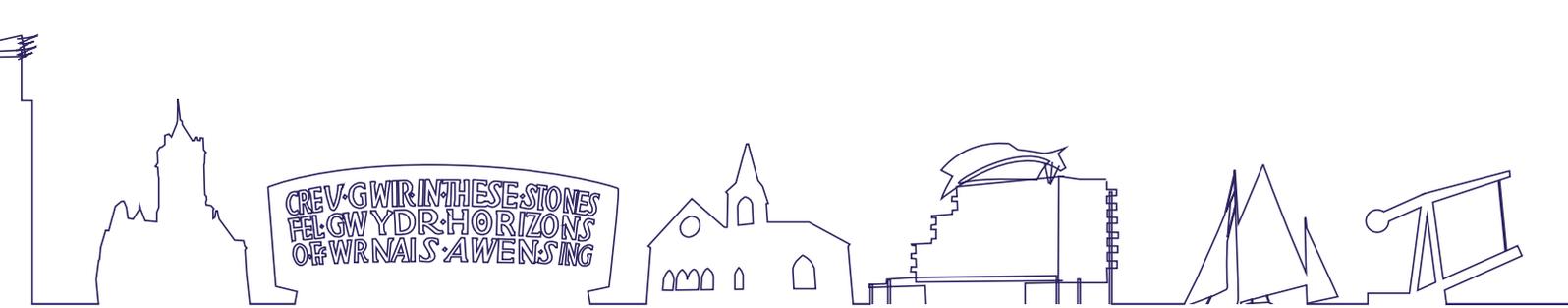
## Destination of School Leavers - NEET, 2004-2014 (Careers Wales), Year 13



## JSA Claimant Rate 18-24 year olds



Comparing the claimant count rate for 18-24 year olds, Cardiff is performing fairly well, and is following the national trend with a reduction in this number since 2009.



## Summary

When it comes to being a high-skilled city, Cardiff compares favourably to other core cities.

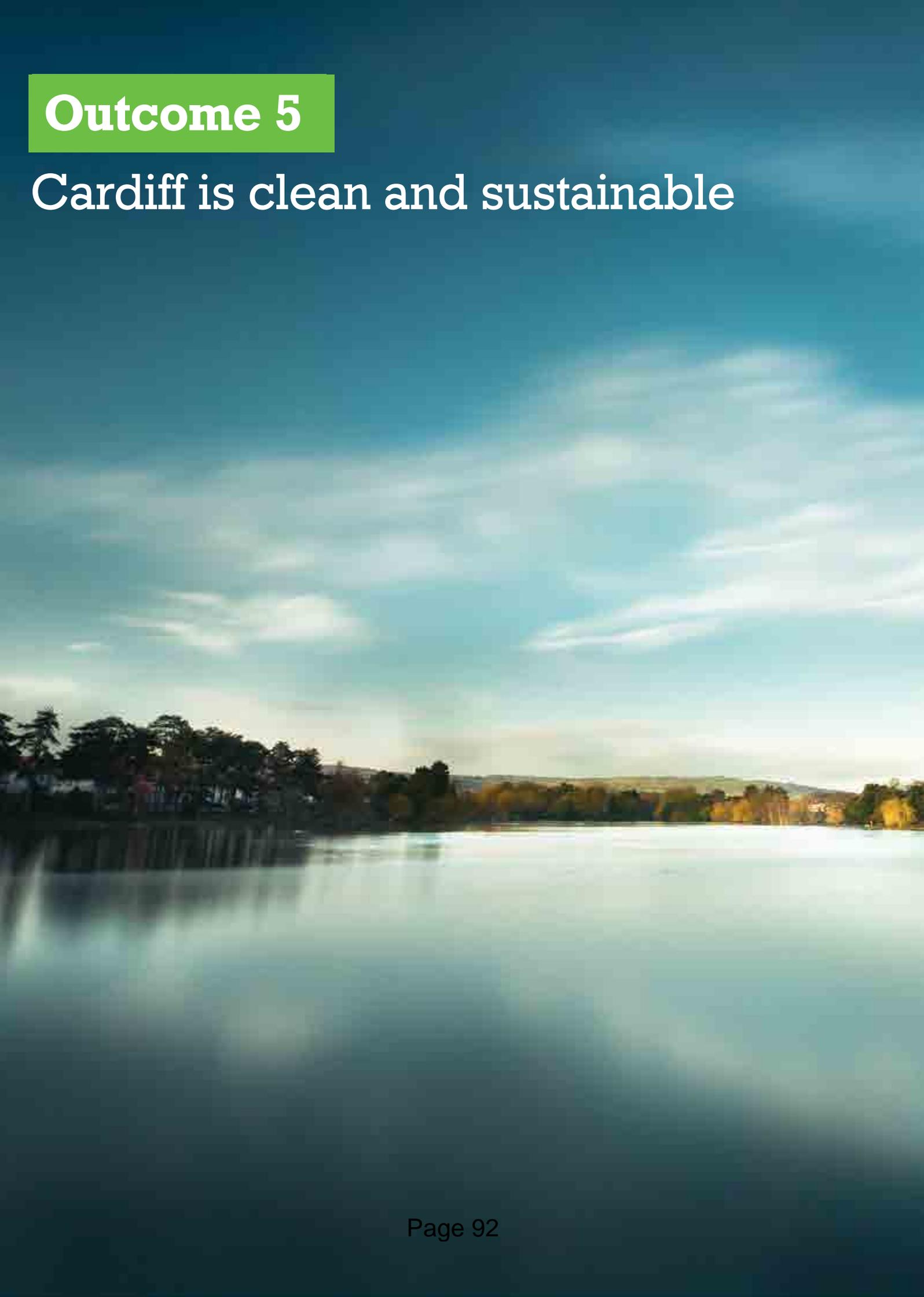
The high proportion of residents with degree level education (or equivalent) is a result of the presence of three universities in the city and the ability of Cardiff to retain graduates in the city when they have finished their studies. Alongside high levels of residents with the equivalent of 5 GCSEs, when compared to other core cities, it paints a picture of a city that has a well qualified population.

Similarly, the low number of people with no qualifications compares favourably to other UK core cities, and should have a positive impact on social mobility, as do the recent reductions in the number of people known to be 'NEET.'

Given the importance of education in helping people fulfil their potential, and the importance of skills and creativity in the knowledge economy, this is good news for Cardiff.

## Outcome 5

# Cardiff is clean and sustainable



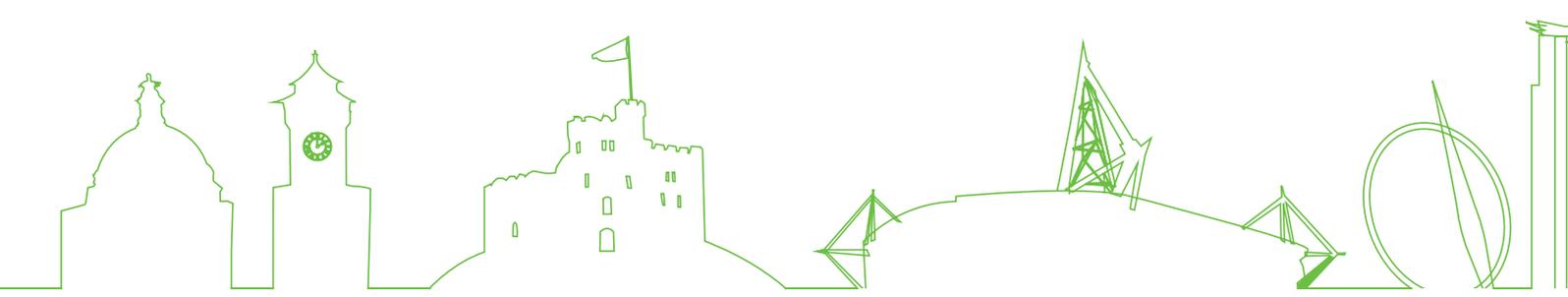


Cardiff is committed to becoming a 'One Planet City' by 2050. Cardiff's current ecological footprint is nearly 3 planets; this means that if everyone in the world lived and used resources in the same way we do, it would take almost 3 planets to sustain our way of life.

As a fast growing city it is important that we take steps to ensure Cardiff is as clean and sustainable as possible. This means increasing the number of people using sustainable transport, recycling more, and reducing pollution and carbon emissions. It also means considering new energy sources and improving the city's energy resilience by having a range of renewable energy sources.

Cardiff's performance in this area focuses on a number of indicators that include:

- Carbon emissions
- Sustainable travel
- Waste and recycling figures
- Cleanliness
- Parks and green spaces



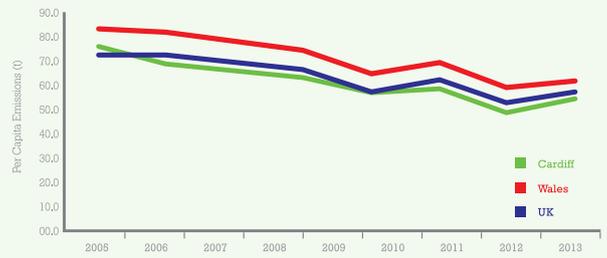
## Carbon Emissions

Within Cardiff, total emissions per person have been declining over a number of years; however Cardiff has higher levels of emissions than many of the UK core cities.

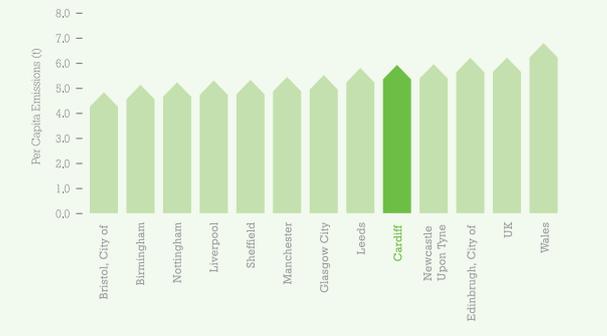


The number of days with moderate to high levels of air pollution in Cardiff city centre has **more than halved** since 2006.

Total Per Capita Emissions (t) Within the Scope of Influence of Local Authorities



Total Per Capita Emissions (t) Within the Scope of Influence of Local Authorities, 2013



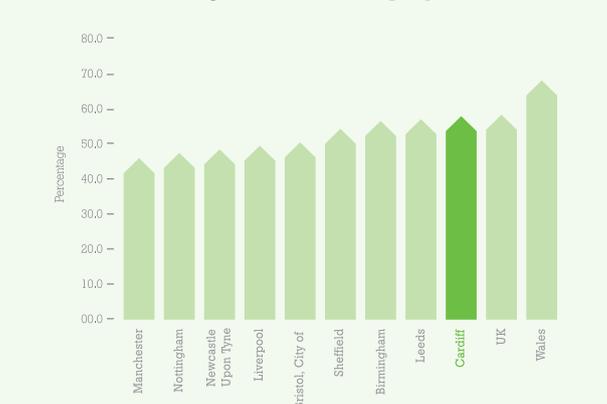
## Sustainable Travel

Road transport is the fastest growing source of carbon emissions whilst traffic congestion can lead to poor air quality which can be harmful to health. With Cardiff's fast growing population, shifting commuters on to more sustainable forms of transport is a top priority for the city.

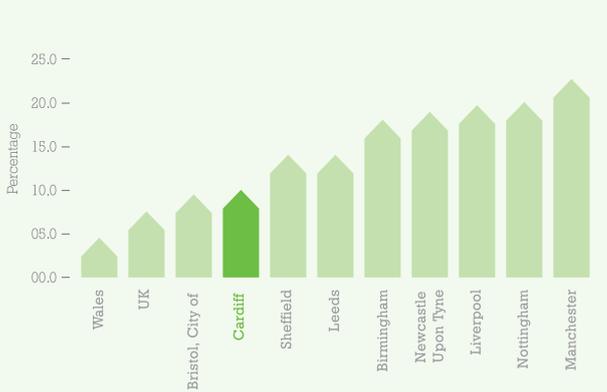
Car dependency is also recognised as a major contributor to inactive lifestyles and the increasing levels of obesity in the UK. Most of the world's most liveable cities have grown alongside the development of sustainable transport networks which allow people to travel freely by public transport, walking and cycling.

Taking short journeys on foot or by bike can also increase activity levels that lead to health benefits, as well as presenting opportunities to save money. For communities it can increase the numbers of people out on the street, creating a sense of vibrancy that leads to a number of community and economic benefits. The most recent figures, collected in 2011, show that Cardiff has a higher than average percentage of people travelling to work by car or van.

Travel to Work: Driving a Car or Van, 2011 (% of Residents Aged 16-74 in Employment)



Travel to Work: Bus, Minibus or Coach, 2011 (% of Residents Aged 16-74 in Employment)

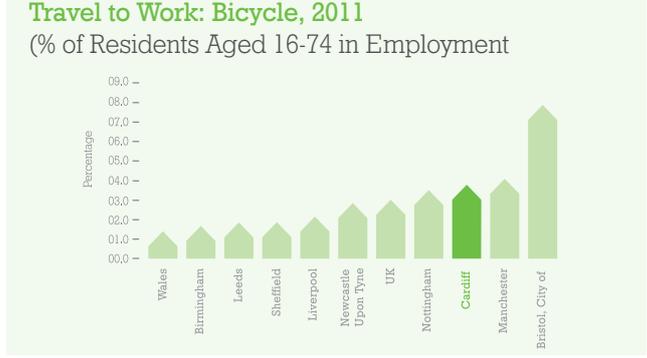
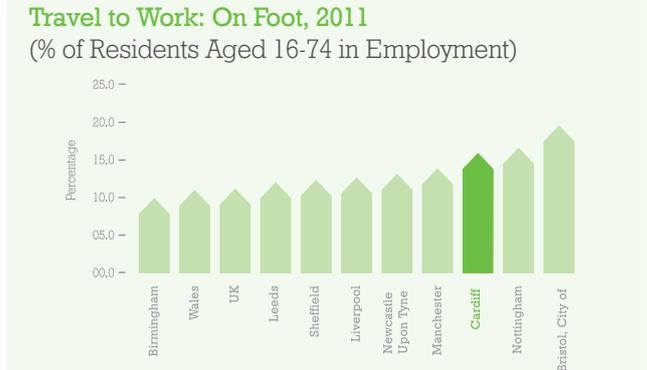
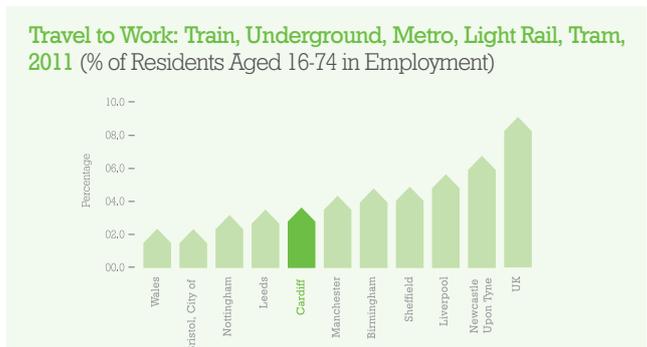




Equally, the 2011 Census revealed that a relatively small percentage of the Cardiff population travelled to work by bus (10.2%) or train (3.5%), particularly in relation to the other core cities.

Cardiff does however perform more strongly in terms of other forms of sustainable transport. In only Bristol and Manchester do more people cycle to work.

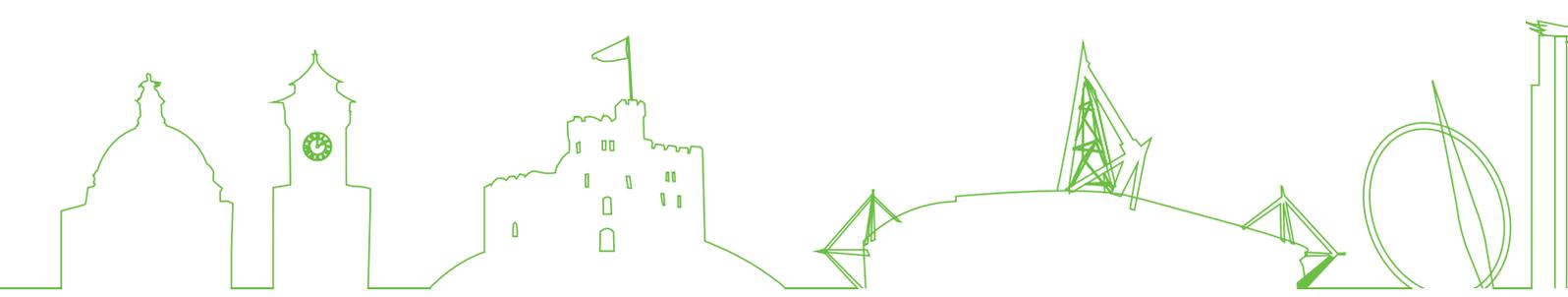
Taken together it can be seen that, in Cardiff, most people commute by either car or on foot.



The chart below shows the trends in Cardiff over a 10 year period. Whilst there has been a slight decline in the use of cars, it still is, by some margin, the most prominent mode of transport.

More positively, 43% of the Cardiff population travel using sustainable transport, with walking being the most popular means and a doubling in the number of cyclists and train users over the last 10 years.

### Reported mode of transport used in Cardiff (Ask Cardiff)



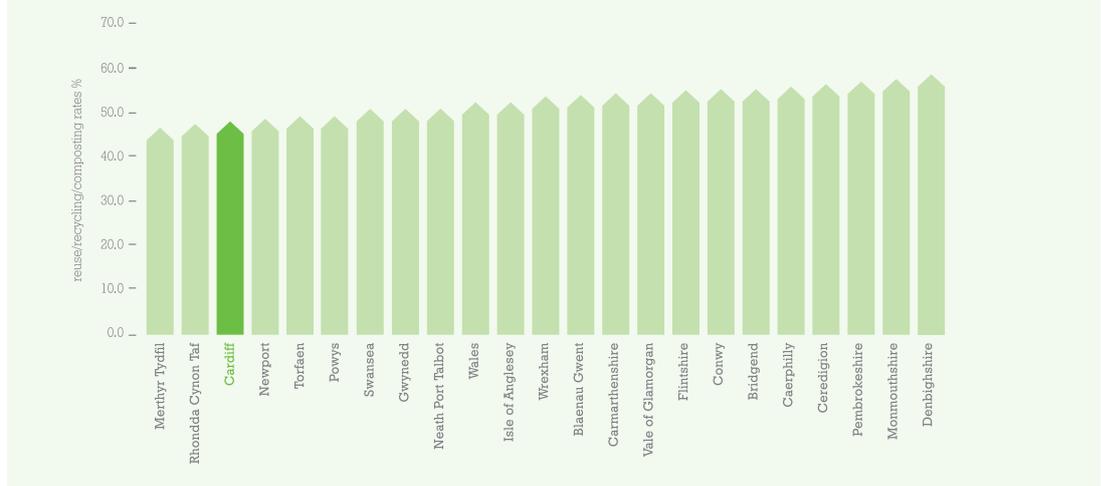
## Waste and Recycling

Cardiff is recycling and composting a percentage of public waste that is lower than the national average and the Welsh Government’s recycling target. However, Cardiff recycles more than any other UK Core City.

The Cardiff and Welsh trends have generally mirrored each other, with the city seeing a drastic increase in recycling rates since the end of 2010. However, there was a slight decrease in this rate in 2013/14 with the Council recycling or composting 49.7% of its waste.

This is particularly important since there are fines if certain waste targets are not met.

**Local Authority Municipal waste reuse/recycling/composting rates by local authority (a) 2013-14**

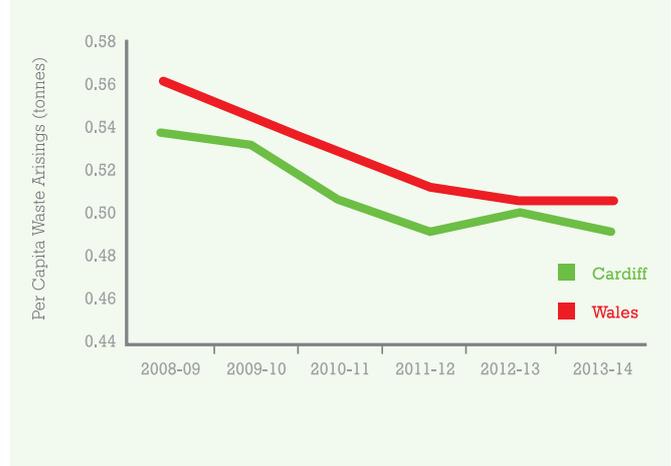


**% of household waste sent for reuse, recycling or composting (2013-14)**

<b>CARDIFF</b>	<b>49.67%</b>
Leeds	43.70%
Newcastle	41.54%
Bristol	41.52%
Edinburgh	38.07%
Manchester	34.93%
Nottingham	32.86%
Sheffield	30.22%
Birmingham	28.76%
Glasgow	26.90%
Liverpool	26.74%

Data sources: DEFRA, WRAP, Resource, StatsWales, SEPA, DOENI, ONS (accessed via <http://www.sita.co.uk/waste-as-a-resource/recycling-in-the-uk>)

**Local Authority Municipal waste arisings (tonnes) 2008-09 to 2013-14**

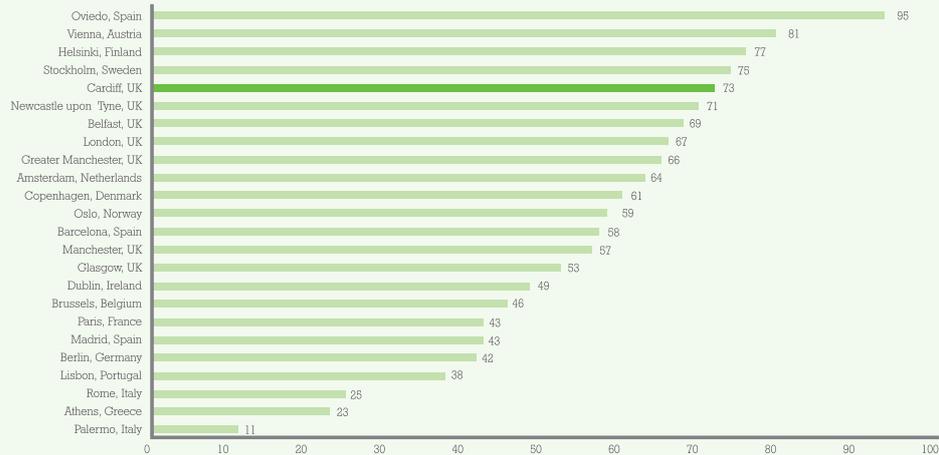




## Cleanliness

In the recent EU Urban Audit, Cardiff was the top performing UK city with respect to resident satisfaction with the cleanliness of the city. The graph below shows the performance of a selection of the 79 cities surveyed – Cardiff was ranked 21st overall and is the Joint 6th highest ranked European capital city on this measure.

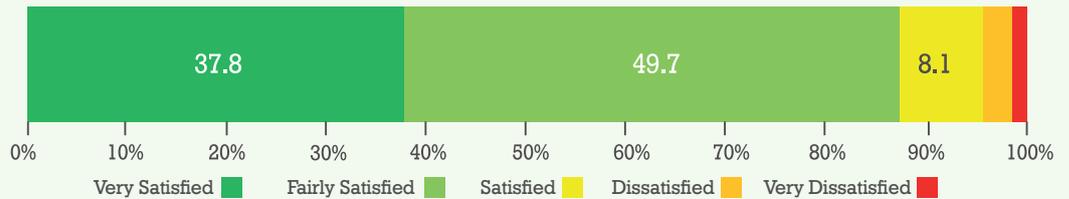
### Respondents who expressed satisfaction with the cleanliness of their city, 2014 (% E'U Urban Audit)



## Parks and Green Spaces

Cardiff currently has 9 green flag parks, with Bute Park designated Green Park Heritage status, one of only three sites in Wales. In the 2014 Ask Cardiff Survey residents were asked how satisfied they were with Cardiff's parks and open spaces and 87.5% of respondents reported being either very or fairly satisfied.

### How satisfied are you with parks and open spaces in Cardiff? (Ask Cardiff 2014)



## Summary

Recycling rates have steadily increased in Cardiff over the past few years with a recycling rate significantly higher than any other UK core city. However, Cardiff is currently recycling less than the Welsh Government's recycling target and so more will need to be done to ensure the Council meets these targets and avoids substantial fines.

Emissions are another area where Cardiff will need to improve. Carbon emissions in the city are higher than most other core cities and this is perhaps a result of over reliance on the car or van as a form of transport. Affordable and efficient public transport is a factor in making any city a good place to live and analysis suggests that public transport is under utilised in the city- although rates of walking and cycling are encouraging. Satisfaction levels with both the city's parks and green spaces and overall cleanliness suggest Cardiff is performing well, however, this will need to be maintained to retain Cardiff's status as a top liveable city.

## Outcome 6

Cardiff is a fair, just and inclusive city





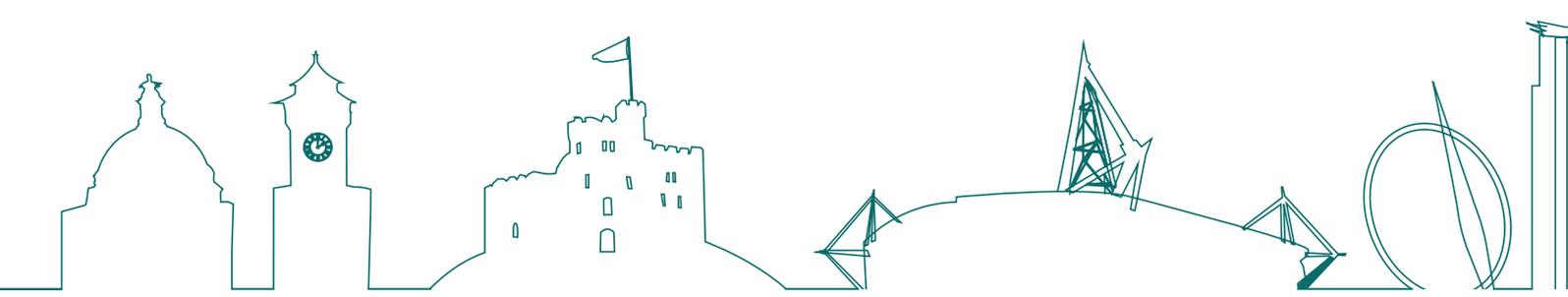
The Liveable City report provides an overview of city performance and the headlines would suggest that Cardiff is performing well in comparison with Core Cities and other parts of Wales.

However, further analysis reveals some stark disparities in performance between different parts of the city.

Addressing these will ensure that the most vulnerable in society are supported. It will tackle inequality and help provide opportunities for all, regardless of background, as well as improving both social mobility and overall prosperity in the city.

This section considers the levels of inequality within Cardiff in the following areas:

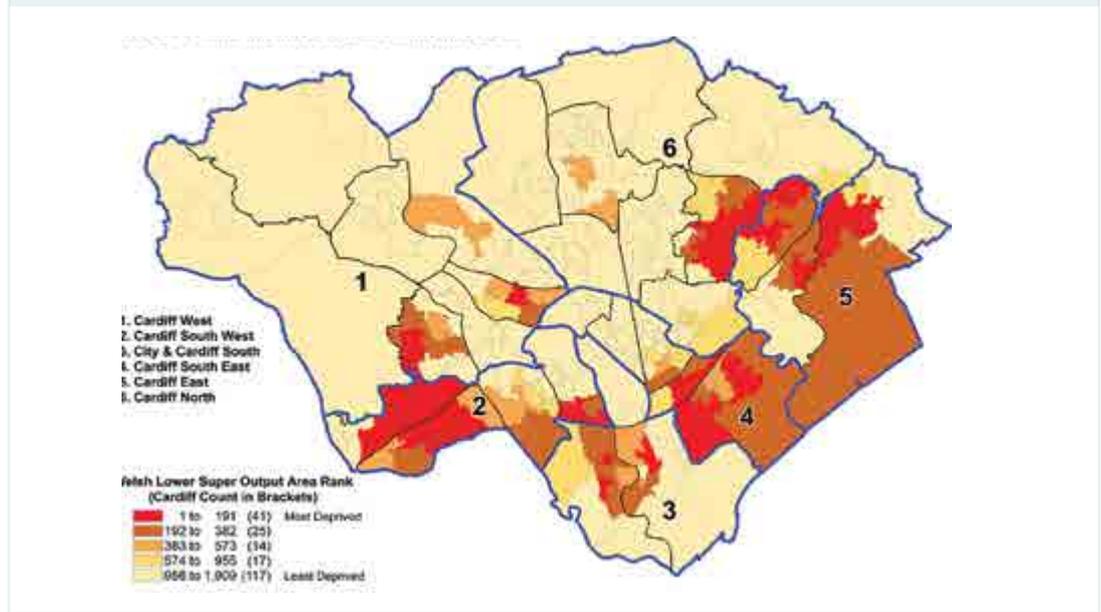
- Income
- Child poverty
- Unemployment
- Affordable housing
- Health
- Crime



## City Inequality: Income

The difference in income across the city also demonstrates the level of inequality that exists. Almost one-fifth (19.2%) of the areas in Cardiff are within the 10% most deprived areas in Wales when taking into account the proportion of people below a defined income level.

The 2014 WMD Income Domain Ranks in Cardiff



Claimant Count (%)

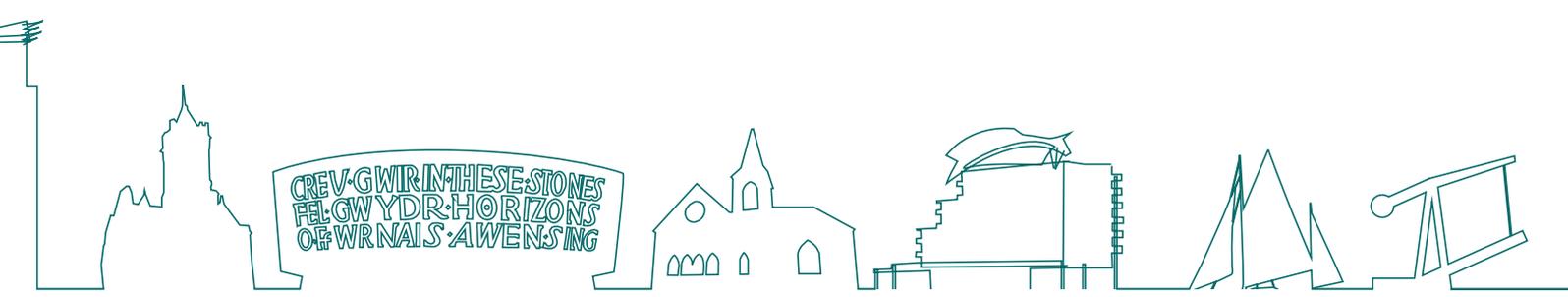
2015 Electoral Ward	Rate
Ely	5.8
Splott	4.7
Adamsdown	4.5
Caerau	4.5
Trowbridge	3.8
Llanrumney	3.6
Pentwyn	3.6
Riverside	3.4
Grangetown	3.3
Llandaff North	3.1
Plasnewydd	3.1
Butetown	2.9
Fairwater	2.9
Rumney	2.9
Cardiff	2.6
Canton	2.5
Llanishen	1.5
Penylan	1.5
Whitchurch & Tongwynlais	1.5
Pentyrch	1.4
Gabalfa	1.2
Heath	1.2
Llandaff	1.2
Pontprennau/Old St. Mellons	1.2
Cathays	0.9
Radyr	0.9
Lisvane	0.8
Creigiau/St. Fagans	0.7
Cyncoed	0.7
Rhiwbina	0.7

## Inequality: Unemployment

Data in the Thriving and Prosperous Economy section (see page 17) shows that unemployment in Cardiff is low, particularly compared to other core cities.

However there is significant difference across the city, with Ely, Splott and Adamsdown experiencing the highest claimant rate for jobseekers allowance in the city and Cyncoed, Rhiwbina, and Creigiau / St Fagans experiencing the lowest.





## Inequality: Low Income Families & Child Poverty

The table below shows the number of children in low-income families across Cardiff's electoral wards at the end of August 2012.

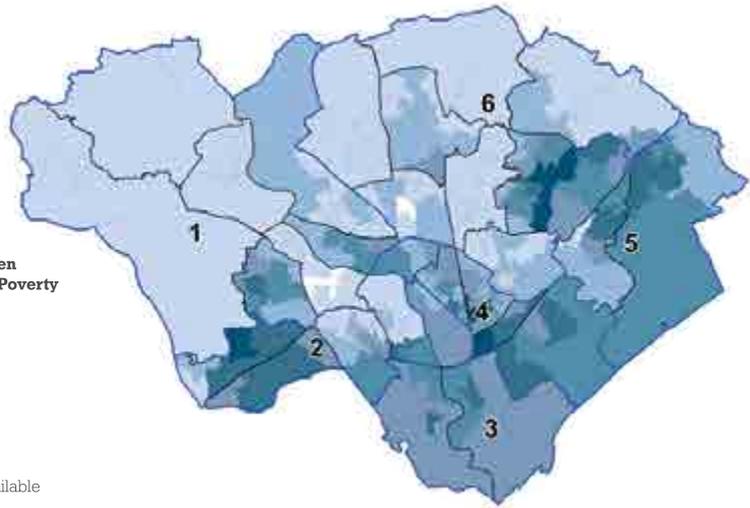
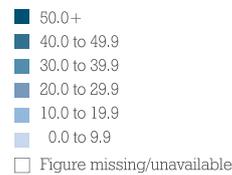
Around a quarter (24.6%) of children within Cardiff were deemed to be living in low-income families. This figure ranged from just 3.0% in Lisvane to almost 47.8% in Ely.

The distribution of children in low-income families across Cardiff at the end of August 2012 by lower super output area (LSOA) can be seen below.

Percentage of Children in Low-Income Families in Cardiff by LSOA, 31st August 2012

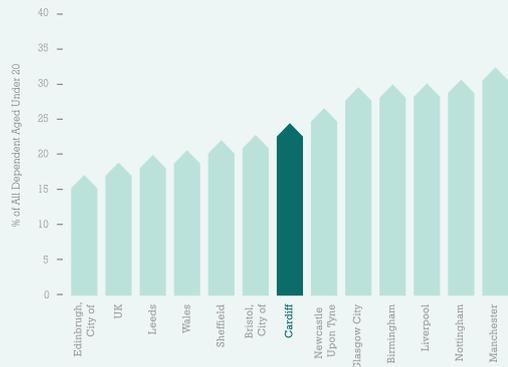
1. Cardiff West
2. Cardiff South West
3. City & Cardiff South
4. Cardiff South East
5. Cardiff East
6. Cardiff North

% of Dependent Children Under the Age of 20 in Poverty (Source: HMRC)



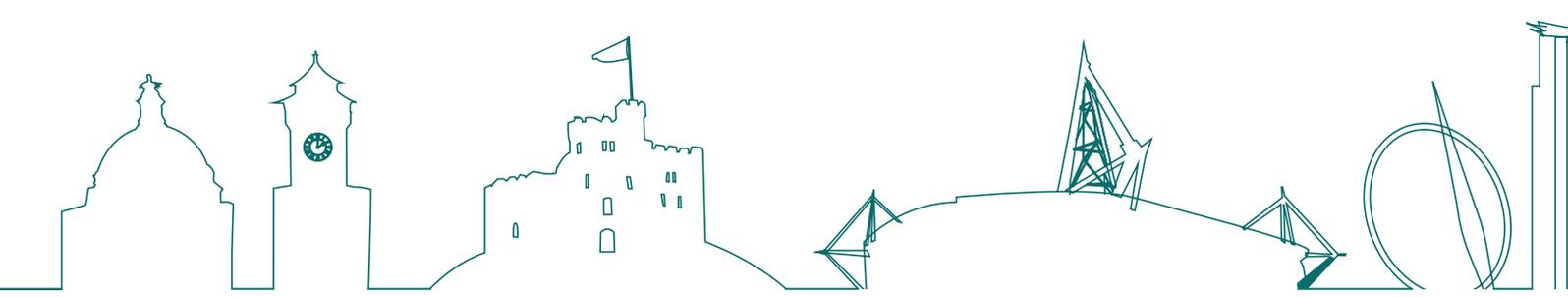
Relative to other major UK cities, Cardiff is a mid-table performer. The percentage of children living in low income households is significantly higher in some of England's larger cities, such as Birmingham and Manchester.

% of All Dependent Children Under the Age of 20 Living in Low-Income Families, 31st Aug 2009 to 31st Aug 2012



% of All Dependent Children Under the Age of 20 Living in Low-Income Families, 31st Aug 2009 to 31st Aug 2012

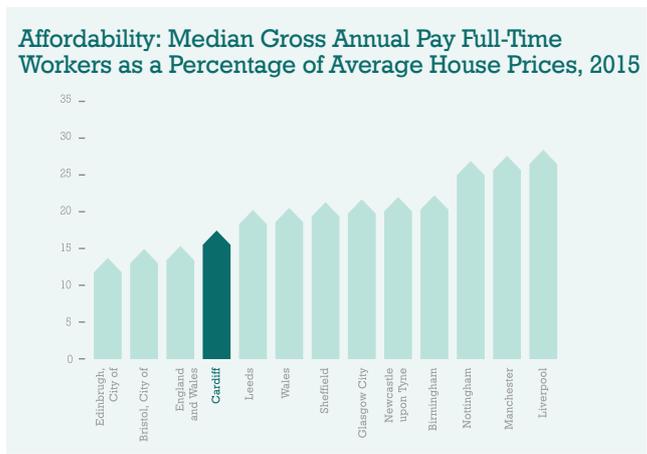




## Inequality: House Price Affordability

The graph on the right shows housing affordability in Cardiff. It is based on a consideration of annual full time pay in a city as a percentage of average house prices. This suggests that, relative to earnings, housing in Cardiff is relatively unaffordable, behind only Bristol and Edinburgh.

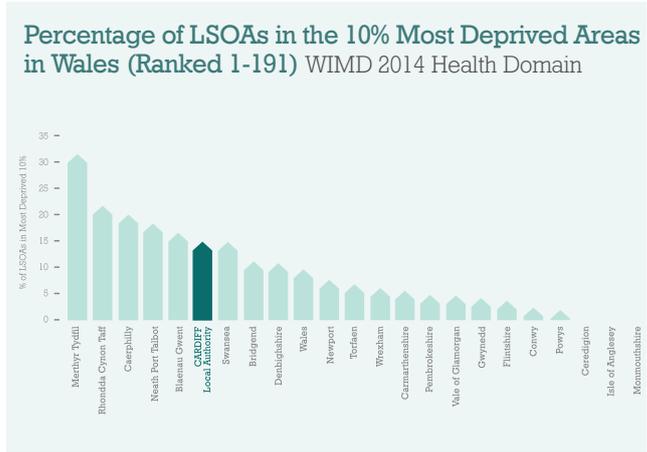
In Cardiff, the average house costs around a 6 times the average salary, while in Liverpool it is closer to 3 times the average salary.



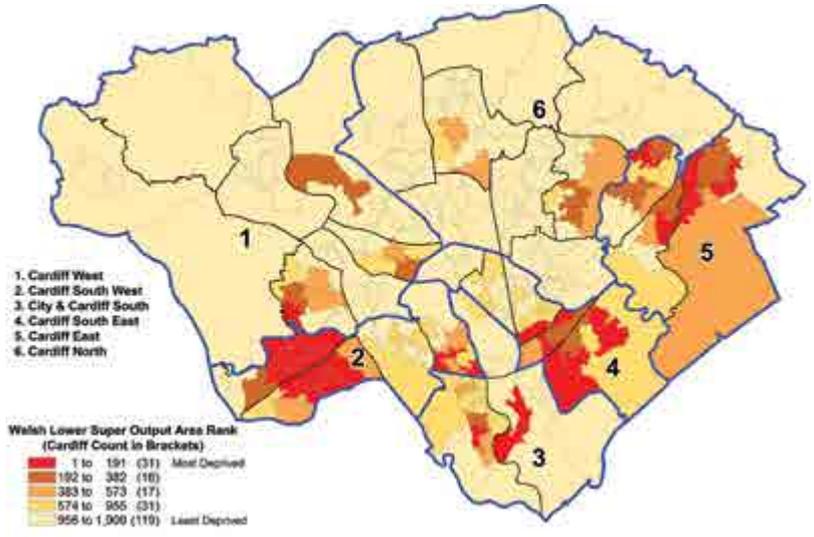
## City Inequality: Health

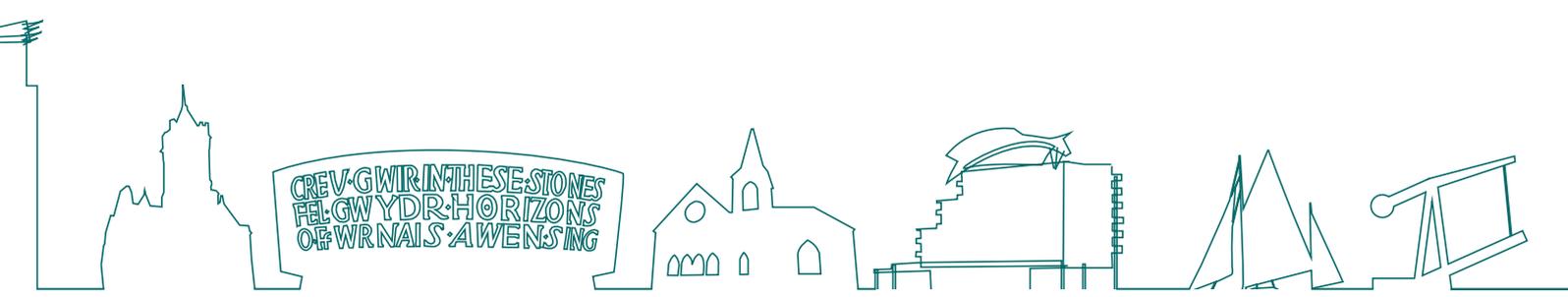
The difference in life expectancy across different wards in Cardiff, as outlined in the "People in Cardiff are Healthy" chapter, is significant. There is evidence that the gap between the least and most deprived areas is increasing over time.

In Cardiff, health inequality also follows the same geographical pattern as many other forms of deprivation with the map below showing where poor health is more prevalent in the city based on a number of factors, such as death rate and cancer incidence.



## The 2014 WMD Health Domain Ranks in Cardiff





## A Health Inequality Gap

Whilst health trends at the city level are encouraging this hides some stark differences between areas of the city. Many issues relating to health are concentrated in the same areas of Cardiff where several other issues are also more widespread.

Perhaps the most startling statistic is that between Butetown and Radyr, separated by a distance of less than 5 miles, there is a life expectancy gap of 11.5 years. Other figures reflecting inequality include:

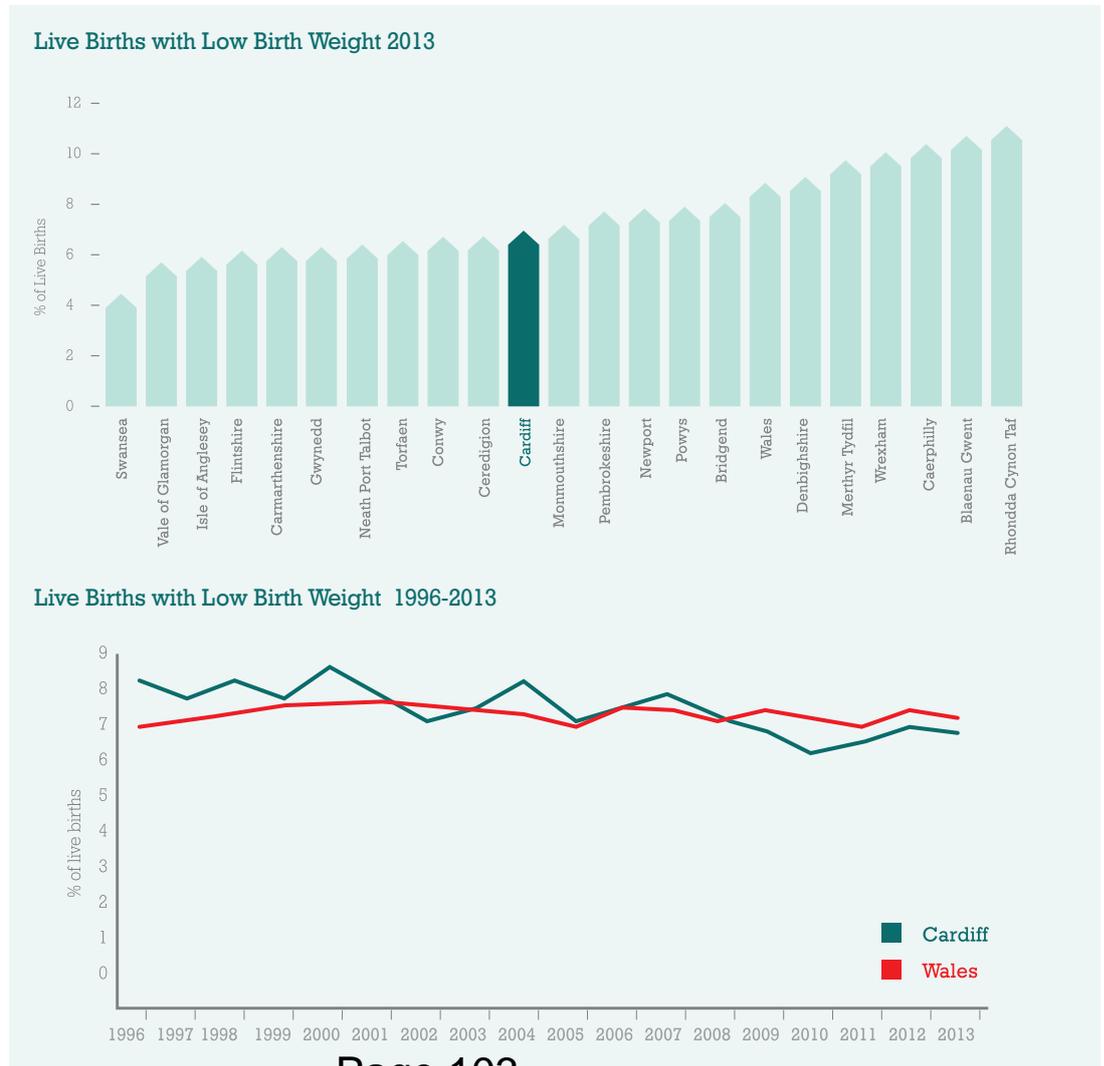
- Mortality, from all causes, is three times higher in Plasnewydd than in Thornhill.
- The mortality rate from respiratory disease is seven times higher in Splott than in parts of Llanishen.
- Premature mortality from circulatory disease is seven times higher in Riverside than in Thornhill.
- Mortality from coronary heart disease is three times higher in Cardiff Bay than in Lakeside.

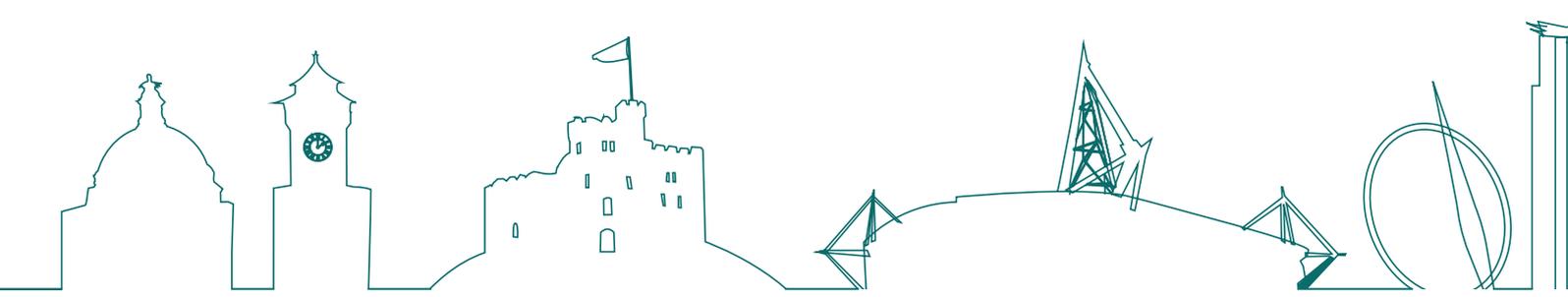
Source: Cardiff & Vale University Health Board – Health Needs Assessment Support 2010: Key Small Area indicators



## Live Birth Weights

Another key determinant of long term health and life chances is the number of births in which the baby is born weighing less than 2.5kg. Over the last 10 years, there has been a steady fall in the number of low birth weight babies (rate per 1,000) in Cardiff.





## Inequality: Crime

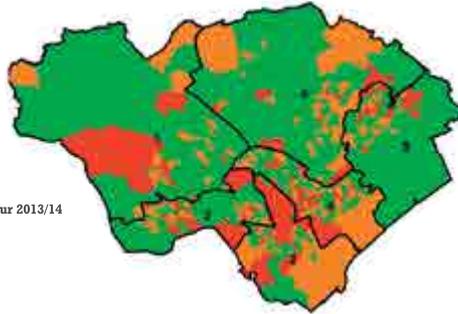
As is the case with a number of other indicators, crime is concentrated in the south and west of Cardiff, though there are pockets within the rest of Cardiff where some instance of crime are more pronounced.

### Anti-Social Behaviour

1. Cardiff West
2. Cardiff South West
3. City & Cardiff South
4. Cardiff South East
5. Cardiff East
6. Cardiff North

**Anti-Social Behaviour 2013/14**

- 25 to 900
- 15 to 25
- 0 to 25

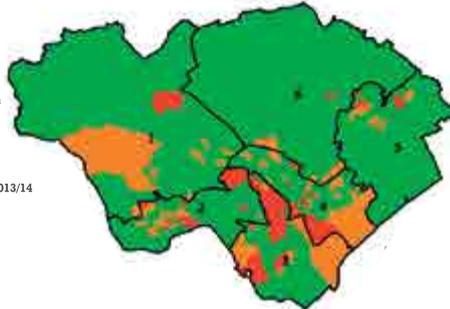


### Criminal Damage

1. Cardiff West
2. Cardiff South West
3. City & Cardiff South
4. Cardiff South East
5. Cardiff East
6. Cardiff North

**Criminal Damage 2013/14**

- 25 to 900
- 15 to 25
- 0 to 25

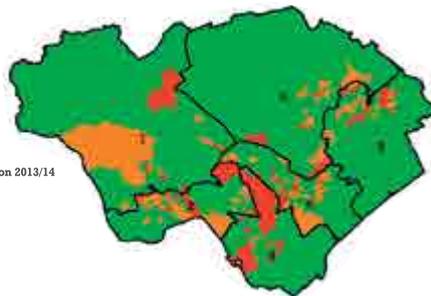


### Violence Against the person

1. Cardiff West
2. Cardiff South West
3. City & Cardiff South
4. Cardiff South East
5. Cardiff East
6. Cardiff North

**Violence Against the person 2013/14**

- 15 to 610
- 10 to 15
- 0 to 10

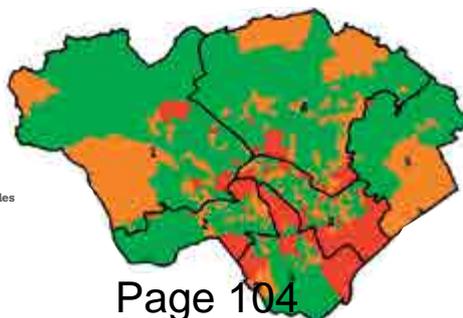


### Thefts from Motor Vehicles

1. Cardiff West
2. Cardiff South West
3. City & Cardiff South
4. Cardiff South East
5. Cardiff East
6. Cardiff North

**Thefts from Motor Vehicles**

- 5 to 15
- 3 to 5
- 0 to 3





## Summary

There are a number of pronounced differences in performance across a range of indicators, which suggest significant inequality in the city. There are areas that are home to concentrations of poverty, poor health, low incomes and crime. Cardiff is also not, relative to other core cities, an affordable place to buy a house, with average house prices around six times higher than the average income.

As with economic performance, the headline statistics hide stark differences between richer and poorer areas of the city, with health problems more concentrated south of the city, broadly following the same geographical pattern as other forms of deprivation.

If Cardiff is to become Europe's most liveable capital city, it will need to provide opportunities and quality of life for all residents; therefore addressing inequality across the city is a top priority for the Council and its partners.

# Outcome 7

## Great Place to Live, Work and Play





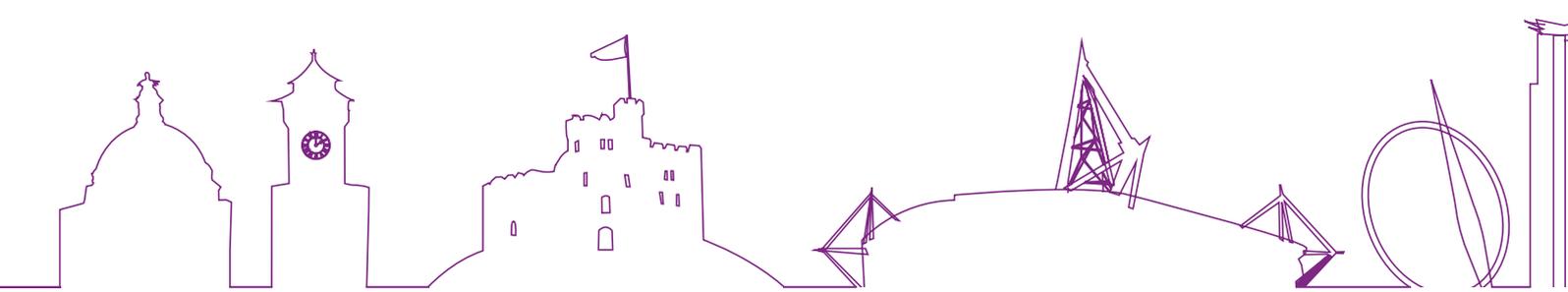
This section considers subjective measures of success – or put simply, what people who live, work or study in Cardiff have said about the city.

This includes the results of a number of surveys and questionnaires that reflect the views of residents, visitors and community groups.

Because some of these surveys are done across Europe, it also allows comparisons with European cities.

This section includes:

- European Commission Urban Audit
- UK quality of life index
- UK's best city to be young



The latest European Urban Audit, a survey of quality of life in 79 major European cities conducted by the European Commission placed Cardiff as the top UK city – and joint 6th European capital city ranking behind only Copenhagen, Oslo, Amsterdam, Reykjavik and Stockholm - in terms of resident satisfaction with the place they live.

<b>I'm satisfied to live in...</b>	<b>Position in terms of Capital Cities (31)</b>	<b>% satisfaction</b>
Oslo	1	97%
Copenhagen	=1	97%
Stockholm	3	96%
Reykjavik	=3	96%
Amsterdam	=3	96%
<b>Cardiff</b>	<b>6</b>	<b>95%</b>
Vienna	=6	95%
Berlin	9	93%
Belfast	=9	93%
Lisbon	=11	92%
Prague	15	90%
Dublin	=15	90%
Paris	20	88%
London	21	87%
Madrid	22	86%
Budapest	27	84%
Rome	30	80%
Athens	31	52%

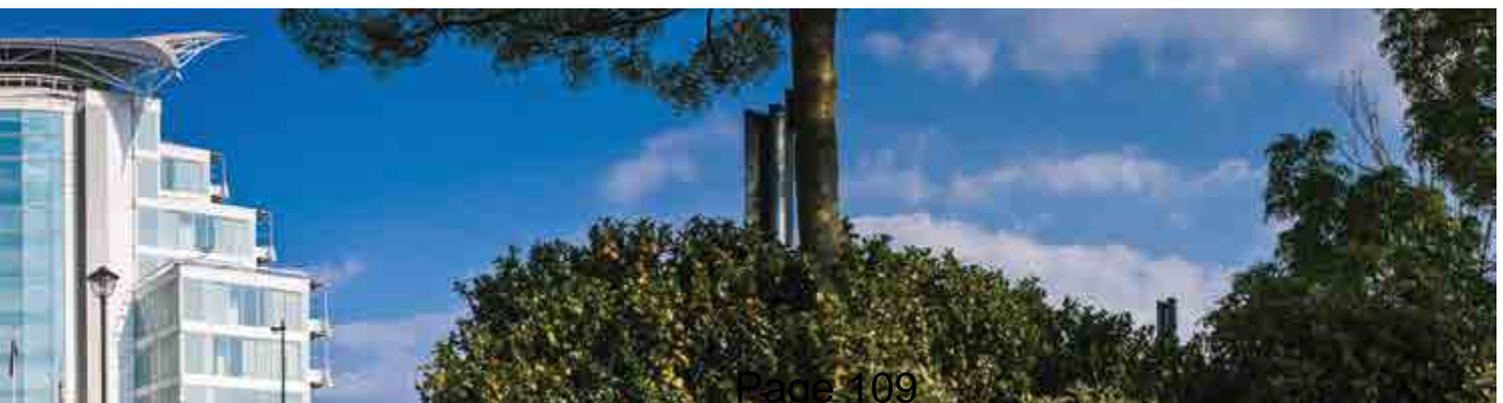


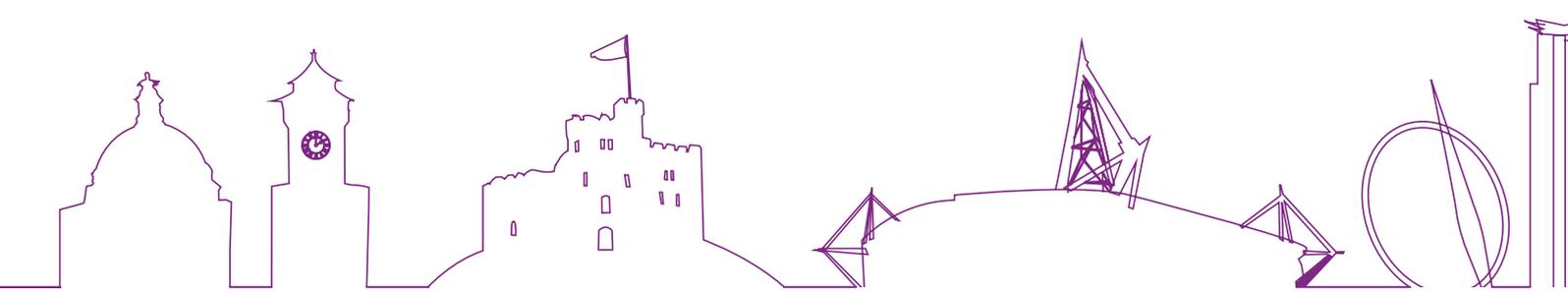
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Cardiff also performs well against other European capital cities in terms of culture, leisure and environmental factors.

## Cardiff's performance in the European Commission Urban Audit (2013)

Level of satisfaction / agreement with....	% satisfied / in agreement with	Position against other capital cities (31)	Position against UK cities (6)	Position in Europe (79)
"I'm satisfied to live in my city"	95%	Joint 6th	1st	22nd
The life you lead	93%	Joint 6th	1st	19th
Cultural facilities	93%	3rd	1st	Joint 5th
Availability of retail shops	93%	Joint 1st	1st	Joint 5th
Sports facilities	78%	4th	1st	11th
Green spaces such as parks and gardens	89%	Joint 3rd	1st	Joint 11th
Public spaces such as markets, squares, pedestrian areas	87%	Joint 4th	1st	15th
Cleanliness	73%	Joint 6th	1st	21st
The quality of air	89%	1st	2nd	4th
I feel safe in [City Name]	83%	11th	2nd	25th
The administrative services of Cardiff help people efficiently	68%	3rd	3rd	12th
State of the streets and buildings in neighbourhood	72%	11th	2nd	31st
Public transport	76%	15th	3rd	30th
Schools and other educational facilities	75%	Joint 10th	4th	32nd
It is easy to find a job in...	32%	Joint 19th	2nd	34th
Financial situation of household...	79%	7th	1st	21st
Personal job situation	66%	Joint 9th	1st	29th
The place where you live...	92%	Joint 9th	3rd	39th
[City] is committed to fight against climate change	64%	3rd	2nd	16th
The noise level	85%	1st	2nd	Joint 2nd
Generally speaking, the public administration of [CITY NAME] can be trusted	68%	9th	2nd	27th
Generally speaking, most people in my neighbourhood can be trusted	77%	15th	4th	39th
Generally speaking, most people in [CITY NAME] can be trusted	74%	8th	3rd	22nd
I feel safe in my neighbourhood	86%	13th	3rd	36th
Foreigners who live in [CITY NAME] are well integrated	66%	4th	2nd	11th
The presence of foreigners is good for [CITY NAME]	68%	25th	4th	50th
It is easy to find good housing at a reasonable price in [CITY NAME]	43%	5th	5th	28th
Health care services, doctors and hospitals	86%	4th	3rd	Joint 24th





## UK's most liveable city

Cardiff was identified as the UK's top city in Money Supermarket's annual quality of life index. This takes into account factors such as disposable income, unemployment and the cost of renting, amongst other things, as well as looking at the overall cost of living.

This was an improvement on Cardiff's rank in 2013 when it was the third highest rated city of the 12 included in the index.



## UK's Best City to be Young (Legal & General, 2013)

Cardiff is also the best UK city for young adults because of its low cost of living, good job opportunities and decent wages, according to a 2013 poll by Legal & General. The city was placed above London, Edinburgh and Belfast after researchers spoke to more than 2,000 18 to 30 year olds from across the UK.

Seven in 10 living in Cardiff said they loved their job and took home an average annual wage of £21,585. The poll also found 70% were happy with their work-life balance. London offered the highest average wages but it scored poorly on cost of living, rental rates and levels of crime.

### 2014 Rank (2013)

### UK's 12 largest cities

1 (3)	Cardiff
2 (8)	Belfast
3 (12)	Bradford
4 (7)	London
5 (1)	Bristol
6 (5)	Leeds
7 (2)	Edinburgh
8 (6)	Manchester
9 (11)	Sheffield
10 (9)	Glasgow
11 (4)	Liverpool
12 (10)	Birmingham

### The UK's best cities for young adults

1. Cardiff	11. Leicester
2. Glasgow	12. Manchester
3. Coventry	13. Brighton
4. Sunderland	14. Bradford
5. Newcastle	15. Bristol
6. Hull	16. Nottingham
7. Liverpool	17. Belfast
8. Birmingham	18. Sheffield
9. Edinburgh	19. Leeds
10. London	20. Wakefield



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FEL·GWYDR·HORIZONS  
OF·WRNAIS·AWENSING

## Summary

Cardiff has performed extremely well in surveys, polls and reviews looking at quality of life and has been identified a number of times as the UK city offering the best quality of life for residents. It is important that this success is built upon, and that growth is accommodated in a way which protects the things people enjoy most about the city so that Cardiff can remain a great place to live, work and play and becomes Europe's most liveable capital city.



**CITY AND COUNTY OF CARDIFF**  
**DINAS A SIR CAERDYDD**

**POLICY REVIEW & PERFORMANCE**  
**SCRUTINY COMMITTEE**

**1 December 2015**

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**Alternative Delivery Model – Infrastructure Services**

**Building a successful local authority company – Governance Options**

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**Reason for the Report**

1. This report considers the options available as part of the Infrastructure Alternative Delivery Model Project and Full Business Case to build a successful local authority company and the related corporate governance issues that require consideration.
2. The purpose of the Report is to provide the Committee with information and opportunity to make comment or recommendation on the matters identified back to Cabinet.
3. The Report does not:-
  - (i) Comment on whether a company is the most appropriate future vehicle for the Council's Infrastructure Services. This matter will be the subject of consideration in a Full Business Case. It should be noted that there are restrictions on trading commercially, which restrictions are not addressed in this report but should be considered when looking at the full business case.
  - (ii) Provide detailed advice on the Companies Act 2006. The Companies Act 2006 regulates company law throughout the United Kingdom. It is a large Act with more than 1300 sections and 16 Schedules, and it is not practical in this report to set out detailed advice on the Act.

## Background

4. On 16 July 2015 Cabinet received a comprehensive report on the Outline Business Case which considered five alternative delivery models for a range of Council services including Waste Collection, Highway Operations, Parks Management and Central Transport Services. Cabinet agreed as follows;

- *the content of this report and the Outline Business Case, attached in Appendix 1, be approved;*
- *the conclusion of the report that the most appropriate future delivery model for the services in scope is a Wholly Owned Company (Teckal) be agreed;*
- *the establishment of a Full Business Case and Shadow Board to govern the company establishment be agreed and authority delegated to the Chief Executive to work with the Leader of the Council and the Cabinet Member for the Environment to define the appointments of the Directors and Non Executive Directors to the Shadow Board;*
- *the completion of a Full Business Case for the Wholly Owned Company model and also the Modified In-House Model be agreed and the findings be reported back to Cabinet early in 2016 together with recommendations as appropriate regarding:*
  - a) *The detailed financial analysis for delivering a full range of efficiency and income benefits against cost complete with sensitivity analysis;*
  - b) *The appropriate legal vehicle for the proposed trading company, for example, a company limited by shares or by guarantee;*
  - c) *The proposed governance of the company, including possible alternatives for the composition of the company Board;*

- d) *The proposed contractual arrangements between the Council and the proposed company, in particular, what company matters would be 'reserved' and require Council approval prior to implementation, and also performance management of the contract;*
  - e) *The proposed arrangements between the Council and the company regarding the provision of support services, for example, the provision of HR, Finance, Commissioning and Procurement, and ICT services;*
  - f) *Opportunities for increasing external trading and local market analysis;*
  - g) *Whether or not it would be appropriate to remove some services currently in scope due to robust business alternatives and reasoning, or parts thereof due to strategy setting roles, and whether some other services should be included at this stage or set out phases in the following year(s);*
  - h) *Requirements in relation to the proposed transfer of staff to the new company in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended;*
  - i) *Financial implications in respect of pensions, day to day management of the Wholly Owned Trading company, and taxation;*
  - j) *The transfer of relevant assets, for example, relevant accommodation, vehicles and equipment, and;*
  - k) *The initial investment required to fully establish the proposed Wholly Owned Company.*
- *The allocation of resources as identified in paragraph 68 of this report for the completion of Recommendations 3 and 4 above be approved and authority delegated to the Chief Executive in consultation with the Cabinet Member for Corporate Services and Performance and the Corporate Director Resources to*

*authorise amendments to these resources as necessary for the satisfactory completion of the Full Business Case, and;*

- *Consultation commence on and thereafter implement the saving opportunities identified for the Modified In-house and Wholly Owned Company Trading options to allow the financial benefits to be achieved within the timescales identified.*
5. Cabinet's decision was called in by a non-executive Member and on 26 August 2015 a joint Committee of the Environmental and Policy Review & Performance Scrutiny Committees unanimously agreed that the decision should not be referred back to Cabinet for reconsideration (see Section headed "Previous Scrutiny" later in this report).
  6. The Project Team then commenced work on the Full Business Case to assess the Wholly Owned Company and Modified In-House delivery options, to determine the preferred future delivery model for the services in scope.
  7. It is anticipated that Cabinet will be asked to consider the Full Business Case in February 2016.

## **Previous Scrutiny**

8. Scrutiny has engaged with the Cabinet proposals to deliver an Alternative Delivery Model as a mechanism to protect and deliver services since its inception.
9. A joint task and finish group of the Policy Review and Performance, and Environmental Scrutiny Committees delivered their findings in July 2015 following an extensive inquiry. The aim of the inquiry was to review the range of available alternative delivery models that could be used by the Council to deliver front line services, focussing on the potential range of services that could be delivered using alternative service delivery models; and operating models currently being considered by the City of Cardiff Council. The full report is available by following

this link:

<http://cardiff.moderngov.co.uk/documents/s4959/Item%208%20Cabinet%2016%20July%202015%20ADM.pdf>

10. The two Committees held a joint meeting on the 9 July 2015 to undertake pre-decision scrutiny of the Cabinet report on Infrastructure Services & Alternative Delivery Model Proposals, following which the Chairperson wrote a letter to the Cabinet Member for the Environment setting out the observations and concerns of both Committees about the proposals. The Cabinet Member for the Environment replied to this letter on 16 July. Copies of both letters have been attached to this report as **Appendices 3** and **4** respectively

11. Following Cabinet consideration of the Outline Business Case for Alternative Delivery Models on 16 July 2015, a non-executive Member submitted a request to Call In the decision. The report had sought approval to take the Wholly Owned Arms-Length Company and Modified In House alternative delivery models forward from the list of five shortlisted options for the development of a Full Business Case. The reasons given for the Call In were:

- To explore the extent of staff and trade union consultation around developing the Outline Business Case for identifying a suitable alternative delivery model for services in Cardiff;
- To establish if there is sufficient detail in the Cabinet report to take a decision on which alternative delivery model proposal is taken forward to the Full Business Case development stage;
- To establish at which point during the development of the Outline Business Case that Members had the opportunity to provide their views and feedback;
- To establish a timeline for the alternative delivery model process to include how and where (Cabinet, Council, etc.) decisions are taken.

12. Members voted unanimously not to refer the matter back to Cabinet and, therefore, the decision taken by Cabinet on the 16 July 2015 now stands.

However, in addition to supporting the Cabinet decision, Members stressed the importance of ensuring that detailed consultation and engagement with staff and trade unions was undertaken on a regular basis during the development of the Full Business Case, to help ensure that all parties remain in an informed position during this very important process. A copy of the Committee's letter to the Cabinet Member Environment, and the Cabinet Member's reply are attached at **Appendices 5 and 6** respectively.

### **Scope of the Scrutiny**

13. To facilitate the Committee's consideration of the governance options available to build a successful local authority trading company Councillor Bob Derbyshire, Cabinet Member for the Environment; Marie Rosenthal, Director Governance & Legal Services; and Tara King, Assistant Director Environment will give a presentation and respond to Members questions.

14. Members are invited to focus on the governance proposals contained in this report and presented at Committee. An opportunity for consideration of the Full Business Case will be afforded the Committee in January 2016. Members will also have an opportunity to consider the restrictions on trading commercially at that time. To be clear the purpose of this Scrutiny is 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.

### **Why is a company structure necessary?**

15. The Outline Business case (OBC) proposed that the most appropriate future delivery model for the services in scope is a Company wholly owned by the Council.

16. The OBC assumes that any such company would be able to trade for a profit with any party (subject to legal constraints), and the Council would be able to directly award (without open competition) services and works contracts to the company, so that the company could carry out such works and services on behalf of the Council. The Procurement regulations would therefore not apply to the award of such contracts.
17. The Council already charges for the delivery of some services within scope of the project, based on existing powers. But the requirement for a general trading power points to the establishment of a company in order to rely on the trading powers available pursuant to the provisions of Section 95 of the Local Government Act 2003 ('Section 95').
18. Section 95 enables the relevant Minister (by regulation) to authorise relevant authorities to undertake commercial activities ('trading') in relation to their ordinary functions (section 95(1) (a), 2003 Act). In Wales the relevant order is, The Local Government (Best Value Authorities) (Power to Trade) (Wales) Order 2006 (SI 2006/979). ('2006 Trading Order').
19. Whatever level of trading activity is contemplated by a local authority, Section 95(4) provides that the activity can only be carried out by a company within the meaning of Part V of the Local Government and Housing Act 1989 (1989 Act).

### **What form should the Company take?**

20. The 1989 Act provides for the following four structures (each has a different legal status):

#### **Structure 1: A company limited by shares ('CLS')**

These may be either public or private companies, incorporated under the Companies Act 2006 (CA 2006). This form of company has been used by a number of Local Authorities and would be the usual vehicle used by a Local

Authority wishing to set up a corporate structure providing services back to it, but also with the ability to trade. The principal advantages of using a CLS include:

- (i) Limited liability – as a separate legal entity, it can own and deal in assets, sue and be sued and contract in its own right. The circumstances in which shareholders (be it the Council or future partner(s)) can be held legally liable for a company's debts (beyond their unpaid capital contribution) are relatively limited;
- (ii) Distribution of profits – allowing profits (after deduction of tax) to be returned to the Council, as shareholder, by way of share dividend or reinvested in the company;
- (iii) Ability to attract investment – in terms of overall control and financial and tax planning, the structure provides potential for flexibility through the creation of different types of shares and rights attaching to shares and loan capital; and
- (iv) Through the issue of shares, the potential exists for other Local Authorities to take an interest in the company, for example if the company was to be used to provide services for more than one authority.

**Structure 2:**

**A company limited by guarantee with or without a share capital**

The guidance suggests that this type of vehicle is more suited to a not-for-profit company that may also be registered as a charity.

**Structure 3:**

**An unlimited company**

The problem is that this type of company is unlikely to offer the level of protection a local authority would want.

**Structure 4:**

**A registered society within the meaning of the Co-operative and Community Benefit Societies Act 2014**

Charitable trusts, non-charitable trusts, joint committees and limited liability partnerships or unlimited partnerships are not available for local authorities to trade commercially, since, inter alia, section 67 of the 1989 Act does not refer to these vehicles.

21. Given the above, a company limited by shares would seem the most appropriate form of company structure. Para 39 of the Wales Assembly Government Guidance January 2009 (General power for local authorities ... to trade in function related activities) provides:

*... Any of these forms may comprise a company for the purposes of section 95. However, it seems most likely that the company form taken will be a company limited by shares which provides more flexibility to trading companies, particularly with regard to distributions of profit and raising risk capital. The choice will have a fundamental impact on how people are employed, and the skills and numbers required.*

22. This report assumes that it would be the Authority that would establish the company, for its own purposes, so this report does not consider options such as entering into an arrangement with another local authority to use an established company or to set up a joint venture company for the purposes of providing services to both authorities and as a vehicle for function-related trading. As stated above, the structure of a company limited by shares offers flexibility in terms of future expansion should the Authority wish to look at working with other authorities through the company structure established, or in terms of future joint ventures with, or sale to, the private sector.

### **Potential legislative changes**

23. Companies under the control of local authorities are governed by the provisions in Part V of the 1989 Act (including financial and propriety controls). Part V of the 1989 Act is scheduled for repeal in its entirety by section 216 of the Local Government and Public Involvement in Health Act 2007. Section 212 of the 2007

Act introduces "local authority entities" in place of companies controlled by or under the influence of authorities, although an order under this section has yet to be made by the Secretary of State or Welsh Ministers. There is no indication that any such order will be made, and certainly not in the timescale to affect decisions on this project.

## **Control**

24. The structure and governance of the Company will also be dictated by the degree of control which the Authority will require to exercise over the company:

### **Procurement Regulations**

- (i) The requirement that the Council should be able to directly award contracts to the company (i.e. without procurement or competition) means that the Company and the degree of the Authority's control over the company, will have to meet the requirements of regulation 12 of the Public Contracts Regulations 2015 (SI2015 No 102).
- (ii) Regulation 12(1) (which is based on previous case law and is known still as the "Teckal" test) states that:

A public contract awarded by a contracting authority to a legal person governed by private or public law shall fall outside the scope of Part 2 of the PCR 2015 where **all** of the following three conditions are fulfilled:

**1. The contracting authority exercises over the legal person concerned a control similar to that which it exercises over its own departments.**

2. More than 80% of the activities of the controlled legal person are carried out in the performance of tasks entrusted to it by the controlling contracting authority or by other legal persons controlled by that contracting authority (i.e. more than 80% of the WOC's activities must be the delivery of

services back to its owning council and this figures must not be breached at any time).

**3. There is no direct private capital participation in the controlled legal person** with the exception of non-controlling and non-blocking forms of private capital participation required by national legislative provisions, in conformity with the Treaties, which do not exert a decisive influence on the controlled legal person.

25. In the case of the proposed WOC, the key test to explore further is Test One i.e. the control test. Control can be demonstrated through the overall arrangements which the Authority makes to control the company, through its constitution/articles and its operation. The key areas in the Council's Constitution which are central to showing control are:

- i. the reserved matters – decisions which only the Authority can make as owner and cannot be taken by the Board of the company alone and
- ii. the composition of the Board itself.

### **The Company's Constitution, Board and its membership (presuming the company would be wholly owned by the Authority)**

#### **Company Constitution**

26. A company's constitution and the rules governing its administration are set out in its memorandum of association (memorandum) and its articles of association (articles). The Company's directors and officers will derive their authority from the articles of association and the law relating to companies. The company will be run by its board of directors answerable to the shareholders in accordance with the articles. The articles are important documents and it is suggested that at the time when a decision is sought (on whether or not to establish a wholly owned company), draft articles are prepared and considered alongside the full business case. By way of example only, attached to this report as **Appendix 1** are the

articles of association of Cormac Contracting limited, which are publicly available from Companies House.

## **Board and Membership**

27. So far as Board membership is concerned, the Articles of Association would set out the rules for the appointment of directors. In respect of directors, issues to consider include; the number of directors, types of directors and quorum to be set for meetings of directors.
28. Government guidance suggests that a board of between three and eight directors is most likely to be practical (ODPM Local Authorities Trading Guidance, July 2004 (since updated but still in place in this respect) – and para 43 of WG Guidance). Many WOC have 7 or 9 directors to give an opportunity for a spread of skills and experience, whilst ensuring council control. A board must be able to respond quickly to commercial opportunities and change.
29. The articles could provide for the company to have both Executive Directors (that is a director who is engaged full time in the day to day running of the company) and Non Executive Directors (who are not engaged full time in the day to day running of the company but have the same company law responsibilities as Executive Directors), for example council officers or elected Members.
30. There are issues to consider in relation to potential conflicts for both elected Members and officers – see section below on conflicts.
31. The Authority may wish to consider the appointment of an Independent Director (who is neither an elected Member nor employee of the company), subject to ensuring the Authority retains sufficient control over the company. Independent directors can serve as a point of constructive challenge and bring further expertise to a Board.

32. It is important that Boards have the appropriate balance of skills, experience, independence and knowledge of the company to enable them to discharge their respective duties and responsibilities effectively. (See UK Corporate Governance Code September 2014).
33. Quorum - by way of example in the case of Cormac Contracting Limited, the quorum for Directors meeting is 4, consisting of two Executive and two Non Executive Directors.
34. It is not imperative to ensure Teckal compliance that the Authority has an absolute majority on the board, but this is a clear way to help demonstrate it easily and would be recommended.

### **Reserved Matters**

35. In terms of decision making, demonstrating Teckal compliance and in order to provide the Authority with comfort, the Articles of Association would usually include for 'Reserved Matters'. This would require the shareholder's consent (that is the Authority, presuming the Authority is the sole shareholder) to be obtained before a decision could be made by the company as regards a Reserved Matter. Reserved matters, by way of example could include:-

- Agreement on the annual business plan;
- Expenditure ( limiting the amount of capital and revenue expenditure before consent required);
- Acquisition and disposal, (for example, acquiring or selling of fixed assets or property);
- Entering into contracts (above a certain value - not normal day to day activity);
- Loans and financing agreement;
- Litigation;
- Altering or ceasing business;
- Giving of guarantees and indemnities;

- Open or closure of bank accounts;
- Appointment and remuneration of Executive directors;
- Variation of business plan;
- Branding;
- Corporate matters – (allotment or issue of shares).

36. Attached as an **Appendix 2** is a longer list of potential "Reserved matters" showing the extent of control an Authority may exercise through this mechanism. There needs to be a balance between clear control of strategic decisions and the company board being given sufficient flexibility to make commercial decisions.

37. The Authority will need to arrange for its shareholder decision making to be carried out in an effective way. Decisions will include standard annual meeting business as well as reserved matters as required. Exercising the shareholder role is an executive decision but there are various options for how this is carried out in practice – for example by Cabinet jointly, individual portfolio holder, cabinet committee etc. There may be the need for a quick commercial decision to be taken to allow the company to take advantage of a time-limited opportunity and this should be factored in to the shareholder arrangements.

## **Conflicts of interest**

38. Any Members or officers of the local authority who are appointed directors of a company would have a fiduciary duty to the company. They have the powers and duties of company directors while they are appointed directors, and as directors, they are answerable to the membership of the company in accordance with the company's articles of association and company law.

39. Any elected Member appointed as a company director would, however, still be bound by the authority's code of conduct.

40. Paragraph 45 of the ODPM and WG guidance states:

*"Authority members and officers should be aware of potential conflicts of interest when carrying out their roles for their authorities, or when acting as directors of trading companies. The conduct of authority members is governed by their authority's code of conduct."*

41. The CA 2006 codifies existing duties on directors and explicitly imposes a general duty on directors to avoid conflicts of interest (though this can be mitigated by provisions in the Articles recognising certain inherent conflicts). Accordingly when considering who should be nominated as directors, it will be important to be conscious of the potential for conflict of interest. This has implications for all but especially Cabinet Members serving on the Board, given their role as a cabinet Member.

42. Best practice would be to appoint Council Directors who do not have a role or post within the Authority which would bring them into conflict with their director responsibilities or put them in a position of making (or advising on) a Council decision relating directly to the company (which could give rise to challenges based on bias and predetermination) . It is therefore prudent for any Member with a role in services provided by the Company, not to be on the Board and also for any officers who are (1) involved in a client role or (2) in a statutory role e.g. the s.151 officer not to be on the Board.

43. Any Members or officers who are to be Directors of the company may need to be given training on their new obligations and a protocol established on how to deal with conflicts.

### **Transparency /Scrutiny**

44. A local authority must ensure that a trading company is not used as a device for inhibiting legitimate public access to information about local government and local government services. The scrutiny committee of the authority must be able to exercise its powers in relation to the discharge of local authority functions under

the relevant legislation and when establishing a company appropriate provision should be made to facilitate scrutiny.

45. The financial and propriety controls that apply to local authority controlled companies, as set out in the 1989 Act, would need to be complied with.

### **Relationship between the Authority and the Company**

46. As explained above, the Authority will own the Company and there will be control of its activities through the governance arrangements put in place, primarily through roles on the Board and through the reserved matters list.

47. The Authority will also have a relationship with the Company through the contract(s) for services which it will enter (through direct award). It is unlikely that the Council will ever take action to enforce a contract against its WOC (if the delivery of service breaks down there will be other action the Authority can take including change in management, bringing services back in house, sale or joint venture of the business).

48. However there will need to be clarity as between the Authority and its service provider (the Company) as to what services will be delivered, to what standard and to what price. A specification and contract will therefore need to be agreed between the Authority and the Company to underpin the guarantee of appropriate levels of service delivery to the citizens of Cardiff.

### **Retained activities in the Authority**

49. The Authority has identified the scope of services it is considering arranging to be delivered through the WOC. It is, though, more complex than simply the current activities in this list (and the staff who deliver/support them) being transferred to the Company and run through a contract.

50. The Authority will need to make arrangements to retain sufficient staff and expertise to:

- Manage the contract with the Company;
- Deliver the strategic role the Authority has decided to retain; and
- Exercise the statutory functions which the Authority cannot legally delegate to a company.

51. The first two points should be self-explanatory. The third is based on the legal position that the duty to take a statutory decision is placed on the local authority and there is no general power for the decision to be taken by anyone other than the local authority (or part of it or another authority).

52. Under Section 101 of the Local Government Act 1972 (and the Discharge of Functions Regulations for executive functions) an authority may arrange for the discharge of functions (i.e. arrange for another body, here the WOC, to deliver services to support the exercise of the function) but the authority cannot transfer that decision-making power to anyone else. It can obtain supporting information and an expert opinion from others, but the final responsibility for taking the decision remains with the authority.

53. Whilst this is the general position in relation to decision making, Section 70 of the Deregulation and Contracting Out Act 1994 does enable the Secretary of State to make an Order which allows local authorities to arrange for the discharge of their functions.

54. It will be necessary to review the list of activities the Authority is considering arranging for the WOC to carry out to check if any are actually statutory functions in that list and then to check if there is any specific provision which allows them to be delegated to the WOC.

55. If there is no such ability, the usual position is that the Authority has to retain staff with the necessary skills and capacity to make those decisions. Some authorities have adopted a "joint employment" model to obviate the need for retained staff to carry out this role. This is based on staff having an employment contract with both the Authority and the Company so allowing them to "choose" which hat they are wearing at any one time, either to make statutory decisions (as the council) or to deliver services (as the company). This is a new model which has risks and has not yet been tested. This new model is put forward by way of information only and further detailed work would be required to assess the risks and suitability of such a model for Infrastructure Services.

### **Other issues**

56. There are a number of issues that require consideration when setting up a company and detailed proposals regarding the same should be set out in any report recommending the establishment of a company. In respect of company matters, by way of example:

- **Employment issues** - local government employees may be transferred to the new company and individuals may well be concerned as to the potential impact of working for a wholly owned company. There will need to be consideration of TUPE, equal pay and pension issues. These issues are not considered in this report but will be addressed in the Full Business Case.
- **Personal Liability of Directors** - Company directors may incur personal liability, for example in respect of breach of duty, wrongful trading, fraudulent trading, breach of a disqualification order and other specific liabilities such as corporate manslaughter. It is good practice for the company to insure against this risk and potentially for the Authority to indemnify any Council directors.
- **Tax issues** – there will need to be specialist financial advice on the tax issues of setting up and running a WOC to ensure tax consequences are mitigated.

- **State Aid** - when an Authority sets up a WOC it must be careful not to breach the rules on state aid. These require that a public body does not give aid to an undertaking (which would include a WOC) which could distort competition in the market. There are various exemptions and ways of mitigating this risk but this will need to be taken into account if the Authority is considering, for example, giving a loan to the WOC to assist with initial cash flow or allowing the WOC to occupy council premises.

## Legal Implications

57. The legal advice is reflected in the body of this report. There are a number of express and implied powers pursuant to which the authority could form a company.

58. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

## **Financial Implications**

59. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

## **RECOMMENDATIONS**

The Committee is recommended to:

- Consider the information presented in this report and at this meeting; and
- Decide whether it wishes to make any comments or recommendations to the Cabinet.

**MARIE ROSENTHAL**  
**Director Governance & Legal Services**  
**25 November 2015**

## **BACKGROUND PAPERS**

### **Reference**

- Sections 95 of the Local Government 2003 Act. ('Section 95').
- The Local Government (Best Value Authorities) (Power to Trade) (Wales) Order 2006 (SI 2006/979). ('2006 Trading Order').
- The Companies Act 2006. ('CA 2006').
- The Public Contracts Regulations 2015 ('Procurement Regulations').

- General power for local authorities, fire and rescue authorities and National park authorities to trade in function related activities January 2009 (Welsh Assembly Government ) –draft (‘WG guidance).
- Welsh Government guidance on the power in the Local Government Act 2003 ([www.practicallaw.com/0-501-9075](http://www.practicallaw.com/0-501-9075)) – published 1 January 2010.
- Previous Cabinet and Scrutiny Reports on this matter.

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*Downloaded from Companies House Website.*

**Company Number: 07737521**

**The Companies Act 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

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# **ARTICLES OF ASSOCIATION**

**CORMAC CONTRACTING LIMITED**

**(Incorporated on 11 August 2011)**



A28

21/06/2012  
COMPANIES HOUSE

#313



ARTICLES OF ASSOCIATION FOR CORMAC CONTRACTING LIMITED

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PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

**Defined terms**

**1. In the articles, unless the context requires otherwise—**

"Articles" means these Articles of Association;

"Bankruptcy" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy according to the laws of England and Wales;

"Business Plan" means the yearly business plan established by the Company,

"Chair" has the meaning given in Article 12,

"Chair of the Meeting" has the meaning given in Article 41,

"Company" means CORMAC Contracting Limited (Company Number 07737521);

"Companies Acts" means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company;

"Controlled Company" means a company within the meaning of Regulation 1(4) of the Local Authorities (Companies) Order 1995;

"Cornwall Council" means The Cornwall Council of County Hall, Treyew Road, Truro, Cornwall TR1 3AY;

"Director" means a director of the Company, and includes any person occupying the position of director, by whatever name called;

"Distribution Recipient" has the meaning given in Article 32;

"Document" includes, unless otherwise specified, any document sent or supplied in electronic form,

"Electronic Form" has the meaning given in section 1168 of the Companies Act 2006,

"Executive Director" means a Director who is engaged full time in the day to day running and administration of the Company and shall for the avoidance of doubt include the managing director of the Company from time to time;

"Fully Paid" in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company,

"Hard Copy Form" has the meaning given in section 1168 of the Companies Act 2006;

"Holder" in relation to shares means the member whose name is entered in the register of members as the holder of the shares;

"Instrument" means a document in Hard Copy Form;

"Non-Executive Director" means a Director who is not engaged full time in the day to day running and administration of the Company,

"Ordinary Resolution" has the meaning given in section 282 of the Companies Act 2006,

"Paid" means paid or credited as paid;

"Reserved Matters" the matters reserved for Shareholder Representative consent as more particularly set out in Schedule 1,

"Shareholder" means a person who is the holder of a share,

"Shareholder Representative" means such person nominated by the Holder or Holders of the shares to exercise all rights of the Holder or Holders in relation to the Company,

"Shares" means shares in the Company,

"Special Resolution" has the meaning given in section 283 of the Companies Act 2006;

"Subsidiary" has the meaning given in section 1159 of the Companies Act 2006;

"Writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

The table of contents and the headings are inserted for convenience only and are to be disregarded in construing the articles of the company.

The masculine shall include the feminine and the neuter and the singular the plural and vice versa as the context shall admit or require.

## **2. Liability of members**

- (1) The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

**3. Directors' General Authority**

- (1) Subject to the Articles (and in particular Article 4), the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.
- (2) The Directors shall exercise the powers of the Company ensuring at all times that:
  - (a) for so long as the Company is a Controlled Company, the Company shall not engage in activities for party political purposes or publish, or arrange for the publication of, any material which, in whole or in part, appears to be designed to affect public support for a political party,
  - (b) for so long as the Company is a Controlled Company, the Company shall not give financial or other assistance to a person for the publication of material which the Company is prohibited by Article 3(2)(a) from publishing itself;
  - (c) for so long as the Company is a Controlled Company, the Company shall have mentioned on all documents (being of any kind mentioned in section 82 of the Act) the fact that it is a company controlled by Cornwall Council, a local authority,
  - (d) the Company shall not engage in any activity in which Cornwall Council has no power to engage.
- (3) The Directors shall exercise the powers of the Company observing at all times that the Company shall not without the prior written consent of Cornwall Council undertake any activity or incur any expenditure covered by section 137 of the Local Government Act 1972 (*Power of local authorities to incur expenditure for certain purposes not otherwise authorised*) (as amended by the Local Government and Housing Act 1989 section 36) which, if aggregated with Cornwall Council's spending within that section, would exceed its financial limit under that section for the relevant financial year
- (4) No alteration to the Articles and no such direction given by Special Resolution in accordance with Article 4 shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given
- (5) The powers given by this Article 3 shall not be limited by any special power given to the Directors by the Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors

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**4. Shareholder Reserved Power**

- (1) The Shareholder Representative may, by Special Resolution, direct the Directors to take, or refrain from taking, specified action
- (2) No such Special Resolution invalidates anything which the Directors have done in accordance with the powers available to them before the passing of the resolution
- (3) The Directors shall not engage in any of the Reserved Matters detailed in Schedule 1 without the prior written consent of the Shareholder Representative.

**5. Directors may delegate**

- (1) Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles—
  - (a) to such person or committee,
  - (b) by such means (including by power of attorney);
  - (c) to such an extent;
  - (d) in relation to such matters or territories; and
  - (e) on such terms and conditions;as they think fit
- (2) If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated
- (3) The Directors may revoke any delegation in whole or part, or alter its terms and conditions

**6. Committees/Advisory Panels**

- (1) Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors
- (2) The Directors may make rules or procedures for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.
- (3) The Directors may establish advisory panels to advise them on any matter relating to the Company's operations. The Directors shall not delegate powers under the provisions of Article 5 to any such advisory panel.

## DECISION-MAKING BY DIRECTORS

### **7. Directors to take decisions collectively**

- (1) The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 8
- (2) Subject to Articles 13 and 14 each Director shall have one vote. This applies to both executive and non-executive Directors
- (3) The Directors shall be entitled to invite relevant third parties to attend any meeting of the Directors where such attendance is deemed by the Directors worthwhile or necessary to the matters to be transacted at the relevant meeting of the Directors provided that such third parties agree to be bound by the obligations of confidentiality imposed by the Company. For the avoidance of doubt, no such third party shall count in the quorum or be entitled to vote at any meeting of the Directors

### **8. Unanimous decisions**

- (1) A decision of the Directors is taken in accordance with this Article when all eligible Directors indicate to each other by any written means that they share a common view on a matter
- (2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible Director or to which each eligible Director has otherwise indicated agreement in writing.
- (3) References in this Article to eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting
- (4) A decision may not be taken in accordance with this Article if the eligible Directors would not have formed a quorum at such a meeting

### **9. Calling a Directors' meeting**

- (1) Any Director may call a Directors' meeting by giving at least ten (10) working days notice of the meeting to the Directors or by authorising the company secretary (if any) to give such notice
- (2) Notice of any Directors' meeting must indicate—
  - (a) its proposed date and time,
  - (b) where it is to take place, and
  - (c) if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- (3) Notice of a Directors' meeting must be given in writing to each Director

**10. Participation in Directors' meetings**

- (1) Any or all of the Directors may participate in a meeting of Directors by means of conference telephone or similar communications equipment whereby all person participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and subject to these Articles and the Companies Acts, he shall be entitled to vote and be counted in the quorum accordingly. Such meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Chair of the meeting then is.

**11. Quorum for Directors' meetings**

- (1) No business shall be transacted at any Directors' meeting unless a quorum is present.
- (2) The quorum shall be four Directors consisting of two Executive Directors and two Non-Executive Directors not excluded from participation by Article 14. A person who holds office only as an alternate Director, shall if his appointor is not present, be counted in the quorum.
- (3) If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:
  - (a) to appoint further Directors, or
  - (b) to call a general meeting so as to enable the Shareholders to appoint further Directors

**12. Chairing of Directors' meetings**

- (1) The Shareholder Representative may appoint any Non-Executive Director as Chair of the board of Directors and may at any time remove him/her from that office. Unless he/she is unwilling to do so, the Director so appointed shall preside at every meeting of Directors at which he/she is present.
- (2) If there is no Director holding the office of Chair, or if the Director holding office is unwilling to preside or is not present within fifteen minutes after the time appointed for the meeting the Directors present may appoint one of the other Non-Executive Directors present to be Chair of the meeting.
- (3) If for any item of business the Chair or person appointed to preside over the meeting is prevented from participating in that business by virtue of Article 14 another Non-Executive Director will be appointed to preside over the meeting for that business only.

**13. Casting vote**

- (1) If the numbers of votes for and against a proposal are equal, whether there are abstentions or not, the Chair or other Director chairing the meeting has a casting vote.
- (2) But this does not apply if, in accordance with the Articles, the Chair or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes.

#### **14. Conflicts of interest**

(1) For the purposes of Article 14.

(a) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons so interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified, and

(b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and

(c) an interest of a person who is for any purpose of the Companies Act (excluding any statutory modification not in force when the Company was incorporated) connected with a Director shall be treated as an interest of the Director and in relation to an alternate Director an interest of his appointer shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.

(2) Whenever a Director has an interest in a matter to be discussed at a meeting of the board the Director concerned shall declare such interest at or before discussions begin on the matter and unless either the board resolves otherwise or his interest in a matter arises solely as a result of his employment by Cornwall Council he shall;

(a) withdraw from the meeting for that item,

(b) not be counted in the quorum for that part of the meeting, and

(c) not be entitled to vote on the matter

(3) For the purposes of this Article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.

(4) If a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chair whose ruling in relation to any Director other than the Chair is to be final and conclusive

(5) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chair, the question is to be decided by a decision of the Directors at that meeting, for which purpose the Chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

#### **15. Minutes**

(1) The Directors shall cause minutes to be made in books kept for the purpose;

(a) of all appointments of officers made, and

- (b) of all proceedings at meetings of the Company and of the Directors and of committees of Directors including the names of the Directors present at each such meeting
- (2) For as long as the Company is a Controlled Company, the Company shall make the minutes of any general meeting of the Company available for inspection by any member of the public requesting such opportunity to inspect for a period of six years beginning with the date of the general meeting, but the Company shall not be obliged to make copies of such minutes available nor shall it be obliged to provide such information where such provision would constitute a breach of any enactment or any obligation owed to any person.

#### APPOINTMENT OF DIRECTORS

##### **16. Number of Directors**

- (1) Unless otherwise determined by Ordinary Resolution the number of Directors (other than alternate Directors) shall not be subject to a maximum but shall not be less than five

##### **17. Methods of appointing Directors**

- (1) Notwithstanding any other provision of these Articles, the Holder or Holders of a majority in nominal value of the issued ordinary Shares in the capital of the Company may at any time and from time to time appoint any person to be a Director (provided that any such appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles as the maximum number of Directors) or remove any Director from office. Every such appointment or removal shall be effected by notice in writing and signed by or on behalf of the relevant Holder or Holders. Such notice shall take effect immediately (or on such later date, if any, specified in the notice) upon deposit of the notice at the registered office of the Company marked for the attention of the Directors.
- (2) Subject to the approval of the Shareholder Representative the Board of Directors may appoint a person who is willing to act as a Director either to fill a vacancy or as an additional Director including the appointment of a Director for a fixed term provided that the appointment does not cause the number to exceed any number fixed by these Articles as the maximum number of Directors
- (3) No person may be appointed as a Director
- (a) unless he has attained the age of 18 years, or
  - (b) in circumstances such that, had he already been a Director, he would have been disqualified from acting under the provisions of Article 18

##### **18. Termination of Directors appointment**

- (1) A person ceases to be a Director as soon as—
- (a) that person ceases to be a Director by virtue of any provision of the Companies Act or is prohibited from being a director by law,
  - (b) a bankruptcy order is made against that person,

- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,
  - (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
  - (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
  - (f) notification is received by the Company from the Director that he/she is resigning from office, and such resignation has taken effect in accordance with its terms;
- (2) A Director shall vacate office if, in the case of an Executive Director, that person ceases to be an employee of the Company.
  - (3) The Directors shall not be subject to retirement by rotation

**19. Alternate Directors**

- (1) Any Director may appoint any other person willing to act to be an alternate Director with the prior consent of the Shareholder Representative and may remove from office an alternate Director so appointed by him.
- (2) An alternate Director shall be entitled to receive notices of all Board meetings and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at any such meeting at which his appointor is not present and generally to perform all the functions of his appointor as a Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate Director
- (3) Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment after prior consent of the Shareholder Representative has been received
- (4) An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director or on the happening of any event which if he were a Director would cause him to vacate his office as a Director

**20. Directors' remuneration**

- (1) Directors may undertake any services for the Company that are permitted by the Articles.
- (2) Directors are entitled to remuneration
  - (a) for their services to the Company as Directors, and
  - (b) for any other service which they undertake for the Company
- (3) The Directors' remuneration shall be approved by the Shareholder Representative

- (4) For so long as the Company is a Controlled Company, the Company shall not pay a Director who is also an officer of Cornwall Council remuneration in respect of the carrying out of any duty on behalf of the Company or otherwise acting in their capacity as a Director.

**21. Directors' expenses**

- (1) The Company may pay any reasonable expenses which the Directors properly and reasonably incur in connection with their attendance at—
- (a) meetings of Directors or committees of Directors,
  - (b) general meetings, or
  - (c) separate meetings of the Holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.
- (2) Directors expenses shall be paid in accordance with any rules or procedures authorised by the Shareholder Representative.
- (3) For so long as the Company is a Controlled Company, the Company shall not pay a Director who is also an officer of Cornwall Council expenses in respect of the carrying out of any duty on behalf of the Company in excess of the greatest amount which would for the time being be payable by the Cornwall Council if the relevant duty were an approved duty for the purposes of section 174 of the Local Government Act 1972

PART 3  
SHARES AND DISTRIBUTIONS  
SHARES

**22. All Shares to be fully paid up**

- (1) No Share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue
- (2) This does not apply to Shares taken on the formation of the Company by the subscribers to the Company's memorandum

**23. Powers to issue different classes of share**

- (1) Subject to the Articles, but without prejudice to the rights attached to any existing Share, the Company may issue Shares with such rights or restrictions as may be determined by Ordinary Resolution.
- (2) The Company may issue Shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the Holder, and the Directors may determine the terms, conditions and manner of redemption of any such shares

**24. Company not bound by less than absolute interests**

- (1) Except as required by law, no person is to be recognised by the Company as holding any Share upon any trust, and except as otherwise required by

law or the Articles, the Company is not in any way to be bound by or recognise any interest in a share other than the Holder's absolute ownership of it and all the rights attaching to it.

## **25. Share certificates**

- (1) The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the shares which that Shareholder holds.
- (2) Every certificate must specify—
  - (a) in respect of how many Shares, of what class, it is issued;
  - (b) the nominal value of those Shares;
  - (c) that the Shares are fully paid, and
  - (d) any distinguishing numbers assigned to them.
- (3) No certificate may be issued in respect of Shares of more than one class
- (4) If more than one person holds a Share, only one certificate may be issued in respect of it
- (5) Certificates must—
  - (a) have affixed to them the Company's common seal, or
  - (b) be otherwise executed in accordance with the Companies Acts

## **26. Replacement Share certificates**

- (1) If a certificate issued in respect of a Shareholder's Shares is—
  - (a) damaged or defaced, or
  - (b) said to be lost, stolen or destroyed, that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares.
- (2) A Shareholder exercising the right to be issued with such a replacement certificate—
  - (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
  - (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
  - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide

## **27. Share transfers**

- (1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Shareholder Representative, which is executed by or on behalf of the transferor

- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share.
- (3) The Company may retain any instrument of transfer which is registered.
- (4) The transferor remains the holder of a Share until the transferee's name is entered in the register of members as Holder of it.
- (5) The Directors may refuse to register the transfer of a Share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

**28. Transmission of Shares**

- (1) If title to a Share passes to a transmittee, the Company may only recognise the transmittee as having any title to that Share
- (2) A transmittee who produces such evidence of entitlement to Shares as the Directors may properly require—
  - (a) may, subject to the Articles, choose either to become the holder of those Shares or to have them transferred to another person, and
  - (b) subject to the Articles, and pending any transfer of the Shares to another person, has the same rights as the holder had
- (3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those Shares

**29. Exercise of transmittees' rights**

- (1) Transmittees who wish to become the holders of Shares to which they have become entitled must notify the Company in writing of that wish
- (2) If the transmittee wishes to have a Share transferred to another person, the transmittee must execute an instrument of transfer in respect of it and obtain approval from the Shareholder Representative
- (3) Any transfer made or executed under this Article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred

**30. Transmittees bound by prior notices**

- (1) If a notice is given to a Shareholder in respect of Shares and a transmittee is entitled to those Shares, the transmittee is bound by the notice if it was given to the Shareholder before the transmittee's name has been entered in the register of members

## DIVIDENDS AND OTHER DISTRIBUTIONS

### **31. Procedure for declaring dividends**

- (1) The Company may by Ordinary Resolution declare dividends, and the Directors may decide to pay interim dividends
- (2) A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors
- (3) No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights
- (4) Unless the Ordinary Resolution to declare or Directors' decision to pay a dividend, or the terms on which Shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of Shares on the date of the Ordinary Resolution or decision to declare or pay it.
- (5) If the Company's Share capital is divided into different classes, no interim dividend may be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear
- (6) The Directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment
- (7) If the Directors act in good faith, they do not incur any liability to the Holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights

### **32. Payment of dividends and other distributions**

- (1) Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be paid by one or more of the following means—
  - (a) transfer to a bank or building society account specified by the Distribution Recipient either in writing or as the Directors may otherwise decide,
  - (b) sending a cheque made payable to the Distribution Recipient by post at his registered address (if the Distribution Recipient is a holder of the share), or (in any other case) to an address specified by the Distribution Recipient either in writing or as the Directors may otherwise decide,
  - (c) sending a cheque made payable to such person by post to such person at such address as the Distribution Recipient has specified either in writing or as the Directors may otherwise decide, or
  - (d) any other means of payment as the Directors agree with the Distribution Recipient either in writing or by such other means as the Directors decide
- (2) In the Articles, "the Distribution Recipient" means, in respect of a Share in which a dividend or other sum is payable—

(a) the holder of the Share; or

(b) if the Share has two or more joint holders, whichever of them is named first in the register of members; or

(c) if the holder is no longer entitled to the Share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

**33. No interest on distributions**

(1) The Company may not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by—

(a) the terms on which the Share was issued, or

(b) with the permission of the Shareholder Representative.

**34. Unclaimed distributions**

(1) All dividends or other sums which are—

(a) payable in respect of Shares, and

(b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

(2) The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it

(3) If—

(a) twelve years have passed from the date on which a dividend or other sum became due for payment, and

(b) the Distribution Recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company

**35. Non-cash distributions**

(1) Subject to the terms of issue of the Share in question, the Company may, by Ordinary Resolution on the recommendation of the Directors, decide to pay all or part of a dividend or other distribution payable in respect of a Share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

(2) For the purposes of paying a non-cash distribution, the Directors may propose that the Shareholder Representative approves the —

(a) fixing the value of any assets,

(b) paying cash to any Distribution Recipient on the basis of that value in order to adjust the rights of Distribution Recipients, and

- (c) vesting any assets in trustees.
- (3) The Shareholder Representative may authorise the Directors in writing to pay a non cash distribution under Article 35(2) above.

**36. Waiver of distributions**

- (1) Distribution Recipients may waive their entitlement to a dividend or other distribution payable in respect of a Share by giving the Company notice in writing to that effect, but if—

- (a) the Share has more than one Holder, or

- (b) more than one person is entitled to the Share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise, the notice is not effective unless it is expressed to be given, and signed, by all the Holders or persons otherwise entitled to the Share

**CAPITALISATION OF PROFITS**

**37. Authority to capitalise and appropriation of capitalised sums**

- (1) Subject to the Articles, the Directors may, if they are so authorised by an Ordinary Resolution—

- (a) decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and

- (b) appropriate any sum which they so decide to capitalise (a "Capitalised Sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "Persons Entitled") and in the same proportions

- (2) Capitalised Sums must be applied—

- (a) on behalf of the persons entitled, and

- (b) in the same proportions as a dividend would have been distributed to them

- (3) Any Capitalised Sum may be applied in paying up new Shares of a nominal amount equal to the Capitalised Sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

- (4) A Capitalised Sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.

- (5) Subject to the approval of the Shareholder Representative the Directors may—

- (a) apply Capitalised Sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;

(b) make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments), and

(c) authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of Shares and debentures to them under this Article

#### PART 4

##### DECISION-MAKING BY SHAREHOLDERS ORGANISATION OF GENERAL MEETINGS

#### **38. Single Shareholder Company**

- (1) If at any time and for so long as, the Company has a single Shareholder all provisions of these Articles shall (in the absence of any expressed provision to the contrary) apply with such modifications as may be necessary in relation to a company with a single Shareholder.

#### **39. Attendance and speaking at general meetings**

- (1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting
- (2) A person is able to exercise the right to vote at a general meeting when—
- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting
- (3) The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- (4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them

#### **40. Quorum for general meetings**

- (1) No business other than the appointment of the Chair of the general meeting ("Chair of the General Meeting") is to be transacted at a general meeting if the persons attending it do not constitute a quorum

(2) Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member, shall be a quorum.

(3) If and for so long as the Company has only one Shareholder, then the sole Shareholder or a duly authorised representative of the Shareholder shall be a quorum.

**41. Chairing general meetings**

(1) If the Shareholder Representative has appointed a Chair of the Meeting, he shall chair general meetings if present and willing to do so

(2) If the Shareholder Representative has not appointed a Chair, or if the Chair is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—

(a) the Directors present, or

(b) (if no Directors are present), the meeting must appoint a Shareholder to chair the meeting, and the appointment of the substitute Chair of the Meeting must be the first business of the meeting

**42. Attendance and speaking by Directors and Non-Shareholders**

(1) Directors may attend and speak at general meetings, whether or not they are Shareholders

(2) The Chair of the Meeting may permit other persons who are not—

(a) Shareholders of the Company, or

(b) otherwise entitled to exercise the rights of Shareholders in relation to general meetings,

to attend and speak at a general meeting.

**43. Adjournment**

(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chair of the Meeting must adjourn it.

(2) The Chair of the Meeting may adjourn a general meeting at which a quorum is present if—

(a) the meeting consents to an adjournment, or

(b) it appears to the Chair of the Meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner

(3) The Chair of the Meeting must adjourn a general meeting if directed to do so by the meeting

(4) When adjourning a general meeting, the Chair of the Meeting must—

- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
  - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (5) If the continuation of an adjourned meeting is to take place more than fourteen (14) days after it was adjourned, the company must give at least seven (7) clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
- (a) to the same persons to whom notice of the company's general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place

#### VOTING AT GENERAL MEETINGS

##### **44. Voting**

- (1) On a vote on a resolution on a show of hands, every Shareholder who is present in person or (being a corporation) is present by a duly authorised representative shall have one vote only.

##### **45. Errors and disputes**

- (1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid
- (2) Any such objection must be referred to the Chair of the Meeting, whose decision is final

##### **46. Poll votes**

- (1) A poll on a resolution may be demanded—
- (a) in advance of the general meeting where it is to be put to the vote, or
  - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- (2) A poll may be demanded by—
- (a) the Chair of the Meeting,
  - (b) the Directors,

- (c) two or more persons having the right to vote on the resolution, or
  - (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution
- (3) A demand for a poll may be withdrawn if—
- (a) the poll has not yet been taken, and
  - (b) the Chair of the Meeting consents to the withdrawal
- (4) Polls must be taken immediately and in such manner as the Chair of the Meeting directs

#### **47. Amendments to Resolutions**

- (1) An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if—
- (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than forty eight (48) hours before the meeting is to take place (or such later time as the Chair of the Meeting may determine), and
  - (b) the proposed amendment does not, in the reasonable opinion of the Chair of the Meeting, materially alter the scope of the first Ordinary Resolution.
- (2) A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution, if—
- (a) the Chair of the Meeting proposes the amendment at the general meeting at which the Ordinary Resolution is to be proposed, and
  - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- (3) If the Chair of the Meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, his error does not invalidate the vote on that Ordinary Resolution.

### **PART 5 ADMINISTRATIVE ARRANGEMENTS**

#### **48. Means of communication to be used**

- (1) Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way authorised by the Companies Act
- (2) Subject to the Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has approved

- (3) A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than forty (48) hours

**49. Company Seals**

- (1) Any common seal may only be used by the authority of the Directors
- (2) The Directors may decide by what means and in what form any common seal is to be used
- (3) Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature
- (4) For the purposes of this Article, an authorised person is—
- (a) any Director of the company,
  - (b) the company secretary (if any), or
  - (c) any person authorised by the Directors for the purpose of signing documents to which the common seal is applied.

PART 6  
DIRECTORS' INDEMNITY AND INSURANCE

**50. Indemnity**

- (1) Subject to paragraph (2), a Relevant Director of the Company as defined in Article 50(3) may be indemnified out of the Company's assets against—
- (a) any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company;
  - (b) any liability incurred by that Director in connection with the activities of the Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
  - (c) any other liability incurred by that Director as an officer of the Company
- (2) This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law
- (3) In this Article—
- a "Relevant Director" means any Director or former Director of the company.

**51. Insurance**

(1) The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Director in respect of any Relevant Loss

(2) In this Article—

(a) a "Relevant Director" means any Director or former Director of the company,

(b) a "Relevant Loss" means any loss or liability which has been or may be incurred by a Relevant Director in connection with that Director's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the company or associated company.

## SCHEDULE 1

### MATTERS RESERVED FOR THE SHAREHOLDER

The Company shall only be permitted to engage in the following matters with the prior consent of the Shareholder Representative

#### 1.) Expenditure

- (a) Incur any revenue expenditure on non-capital assets in excess of £10m per contract except where the expenditure relates to an asset detailed in paragraph 2 below

#### 2.) Acquisition and Disposal

- (a) Acquire an interest in whole or part of any existing company or set up a new company;
- (b) Acquire or dispose of shares in any company;
- (c) Acquire or dispose of a fixed asset with the value of more than £350,000;
- (d) Acquire or dispose of an interest in whole or part of any property of any tenure.

#### 3.) Entering into Contracts

- (a) Enter into any concession arrangement outside of the normal course of the Company's business,
- (b) Enter into any formal joint venture or partnership or profit sharing agreement,
- (c) Enter into a contract or transaction except in the ordinary and proper course of business on arms length terms;
- (d) Tender for contracts with a total contract value above £10m or where the board of directors considers there is significant risk to the Council

#### 4.) Loans and Financing Arrangements

- (a) Create any fixed or floating charge or other encumbrance of the whole or part of the Company, its property or assets,
- (b) Borrow any sum whatsoever on the Company's behalf;
- (c) Make a loan or advance of any amount or give credit (other than normal trade credit) to any person;
- (d) Enter into any lease arrangement for a single item above £350,000 other than with Cornwall Council.

**5.) Litigation and Arbitration**

- (a) Initiate, discontinue or settle any actual or threatened litigation or arbitration or compromise agreements other than:
  - (i) recovery of debts in the ordinary course of business;
  - (ii) initiating litigation or arbitration where the directors reasonably believe that the delay involved in acquiring prior consent of the members would be detrimental to the Company or any of its subsidiaries; and
  - (iii) an action in respect of which the directors have received a written costs estimate from their legal advisors of less than £50,000.

**6.) Altering or ceasing business**

- (a) Cease to carry on the business of the Company

**7.) Guarantees and Indemnities**

- (a) Give any appropriate guarantee or indemnity whatsoever where Cornwall Council is named as the parent company or guarantor

**8.) Bank Accounts**

- (a) Open or close any bank accounts

**9.) Shareholdings**

- (a) Acquire, dispose or permit the disposal or dilution of:
  - (i) any direct or indirect interest in any subsidiary (whether by way of formation or otherwise);
  - (ii) any share or loan capital of any body corporate;
- (b) Make changes relating to the Company's capital structure including reduction of capital, share issues, share buy backs

**10.) Appointment and Remuneration of Executive Directors**

- (a) Appoint a person to the office of Managing Director of the Company;
- (b) Determine the remuneration package and terms and conditions of employment for the Managing Director and Executive Directors following consideration of the recommendations of the remuneration committee,
- (c) Agree a remuneration package for any Director or any other person or employee of the Company which is at or more than 75% of the salary of the Managing Director of the Company

**11.) Business Plan**

- (a) Vary the Business Plan otherwise than in accordance with procedures agreed with the Shareholder Representative.

**12.) Branding/Intellectual Property**

- (a) Engage in any activities or actions which would detract from or diminish any brand image agreed between Cornwall Council and the Company, to promote the image of the Company and its working relationship with the Council and the Council's other delivery vehicles or service providers,
- (b) Grant any licence of intellectual property other than in the ordinary course of the Company's business

**13.) Corporate Matters**

- (a) Make changes to the Company's senior management and board structure,
- (b) Appoint or remove the external auditor,
- (c) Change the accounting reference date,
- (d) Change the business name;
- (e) Pay any dividend;
- (f) Allot or issue any shares,
- (g) Approve the Financial Regulations of the Company

## Appendix 2 Further examples of reserved matters

- 1 The company shall not, except with the prior written consent of the Shareholder:
  - 1.1 vary in any respect its articles of association or the rights attaching to any of its shares;
  - 1.2 permit the registration (upon subscription or transfer) of any person as a member of the company [other than the Shareholder [in respect of their initial investment] and/or any permitted transferees];
  - 1.3 increase the amount of its issued share capital, grant any option or other interest (in the form of convertible securities or in any other form) over or in its share capital, redeem or purchase any of its own shares, sell, transfer or cancel any shares held from time to time in treasury or effect any other reorganisation of its share capital;
  - 1.4 issue any loan capital or enter into any commitment with any person with respect to the issue of any loan capital;
  - 1.5 make any borrowing [other than from its bankers in the ordinary and usual course of business] and it shall ensure that its banking facilities do not enable it to have more than £[●] in aggregate borrowed at any one time;
  - 1.6 apply for the listing or trading of any shares or debt securities on any stock exchange or market;
  - 1.7 pass any resolution for its winding up or present any petition for its administration (unless it has become insolvent);
  - 1.8 engage in any business other than [the Business] or defray any monies other than in good faith for the purposes of or in connection with the carrying on of [the Business];
  - 1.9 form any subsidiary or acquire shares in any other company or participate in any partnership or joint venture (incorporated or not);
  - 1.10 close down any business operation or dispose of or dilute its interest in any of its subsidiaries for the time being;
  - 1.11 amalgamate or merge with any other company or business undertaking;
  - 1.12 alter its name or registered office;
  - 1.13 enter into any transaction or arrangement of any nature whatsoever with any of the directors or any person who is "connected" (within the meaning of sections 1122 and 1123 of the Corporation Tax Act 2010) to the Shareholder's

directors whether or not any other person shall be party to such transaction or arrangement;

- 1.14 enter into any commitment by way of a transaction or series of related transactions (including without limitation any leasing transaction) which would involve the company in the payment or receipt of consideration having an aggregate value in excess of £[●];
- 1.15 enter into any arrangement, contract or transaction outside the normal course of its business or otherwise than on arm's length terms;
- 1.16 give notice of termination of any arrangements, contracts or transactions which are of a material nature in the context of its business, or materially vary any such arrangements, contracts or transactions;
- 1.17 without prejudice to any other provision of this clause:
  - 1.17.1 enter into, as lessor or as lessee, any operating lease (as defined in Statement of Standard Accounting Practice 21) for a duration exceeding [five] years or involving aggregate premium and annual rental payments in excess of £[●];
  - 1.17.2 grant any rights (by licence or otherwise) in or over any intellectual property owned or used by the company;
- 1.18 create or permit to be created any mortgage, charge, encumbrance or other security interest whatsoever on any [material] asset or its business in whole or in part or any of its shares [other than:
  - 1.18.1 liens arising in the ordinary course of business;
  - 1.18.2 any charge arising by the operation or purported operation of title retention clauses and in the ordinary course of business];
- 1.19 adopt or amend its Business Plan, or enter into any contract or commitment not provided for in the Business Plan under which it may incur costs in excess of £[●], or which may not be fulfilled or completed within the period of [one year];
- 1.20 change either its auditors or its financial year end;
- 1.21 make or permit to be made any [material] change in the accounting policies and principles adopted by the company in the preparation of its audited [and management] accounts [except as may be required to ensure compliance with relevant accounting standards under the Companies Act 2006 or any other generally accepted accounting principles in the United Kingdom];
- 1.22 declare or pay any dividend that exceeds in any year [●]% of its post-tax distributable profits as shown by the audited accounts for that year, or make any other distribution (by way of capitalisation, repayment or in any other manner) out of its distributable profits or any of its reserves;

- 1.23 make any loan (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits) or grant any credit (other than in the normal course of trading) or give any guarantee (other than in the normal course of trading) or indemnity;
- 1.24 give any guarantee, suretyship or indemnity to secure the liability of any person or assume the obligations of any person;
- 1.25 open or close any bank account;
- 1.26 alter any mandate given to the company's bankers relating to any matter concerning the operation of the company's bank accounts other than by the substitution of any person nominated as a signatory by the party entitled to make such nomination;
- 1.27 change its bankers;
- 1.28 factor or assign any of the book debts of the company;
- 1.29 appoint any agent or other intermediary to conduct any of the company's business;
- 1.30 adopt or amend any standard terms of business (including prices) on which the company is prepared to provide goods or services to third parties;
- 1.31 establish or amend any profit-sharing, share option, bonus or other incentive scheme of any nature for directors, officers or employees;
- 1.32 establish or amend any pension scheme or grant any pension rights to any director, officer, employee, former director, officer or employee, or any member of any such person's family;
- 1.33 dismiss any director, officer or employee in circumstances in which it incurs or agrees to bear redundancy or other costs in excess of £[●] in total;
- 1.34 agree to remunerate (by payment of fees, the provision of benefits-in-kind or otherwise) any officer of or consultant to the company at a rate in excess of £[●] per annum or increase the remuneration of any such person to a rate in excess of £[●] per annum;
- 1.35 enter into or vary any contract of employment providing for the payment of remuneration (including pension and other benefits) in excess of a rate of £[●] per annum or increase the remuneration of any staff (including pension and other benefits) to a rate in excess of £[●] per annum;
- 1.36 institute, settle or compromise any [material] legal proceedings (other than debt recovery proceedings in the ordinary course of business) instituted or threatened against the company or submit to arbitration or alternative dispute resolution any dispute involving the company;

- 1.37 make any agreement with any revenue or tax authorities or make any claim, disclaimer, election or consent exceeding £[●] for tax purposes in relation to the company or its business.

Ref: RDB/NH/BD/09.07.15

13<sup>th</sup> July 2015

Councillor Bob Derbyshire,  
Cabinet Member for the Environment,  
County Hall,  
Atlantic Wharf,  
Cardiff,  
CF10 4UW.



Dear Councillor Derbyshire,

**Joint meeting of the Policy Review & Performance and Environmental Scrutiny Committees – 9<sup>th</sup> July 2015**

On behalf of the Policy Review & Performance and Environmental Scrutiny Committee I would like to thank you, the other Cabinet Members and officers for attending the joint meeting of the two Committees on Thursday 9<sup>th</sup> July 2015. As you are aware the meeting considered:

- Pre decision scrutiny of the Cabinet report titled Infrastructure Services – Alternative Delivery Model prior to it being considered at the Cabinet meeting on Thursday 16<sup>th</sup> July;
- Cabinet response to the Joint scrutiny task group report titled Infrastructure Business Model & Alternative Delivery Options.

The comments and observations made by Members following these items are set out in this letter.

**Pre decision scrutiny of the Cabinet report titled Infrastructure Services – Alternative Delivery Model prior to it being considered at the Cabinet meeting on Thursday 16th July**

Members noted that important pieces of information were missing from Appendix 11 – Infrastructure Services Alternative Delivery Models: Outline Business Case – July 2015 which was published on Friday 3<sup>rd</sup> July 2015. In particular Appendix 3 of this document titled ‘Output from Corporate Evaluation Methodology’ was not provided. The Committee felt that this was

one of the most crucial parts of the whole Outline Business Case as it scored each of the fourteen services against the five alternative delivery models. Once provided it was very interesting to see that for the most part the outcome of the Corporate Evaluation Methodology was completely different to the recommendations in the Cabinet paper, i.e. to take the Wholly Owned Arms Length Company forward as the option for developing a Full Business Case. Members were somewhat confused that the outcome of the Corporate Evaluation Methodology and joint scrutiny report were very similar yet cast aside in favour of a Wholly Owned Arms Length Company. Members were advised that the Corporate Evaluation Methodology was one of three key elements of the Outline Business Case, therefore, I would be grateful if you could explain:

- How and why you were able to ignore the outcome of the Corporate Evaluation Methodology?
- Why it was omitted from the Appendix 11 – Infrastructure Services Alternative Delivery Models: Outline Business Case – July 2015 provided on the 3<sup>rd</sup> July 2015 and only made available following a request on Monday 6<sup>th</sup> July?
- At the meeting officers explained that changes were made late in the day to the scores of the Corporate Evaluation Methodology; this they were told was as a result of consultation with the trade unions. Please explain the changes and how they impacted on the eventual scores.

Members were concerned at some of the assumptions made originally in Appendix 4 – High Level Financial Analysis Assumptions and subsequently replaced as Appendix 3 – High Level Financial Analysis Assumptions when the Outline Business Case was reissued on Tuesday 7<sup>th</sup> July 2015. They note that after applying efficiency savings and net income generation assumptions the model illustrates that Public / Private Joint Venture was in first place, Public / Public Joint Venture in second and Teckal (Wholly Owned Arms Length Company) came in third. The assumptions in the overheads and support services sections conclude that many fixed corporate services costs cannot be removed from the Council, therefore, have to remain in

addition to any third party overheads associated in working with a Public / Public Joint Venture, Public / Private Joint Venture and Outsourcing. This in effect handicaps the three models by £6.644 million; £6.257 million and £3.818 million respectively. I would be grateful if you could provide the Committees with:

- A detailed list of the fixed corporate support costs which cannot be removed from the Council budget with an explanation supporting why these cannot be removed.
- Fixed building costs were cited as examples of fixed corporate costs which could not be removed from the Council budget. Members were confused at this assumption because only a few days earlier at the Policy Review & Performance Scrutiny Committee the Director for Economic Development explained that a paper on the future of County Hall would be made available in the autumn. I would be grateful if you could justify this assumption given that there is so much uncertainty over the future of the Council's accommodation and that the Council is in the middle of 'The Office Rationalisation Project'.

During the meeting a Member asked if incentivisation had been considered for the wholly owned arms length company and was informed that this would be explored during the development of the Full Business Case. Members hope that at least some thought has been given to this idea, and would be grateful if you could provide the Committees with some ideas which might be considered during the development of the Full Business Case. In addition to this they are curious to find out more around how the 'John Lewis' effect might absorb itself into a Wholly Owned Arms Length Company when 100% of the dividends would be returned to the Council and not the employees or 'partners' as is the case with John Lewis.

The Committee were concerned by the assumption in the financial model which suggested that the Teckal (Wholly Owned Arms Length Company) would benefit from the initial savings achieved by the Modified In House option, when Public / Public, Public / Private and Outsourcing would not.

Instead the three options were assumed to start from the c£73 million savings figure at the point where they were able to begin the service delivery (periods ranging from 9 to 24 months according to page 85 of the Outline Business Case). Members believe that the Modified In House savings should be an assumed constant for each of the five models until they reach the point at which the new alternative delivery option would take over, i.e. they would all start from different points of the Modified In House savings profile instead of from the c£73 million figure. A constant message to the task group was that irrespective of the alternative delivery model chosen a Modified In House option would need to be pursued right up to the point where the new model would take over. The financial model used by the Outline Business Case should follow this assumption and not work on the basis that no change would happen until the starting point of the new alternative delivery model. Maintaining the current assumption provides the Teckal option (Wholly Owned Arms Length Company) with an unfair advantage which impacts on the overall net present values for Public / Public, Public / Private and Outsourcing.

Members were concerned that the Service Improvement Plans were not available for consideration alongside the Outline Business Case despite them forming a large part of the basis of the £4.053 million in house savings for the period 2015/16 to 2017/18. The Committees were informed that the documents were not yet available as full consultation of the proposals had not been undertaken. As a consequence we are very concerned at the assumption that the savings will be achieved by both the In House model and the Wholly Owned Arms Length Company and do not believe that it should be included within the Outline Business Case as it lacks substance and detail. I would be grateful if you could confirm:

- When the Service Improvement Plans will be finalised and made available for the Members of the Environmental Scrutiny Committee and Policy Review & Performance Scrutiny Committee.
- The outstanding tasks required to complete the consultation on the Service Improvement Plans.

Page 11 of the Outline Business Case states that *'The financial projections in the OBC includes an allowance of £250,000 per annum for the costs of non-executive directors and other corporate governance costs such as the audit fee as well as the cost of the Managing and Business Development Directors'*. As this is a significant amount of annual expenditure I would be grateful if you could provide costed detail on how the assumption was calculated. For example, the amount allocated for non-executive directors, corporate governance costs and the Managing and Business Development Directors.

The email sent to you on Monday 6<sup>th</sup> July asked for a copy of Appendix 9 which was missing from the original Outline Business Case and titled as 'Project Risks'. If Members are to provide you with robust scrutiny feedback they will need to understand your judgements around risk and how these were reached, so could you please arrange for a copy of this to be provided as soon as possible.

Page 85 of the Outline Business Case states that the 'Implementation Time' for an Outsourcing option would be 12 to 18 months. This is contrary to the two year implementation period advised by Commissioning & Procurement to the joint scrutiny task group. Please provide a basis for the 12 to 18 month assumption and explain why it is different to the advice provided by Commissioning & Procurement in March 2015.

Members were confused as to how employee terms and conditions would be affected following the transfer to the new Wholly Owned Arms Length Company. At one point in the meeting it was explained that employee terms and conditions would not change, then at a later point this was contradicted with a suggestion that they could change. I would be grateful if you could provide Members with clarification regarding:

- The predicted changes to employee terms and conditions, i.e. would they change or stay the same?
- Clarification on how TUPE protection would be applied to employees transferring to the new Wholly Owned Arms Length Company.

- If the new structure would prevent multi tier employee terms and conditions being applied.

I would be grateful if you could provide the Committee with a detailed summary of all alternative delivery model consultation undertaken with the trade unions prior to the joint meeting on the 9<sup>th</sup> July. This should include what was discussed and any outcomes from meetings.

### **Cabinet response to the Joint scrutiny task group report titled Infrastructure Business Model & Alternative Delivery Options**

Members note that from the 27 recommendations two were rejected; 11 were accepted and 14 were partially accepted. The Committee acknowledge that you believe recommendations 12, 13, 14, 15, 16, 18, 20, 21 and 23 have been partially accepted, however, the Committee would like to respectfully disagree and suggest that these should have been rejected as in actual fact you are recommending the implementation of different models.

### **Conclusion**

Members fully understand the importance of correctly identifying the best possible alternative delivery model for providing infrastructure services in Cardiff. The outcome of this decision will shape how the Council will spend £73 million per annum and have a direct impact on every citizen in the city along with the countless number of commuters and visitors who come to Cardiff each year. As a consequence we believe that it is not possible to undertake proper scrutiny of the proposals until all of the requested information has been provided and Members are allowed time to properly digest the information. The Committee, therefore, asks that you delay taking a decision on the proposals due to be taken on the 16<sup>th</sup> July 2015 so that detailed scrutiny can be conducted on the complete proposals.

I would be grateful if you would consider the above comments and provide a response to the requests made in this letter.

Regards,

A handwritten signature in black ink, appearing to read 'Nigel Howells', with a long horizontal flourish extending to the right.

Councillor Nigel Howells  
Chairperson Policy Review & Performance Scrutiny Committee

Cc to:

Councillor Phil Bale, Leader of the City & County of Cardiff Council

Councillor Ramesh Patel, Cabinet Member for Transport, Planning & Sustainability

Councillor Graham Hinchey, Cabinet Member for Corporate Service & Performance

Paul Orders, Chief Executive

Andrew Gregory, Director of City Operations

Tara King, Assistant Director for the Environment

David Lowe, Waste Operations Manager

Christine Salter, Corporate Director Resources

Jane Forshaw, Director for the Environment

Marc Falconer, Operational Manager, Projects & Accountancy

Paul Keeping, Operational Manager, Scrutiny Services

Marie Rosenthal, Director for Governance & Legal Services

Neil Hanratty, Director for Economic Development

Ken Daniels, GMB

Angie Shiels, GMB

Robert Collins, UCATT

Martin Roberts, UCATT

Jayne Jackson, UNISON

Ian Titherington, UNISON

Jim Pates, UNITE

Thomas Watkins, UNITE

**SWYDDFA CYMORTH Y CABINET  
CABINET SUPPORT OFFICE**

Fy Nghyf / My Ref : CM31506  
Eich Cyf / Your Ref : RDB/NH/BD/09.07.15  
Dyddiad / Date: 16th July 2015



County Hall  
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CF10 4UW  
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Neuadd y Sir  
Caerdydd,  
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Appendix 4

Councillor Nigel Howells  
Chair Policy Review & Performance Scrutiny Committee  
Cardiff County Council  
Atlantic Wharf  
Cardiff  
CF10 4UW

Annwyl / Dear Nigel

**Scrutiny Joint Policy Review And Performance And Environmental Scrutiny  
Committee 9 July 2015**

I refer to your letter of 13 July 2015 which raised some queries in relation to the presentations made to the joint Policy Review & Performance and Environmental Scrutiny Committee meeting on 9 July and also the documents that had been shared with the Committees ahead of this meeting.

Firstly, please accept my apologies for the documents not being 100% complete at the time these were shared. At the time that the documents were first forwarded to the Scrutiny Office on 3 July, it was explained that some information still needed to be added to the Outline Business Case and both this and the Cabinet report were still being subjected to checking and QA processes. Hence, further amendments were likely before these were finalised. Updated versions of these documents were provided on 7 July and whilst the information previously absent was then included, some further amendments were made ahead of the documents being published on 10 July.

In terms of the specific queries raised in your letter, I would respond as follows:

**Corporate Alternative Delivery Model (ADM) Evaluation Methodology**

Please be assured that the output from the corporate evaluation methodology was not ignored. At a very early stage in the development of the new corporate ADM evaluation methodology, it was intended that the output from the model would be considered alongside a number of other criteria/factors when identifying the preferred future delivery model(s) for the services being considered. I understand that this was explained to the Policy Review & Performance Scrutiny Committee by officers from the Council's Commissioning and Procurement Service on 7 July.

Both the Outline Business Case and the Cabinet report explain that the ADM appraisal process on this project comprised the consideration of:

- the corporate evaluation methodology output;
- the high level financial analysis, and
- other key factors.

**PLEASE REPLY TO / ATEBWCH I :** Cabinet Support Office / Swyddfa Cymorth Y Cabinet,  
Room 511.5 County Hall / Neuadd y Sir,  
Atlantic Wharf / Glanfa'r Iwerydd, Cardiff / Caerdydd,  
CF10 4UW



Consideration was also given to recommendations made by the Scrutiny Task and Finish, the work of which I have previously gratefully acknowledged.

As stated in the Outline Business Case and Cabinet report, and also explained at the meeting on 9 July, subject to the completion of the Full Business Case, I believe the most appropriate way forward for the Council is to establish a Wholly Owned Trading Company. There are a number of reasons for this. Firstly, the corporate evaluation model, which was piloted on this project, is largely based around the balance of risk and control. This methodology, in assessing appetite for risk and control, is therefore heavily influenced by how the current stakeholder views their current operating environment according to the resources, commercialisation, technology and governance in place at the time of the weighting assessments. However, I believe that the establishment of Wholly Owned Company with the injection of the commercial acumen and proper governance will enable the Council to achieve the required benefits and also maintain a high level of control whilst doing so. Secondly, the high level financial analysis indicates that the Wholly Owned Company will deliver most financial benefit to the Council which is clearly an important issue. Thirdly, other key factors from a Cabinet perspective include: the required speed of delivery of change, allowing more operating freedom for the company whilst retaining overall control, innovation, diversification and commercialisation, maintaining the support of key stakeholders and improved employee ownership and commitment.

As stated at this meeting, the model output was omitted from the documents shared with Scrutiny on 3 July as the weightings, following consultation with the Unions, had not at that time been finalised. The model output, however, was included in the Outline Business Case shared with Scrutiny on 7 July. A summary of the changes made as a result of the consultation process are attached to this letter.

### **Corporate Overheads**

You will be aware that a Public/Public and Public/Private JV company and also contractor would incur and charge both local and central overhead costs against the company which would have an impact upon the net saving benefits realised. It has been assumed that the local overhead charges (e.g. premises, senior management team, etc) would be transferred to the JV company/contractor. However, in terms of the central overhead, an analysis of the existing overhead charges to the services in scope was necessary to determine which were considered to be variable (and hence capable of being mitigated) and fixed (i.e. those that the Council would continue to bear). In summary, c.54% (c£1.5m p.a.) of the charges were considered variable and c46% were considered fixed. Support services were considered to see which activities currently recharged to the areas in scope would remain within the Council. For example where a proportion of activity relates to tasks that will remain with the Council regardless of the model chosen. Examples of this include corporate advice and compliance, corporate performance mechanisms and other monitoring responsibilities.

Therefore, as stated in Appendix 3 of the Outline Business Case, a reduction in overhead charge of £1.5m was assumed.

During the meeting, in response to a Scrutiny query about establishment overheads, Officers responded by saying that the overhead charges covered many factors other than property. When checking the assumptions made, I confirm that the financial modelling has already assumed that accommodation charges would effectively be transferred to a JV company or contractor.

A summary of the overhead charges, as extracted from Appendix 3 of the Outline Business Case, is shown below:

	Modified In-house		Wholly Owned Company		Public	Public JV	Public	Private JV	Outsource	
	Yrs 1 - 7	Yrs 1 - 12	Yrs 1 - 7	Yrs 1 - 12	Yrs 1 - 7	Yrs 1 - 12	Yrs 1 - 7	Yrs 1 - 12	Yrs 1 - 7	Yrs 1 - 12
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Model Costs</b>										
Overheads	0	0	0	0	12,912	22,775	11,768	21,620	10,201	19,181
Company related costs			1,577	2,827						
S-T : Model	0	0	1,577	2,827	12,912	22,775	11,768	21,620	10,201	19,181
<b>Council Savings</b>										
Support Services					-8,450	-16,131	-7,681	-15,363	-7,681	-15,363

In respect of the above the table:

- 'Overheads' – this refers to the assumed cost of overhead for the different models. No additional overhead charge has been assumed for the Modified In-House and Wholly Owned Company models and, as stated in Appendix 3 of the Outline Business Case, a cost of 3.8% has been assumed for the JV models and 3.3% for the Outsource model
- 'Company related costs' - this corresponds to the £250,000 per year for the Wholly Owned Company model primarily for the employment of a Managing Director and Business Development Manager with the purpose of providing the required injection of commercial acumen. The remaining costs make an allowance for Non-Executive Director costs/expenses and other incidental governance aspects such as audit.
- 'Support Services Costs' – this refers to the reduction in existing Council overhead that would be possible if one of the joint venture models was established or the services were outsourced. As stated above, the reduction assumed per year based on the overhead analysis undertaken was £1.5m. It should not be noted that no reduction has been made for Modified In-house and Wholly Owned company models although in practice, overhead reductions for both these models would be achieved.

### Incentivisation

As explained at the meeting, possible alternatives for the incentivisation of staff need to be assessed and analysed. In particular, consideration will need to be given to how any incentivisation would impact on potential Equal Pay issues both within the Company and between the Company and the Council more generally. I am not in a position to share any thoughts with Scrutiny at this Outline Business Case stage but will be able to report more detail as the Full Business Case develops and would welcome further dialogue on these matters. In terms of reference to the 'John Lewis' effect, Officers recognise that staff would not be shareholders in a Wholly Owned Company. However, the reference was made in respect of the benefits of improving the motivation, engagement and commitment of staff that being part of a Wholly Owned Company would bring.

### **Model Saving Assumptions**

It is important to note and understand that the high level financial model is assumptions driven. The assumptions made are set out in Appendix 3 of the Outline Business Case. These were informed through the Soft Market Testing undertaken at the end of 2014 and research, and subject to challenge by Local Partnerships. In respect of the modified in house model, the saving assumptions are derived from the savings plans prepared by the Operational Managers for the 3 year MTFP period commencing in 2015/16. These are set out in Table 4 of the Outline Business Case. It was also assumed that these would form a significant part of the savings for the Wholly Owned Company model. In terms of the other models, similarly detailed saving proposals were not available, and in order to avoid double counting, it could not be assumed that the identified Modified In-house savings would be additional to the percentage efficiency savings assumed for the other models. It is believed that this was a fair way to evaluate the efficiency savings of the alternative models being considered and did not place the Wholly Owned Company with an unfair advantage.

### **Service Improvement Plans**

As explained at the meeting, it would have been appropriate to release details of proposed savings ahead of the required consultations being undertaken. However, it was important to include the high level detail under the headings identified within the Outline Business Case so that a 'flavour' of the types of savings envisaged could be shared. The alternative would have been to simply include a corresponding overall percentage saving in a similar manner to that provided for the other models.

It is intended to commence these consultations on all directorate and personnel savings as part of delivering a Final Business Case in the new calendar year. The Final Business case (FBC) process with the process would be consistent with best practice, be required for any model; and the consultation would develop in the next stages and will be regularly reviewed as part of existing applied strong Project Governance

### **Page 11 of the Outline Business Case**

The majority (c.£230,000) of the £250,000 Wholly Owned Trading Company Management Costs, also referenced in Appendix 3, relates to the employment of a Managing Director and Business Development Manager with the purpose of providing the required injection of commercial acumen. The remaining costs make an allowance for Non-Executive Director costs/expenses and other incidental governance aspects such as audit. As identified in both the Outline Business Case and Cabinet report, the Company governance proposals, and corresponding costs, will be fully developed as part of the Full Business Case. Such management costs are comparable to that for a Public/Public and Public/Private JV.

### **Appendix 9 of Outline Business Case**

The risk register which would have been included in Appendix 9 of the Outline Business Case forwarded to Scrutiny on 3 July was provided in Section 4 of the Outline Business Case forwarded on 7 July. It was also included at this location in the version published on 10 July. The risk register will continue to develop in the next stages and will be regularly reviewed as part of existing applied strong governance.

## **Page 85 of the Outline Business Case**

The 12 – 18 months' timescale was a typo picked up prior to the publication of the OBC on Friday 10 July. This was corrected to 18 – 24 months prior to publication of the final version.

### **Employee Terms and Conditions**

It is confirmed that employees transferring to a Wholly Owned Trading company would do so under TUPE on their contractual terms and conditions operational at the time of transfer. In order to comply with current legislative requirements and avoid the Council having challenges from an Equal Pay perspective, any changes to terms and conditions would need to be applied to all employees under its control. It is therefore not intended to make any changes to the terms and conditions of transferring employees which would be contrary to such legislative requirements. The Wholly Owned Company would also be subject to the Code of Practice on Workforce matters as it stands in Wales, and therefore any new recruits to the Wholly Owned Company would also have terms and conditions at the same level as those employees who have transferred, mitigating the risk of a two-tier workforce.

### **Union Consultations**

Consultation with the Unions commenced at the end of May 2014, shortly after Cabinet approved the Chief Executive's Organisation Development report, through the Trade Union Budget Forum. Consultations have been ongoing since this time and details of meetings are hereby attached as requested.

### **Cabinet Response to Task and Finish Report**

It is believed that recommendations 12, 13, 14, 15, 16, 18, 20, 21 and 23 were partly accepted on the basis that both the currently preferred models of the Cabinet and that of the Scrutiny Task and Finish Group involve transferring services to a different model from that currently operated. These recommendations were not completely accepted on the basis that Cabinet's currently preferred model is different to that of the Scrutiny Task and Finish Group.

### **Conclusion**

I appreciate that a relatively small amount of information was shared with the Scrutiny Committee's at a relatively late stage. However, taking into account the information that has previously been shared to and from Scrutiny's, I believe that adequate Scrutiny has taken place at this stage in the project. I am very keen to progress and continue with your inputs which have been very helpful to date. As such I have asked officers to set out clearly timeframe gateways within the next stage (FBC) stakeholder plans, such that you may consider within your work forward plans for the year.

As previously advised, the project is adopting a gateway process and following the completion of the next critical stage, of the Full Business Case and Transition plan there will be a certain key point for a full pre- decision Scrutiny to take place on a final decision on the proposed way forward.

I trust this response is helpful. However, if you have any queries, please contact me.

Yn gwyir  
Yours sincerely



**Councillor / Y Cyngorydd Bob Derbyshire**  
**Cabinet Member for Environment**  
**Aelod Cabinet Dros Yr Amgylchedd**

**Enc:**

- Summary of Changes Made to Model Output
- Details of Trade Union meetings

Ref: RDB/NH/BD/26.08.15

1<sup>st</sup> September 2015

Councillor Bob Derbyshire,  
Cabinet Member for the Environment,  
County Hall,  
Atlantic Wharf,  
Cardiff,  
CF10 4UW.



Dear Councillor Derbyshire,

**Joint Environmental and Policy Review & Performance Scrutiny  
Committee – Infrastructure Services – Alternative Delivery Models –  
Consideration of Called – In Cabinet Decision CAB/15/24 – 26<sup>th</sup> August  
2015**

On behalf of the Environmental Scrutiny Committee and Policy Review & Performance Scrutiny Committee I would like to thank you and the officers for attending the Committee meeting on Wednesday 26<sup>th</sup> August 2015. The meeting considered 'Infrastructure Services – Alternative Delivery Models – Consideration of Called – In Cabinet Decision CAB/15/24'.

As you will be aware at the end of the meeting the Committee were asked to vote on whether or not to refer the decision back to Cabinet. I can confirm that having considered the evidence Members voted unanimously not to refer the matter back to Cabinet and, therefore, the decision taken by Cabinet on the 16<sup>th</sup> July 2015 now stands.

In addition to supporting the Cabinet decision Members stressed the importance of ensuring that detailed consultation and engagement with staff and trade unions is undertaken on a regular basis during the development of the Full Business Case. This will help ensure that all parties remain in an informed position during this very important process. We look forward to pre decision scrutiny of the Full Business Case proposals in early 2016.

I would be grateful if you would consider the above comments and provide a response to the requests made in this letter.

Regards,

A handwritten signature in black ink, appearing to read 'Nigel Howells', with a stylized flourish at the end.

Councillor Nigel Howells

Chairperson Policy Review & Performance Scrutiny Committee

Cc to:

Andrew Gregory, Director for City Operations

Tara King, Assistant Director for the Environment

David Lowe, Waste Operations Manager, City Operations

Christine Salter, Corporate Director, Resources

Marc Falconer, Operational Manager, Projects Accountancy (Major Projects)

Tracey Thomas, Operational Manager, HR People Partner

Paul Keeping, Operational Manager, Scrutiny Services

Joanne Watkins, Cabinet Office Manager

Members of the Environmental Scrutiny Committee

Members of the Policy Review & Performance

**SWYDDFA CYMORTH Y CABINET  
CABINET SUPPORT OFFICE**

Fy Nghyf / My Ref : CM32402  
Eich Cyf / Your Ref : RDB/NH/BD/26.08.15  
Dyddiad / Date: 13th October 2015



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Cardiff,  
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Ffôn: (029) 2087 2088

Appendix 6

Councillor Nigel Howells  
Cardiff County Council  
Atlantic Wharf  
Cardiff  
CF10 4UW

Annwyl / Dear Nigel

**Joint Environment And Policy Review And Performance Scrutiny Committee  
Infrastructure Services Alternative Delivery Models Consideration Of Called In  
Cabinet Decision Cab/15/24 26 August 2015**

Thank you for your letter dated 1st September 2015 which was received on 7th October 2015.

I was pleased that at the Call-in meeting of 26th August 2015 that the Committee Members voted unanimously not to refer the matter back to Cabinet and, therefore, the decision taken by Cabinet on the 16th July 2015 now stands.

Your letter stressed the importance of ensuring that detailed consultation and engagement with staff and trade unions is undertaken on a regular basis during the development of the Full Business Case. As previously advised, at the outset of the project, the engagement of key stakeholders, including Members, Unions, staff and Cardiff residents, was identified as an important factor in the ultimate success of the project. A Stakeholder Engagement Plan was therefore developed and implemented at an early stage and this has been reviewed and updated on a regular basis as the project has progressed. Details of the engagement with Unions and Staff during the Outline Business Case phase were shared at the Call-in Meeting.

A Stakeholder Engagement Strategy and Plan have now been prepared for the Full Business Case phase of the project. In preparing the Strategy, a stakeholder mapping exercise was undertaken to identify the 'audiences' that need to be engaged. Monthly meeting with the Union Branch Secretaries have been set up and initial meetings with the Unions have already taken place. Employee engagement will be critical to the success of the project and it is intended to establish 'Project Champions' from the workforce, ensuring that employees are represented from each service area are involved.

I trust this is of assistance. However, if you have any queries, please let me know.

Yn gwyir  
Yours sincerely

**Councillor / Y Cynghorydd Bob Derbyshire  
Cabinet Member for Environment  
Aelod Cabinet Dros Yr Amgylchedd**

PLEASE REPLY TO / ATEBWCH I : Cabinet Support Office / Swyddfa Cymorth Y Cabinet,  
Room 123 County Hall / Neuadd y Sir,  
Atlantic Wharf / Glanfa'r Iwerydd, Cardiff / Caerdydd,  
CF10 4UW



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**CITY AND COUNTY OF CARDIFF  
DINAS A SIR CAERDYDD**

**POLICY REVIEW & PERFORMANCE  
SCRUTINY COMMITTEE**

**1 December 2015**

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**CORRESPONDENCE – INFORMATION REPORT**

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**Background**

1. Following Scrutiny Committee meetings, the Chair writes a letter to the relevant Cabinet Member or senior officer, summing up the Committee's comments, concerns and recommendations regarding the issues considered during that meeting. The Committee are offered an opportunity to comment on a draft of the letter before it is forwarded to the Cabinet Member. The letter usually asks for a response from the Cabinet Member to any recommendations made, and sometimes requests further information.

**Issues**

2. A copy of the ***Correspondence Monitoring Sheet*** detailing the Committee's correspondence, and analysing responses received since the November meeting, is attached at **Appendix 1**. Also attached to this report are copies of all relevant correspondence.

***3 November 2015 Meeting Correspondence:***

**Review of the Non Operational Investment Property Estate**

3. The Committee considered the Council's proposed strategy for managing its non-operational property portfolio, and provide its views to the Council Leader prior to consideration of a proposed Non Operational Property Strategy by Cabinet. A copy of the Chair's letter to the Leader is attached at **Appendix 2**. A response is outstanding.

### **Review of Disciplinary Policy.**

4. The Committee had an early opportunity to consider the Disciplinary Policy Review, and the new Resolution Policy ( formerly Grievance and Bullying and Harassment policies ) and contribute to pre-decision policy development, prior to Cabinet's consideration of proposed recommended changes. Following the scrutiny the letter attached at **Appendix 3** was sent to the Cabinet Member Corporate Service & Performance. A response is outstanding.

### **6 October 2015 Meeting Correspondence:**

#### **Employee Survey**

5. The Committee considered the results of the 2015 Employee Survey; including an outline of what measures will follow as a direct consequence of the Survey findings; and an opportunity to question Staff Ambassadors involved in frontline delivery of services. A copy of the Chair's letter to the Cabinet Member Corporate Service & Performance following the scrutiny is attached at **Appendix 4**. The Cabinet Members response is attached at **Appendix 5**.

#### **Statutory Equalities Plan**

6. The Committee had an early opportunity to inform consultation on the Council's draft Strategic Equality Plan for 2016/20, at the start of a two month consultation programme to shape the final Scheme, which will be presented to Cabinet in March 2016. The item also included a Third Sector Question on the topic of equality impact assessment, asked by the Cardiff Third Sector Council. A copy of the Chair's letter to the Cabinet Member for Safety, Skills, Democracy and Engagement following the scrutiny is attached at **Appendix 6**. The Cabinet Members response is attached at **Appendix 7**.

#### **Legal Implications**

7. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal

implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

### **Financial Implications**

8. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

### **Recommendation**

The Committee is recommended to note the content of this report and appendices, and decide whether it wishes to take any further actions, or request any further information.

**MARIE ROSENTHAL**  
**Director of Governance and Legal Services**  
**25 November 2015**

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## Policy Review and Performance Scrutiny Committee

Correspondence update 2015 - 16

Committee date & topic	Recipient	Comments/Information requested	Response received	Response	Future Action
<b>3 November 2015</b>  <b>Non Operational Property Review</b>	Cllr Hinchey	An annual report to the Policy Review & Performance Scrutiny Committee on the performance of the Investment Estate Board; supported by a cash flow statement outlining all sources of income and allocation of funding.		No response requested	W/P 16/17
<b>Disciplinary Policy Review</b>	Cllr Hinchey	A disciplinary performance indicator developed with clear target, and progress reported as a part of quarterly Council performance reports for: <ul style="list-style-type: none"> <li>• the number of grievances logged;</li> <li>• the number of actual suspensions as an outcome of disciplinary action; and</li> <li>• the length of time taken to resolve disciplinary cases.</li> </ul>	No		

**Correspondence Monitoring Sheet**

**Appendix 1**

<p><b>6 October 2015</b></p> <p><b>Employee Survey &amp; Employee Engagement</b></p>	<p>Cllr Hinchey</p>	<p>Committee will return to this topic when analysing a future round of quarterly performance, to see what is changing on the ground within Directorates as an outcome from this work.</p> <p>Members feel strategic lessons could be learnt from the results themselves to assist with forecasting or developing targets for improvement.</p> <p>We will be pleased to receive:</p> <ul style="list-style-type: none"> <li>• the list of employees suggestions received through the Survey.</li> <li>• the list of Ambassadors by Directorate.</li> </ul>	<p><b>6.11.15</b></p>	<p>See Appendix 4.1 for list of employee suggestions.</p> <p>See Appendix 4.2 for list of Ambassadors by Directorate</p>	
<p><b>Draft Strategic Equality Plan 2016/20</b></p>	<p>Cllr D'Ath</p>	<ul style="list-style-type: none"> <li>• Reflect on the aspirations you stated for the improvements to equality impact assessment, and factor these arrangements into</li> </ul>	<p><b>23.11.15</b></p>	<ul style="list-style-type: none"> <li>• Objective One in our draft SEP is to <i>“meet our specific equality objectives, and build equality into everything we do”</i>. You heard my thoughts on how the Council’s</li> </ul>	

		<p>the equality action plan;</p> <ul style="list-style-type: none"> <li>• Ensure that our four yearly Equality Objectives are resilient to and capable of transcending immediate Corporate Plan priorities;</li> <li>• Ensure that senior management and Cabinet Members explicitly champion equalities work and drive mainstreaming of equalities into everything we do;</li> </ul>		<p>practice of equality impact assessment can be developed, and we will seek to reflect this into the Plan's action plan on publication in March 2016.</p> <ul style="list-style-type: none"> <li>• I feel that our draft Objectives are already broad and strategic enough to remain relevant over the four year Equality Plan period. I will, however, will discuss with Cabinet colleagues, and also reflect on any key messages coming out of the What Matters! Refresh to ensure that our final Objectives link to the highest level of policy commitments possible.</li> <li>• Linking to the points made above, you will have seen in our draft SEP the statements <i>“each Cabinet Member has individual responsibility to mainstream diversity within their portfolio of responsibilities”</i> and <i>“each Director will have responsibility for actions within the Plan”</i>, with individual responsibilities also identified for the Leader, myself, the Chief Executive and the Director of Governance and Legal Services, and collective</li> </ul>	
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		<ul style="list-style-type: none"> <li>• Reflect on the useful comments made by Martyn Jones (summarised above) and factor these arrangements into the equality action plan;</li> </ul>		<p>responsibility for every Council employee . I anticipate that our final Plan document will continue to reflect this commitment, and the action plan may contain targets associated with this.</p> <ul style="list-style-type: none"> <li>• I have since you meeting updated the document, so that the version that is out for consultation is now more age neutral. I will also ask officers to explore the points made by Martyn regarding Prudential Healthcare, the Wellbeing of Future Generations and socio economic deprivation when they consult Diverse Cymru on the draft Plan on 13 November.</li> </ul> <p>We have made inquiries with local public service partners regarding the possibility of working to shared equality objectives. Arrangements for the immediate period are limited by the fact that several organisations have already gone out to consultation on their objectives, but this clearly remains an aspiration moving forward.</p>	
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		<ul style="list-style-type: none"> <li>• Continue to develop effective partnerships with third sector expertise, and consider the adoption of a more formal advisory arrangement between the Council and local third sector organisations to shape Cardiff's equalities work;</li> <li>• Undertake work during the consultation period to gain a clear picture of what outcomes the Council wants to see emerging from the Plan, to facilitate the process of action planning; and</li> <li>• Do all you can to make the consultation with citizens and employees inclusive and effective.</li> </ul>		<ul style="list-style-type: none"> <li>• Amongst other arrangements to involve local third sector organisations in the SEP, officers have arranged to consult the Cardiff Third Sector Council on 18 November, and the points you have raised around the advisory role of the third sector will be explored then.</li> <li>• Equality Officers have now begun the process of meeting Directorate equality representatives to plan how outcomes from the consultation process can be translated into actions in the final SEP, and this process will continue through the winter.</li> <li>• We will do all we can to make our consultation inclusive. As examples, arrangements are developing to consult People First, Cardiff Deaf Club and Gypsy Travellers Wales. The consultation documents have been sent to trades union representatives, as requested.</li> </ul>	
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My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

Date: 5 November 2015

Councillor Phil Bale  
Council Leader,  
Cardiff Council,  
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Dear Councillor Bale,

**Policy Review & Performance Scrutiny Committee: 3 November 2015  
Non Operational Investment Property Estate**

On behalf of the Policy Review and Performance Scrutiny Committee my sincere thanks for facilitating consideration of the Council's proposals for dealing with its Non Operational Property on 3 November 2015. Members welcomed the opportunity for pre-decision scrutiny of the proposed governance of our estate, and following their discussion at the Way Forward have asked me to pass on their comments and observations.

Firstly, the Committee wishes to highlight the risk to income of disposing of capital assets. Members were reassured that the new strategy is focussed on generating more money, and the new Investment Estate Board will dispose of a property only where its yield is currently poor. They note the key principles, that where the Council sells a non operational property the proceeds will be ring fenced to remodel existing properties, or purchase new properties with the potential to generate higher rents; and where the yield on a property is good the Investment Estate Board will retain it. Members were also particularly reassured to hear that all Council owned buildings with a community value will be retained within the Operational Estate.

Members wish to take up your offer to report annually on the performance of the Investment Estate Board to this Committee. It is clear that accountability for decisions taken by the Board will sit with professional officers advised by commercial advisers, reporting to yourself, with an annual report of its activities included in the Council's Asset Management Plan programmed for Cabinet consideration. As these properties will be assessed to have no ward Member or community implications, the

Committee's interest will be in the performance of the Board in maximising income from the Council's estate. We would therefore expect to have sight of an annual cash flow statement that details all sources and allocation of funding on Non Operational Property.

When the Committee scrutinises the Investment Estate in the future it will be seeking reassurance that an ethical and community focussed framework for investment has been implemented, and will be looking for a fuller explanation of how the new Investment Estate Board is identifying new assets. It will also seek to consider disposal case examples from the list of investment properties, to reassure itself that the framework is being adhered to.

The Committee feels it is important to preserve the quality of the public realm in prominent locations. It urges that all opportunities for the Council to control development on such sites the Board decides to sell seeks to prevent over development with bland options, as often characterised by student accommodation developments. Members take on board that most property is sold as an investment in a going concern, and any constraints the Council impose will impact on the income generated. They were therefore pleased to hear you are committed to protecting future opportunities to preserve quality of life in Cardiff and maintain the City's liveability profile.

Similarly they feel Cardiff is still short of hotel space, and when you consider selling such property would urge you to preserve some control over the site's future use. The Committee fully endorses the retention of some public houses for income purposes, and others for community benefit.

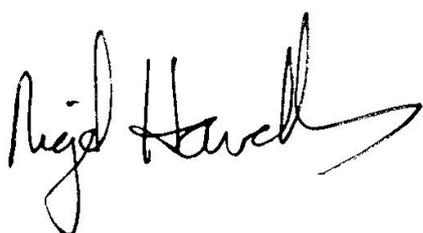
The Committee is pleased to hear that the estate is currently generating a good income, and that the new proposals will refine the Council's ability to develop its property portfolio to a point where it makes money. However it feels the timescales for implementation remain unclear and will retain a close watching brief.

*To re-cap, the Committee will be pleased to receive:*

An annual report to the Policy Review & Performance Scrutiny Committee on the performance of the Investment Estate Board; supported by a cash flow statement outlining all sources of income and allocation of funding.

Finally, on behalf of the Committee, I wish to thank you and the officers for your continued support for the internal challenge of important issues.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nigel Howells', with a long horizontal flourish extending to the right.

**COUNCILLOR NIGEL HOWELLS  
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc

Members of the Policy Review & Performance Scrutiny Committee;  
Neil Hanratty, Director of Economic Development  
Helen Jones, Corporate Property and Estates Manager  
Gareth Newell, Head of the Cabinet Office;  
Joanne Watkins, Cabinet Business Manager;

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My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

Date: 13 November 2015

Councillor Graham Hinchey,  
Cabinet Member, Corporate Service & Performance,  
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Dear Councillor Hinchey,

**Policy Review & Performance Scrutiny Committee: 3 November 2015**  
**Review of Disciplinary Policy**

Following your attendance at the Policy Review and Performance Scrutiny Committee on 3 November 2015 to present the Council's policy development work on Disciplinary Policy, Members wish to thank you for your time in facilitating the scrutiny. They found the presentation from Lynne David and Cath Synan most interesting and have asked that, as Chair of the Committee, I relay how pleased they are to be a planned part of the consultation.

The Committee recognises the Council's work over a number of years toward simplification of its policies for the management of staff. In line with this ethos they welcome the reduction in the Disciplinary Policy from 72 to 32 pages, supplemented by five more informal branded guidance booklets as a positive change in supporting senior managers to discipline staff. They are pleased that following an 18 month review, having consulted all Welsh Authorities and 8 large English cities, you are proposing improved management information reporting, and the creation of a bespoke Investigations Team to undertake complex investigations. Particularly pleasing is that Cardiff are considered to be blazing a trail with this revised approach to disciplinary policy.

Members are pleased to hear the Employee Assistance Programme offering staff a twenty four hour, seven day a week, counselling support service will be launched before Christmas; and that the new Resolution Policy recommends a 'preliminary assessment' to determine 'major' and 'minor' disciplinary incidents so that minor incidents can be assigned to the new Fast Track Disciplinary procedure.

Members are united in their view that the number of suspensions reported over the 18 month period covered by the Disciplinary Review is surprisingly high. They note with some concern the finding that a high proportion of disciplinary to grievance cases indicates a heavy reliance on the implementation of formal proceedings to resolve matters. As such they wish to endorse your view that Operational Managers need instruction to address the figures, and may require compulsory training in the new policy.

The Committee feels that the new policy's downward shift in permission to suspend, to Operational Manager level is appropriate, given that investigations are mostly undertaken within Directorates by managers with an understanding of the issues. They consider this shift has the added benefit of retaining an appeal mechanism to Director/Chief Officer level.

Members feel the new proposals are certainly a step in the right direction; however feel there is an opportunity to set clear targets to be reported upon in quarterly performance monitoring reports, in the same manner as sickness absence targets. Such performance indicators should be developed for: the number of grievances logged; the number of actual suspensions as an outcome of disciplinary action; and the length of time taken to resolve disciplinary cases. Members aspire to reduce resolution time to 4 weeks.

The Committee accepts your suggestion that it monitors how implementation of the new policy is impacting on levels of disciplinary cases. They will factor this into future work programming, and wish to monitor the change in management culture through a disciplinary indicator as a part of quarterly Council performance reports.

For future reference, the Committee notes that certain Directorates have high levels of disciplinary cases relative to headcount, which is largely due to the immediate escalation to formal proceedings, and will monitor to establish that the new Fast Track approach is assisting in reducing the number of formal cases.

Finally, the Committee feels very strongly indeed that, where schools personnel are under disciplinary investigation, governing bodies require more solid advice in undertaking Disciplinary action.

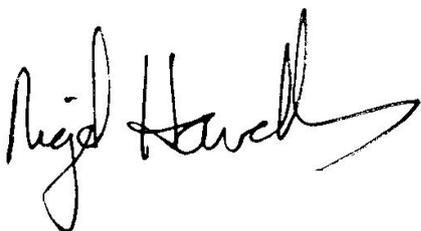
*To re-cap, the Committee wishes to monitor:*

A disciplinary performance indicator developed with clear target, and progress reported as a part of quarterly Council performance reports for:

- the number of grievances logged;
- the number of actual suspensions as an outcome of disciplinary action; and
- the length of time taken to resolve disciplinary cases.

Finally, on behalf of the Committee, I wish to thank you and the officers for your continued support for the internal challenge of important issues that can improve the quality of services the Council is delivering to its customers.

Yours sincerely,



**COUNCILLOR NIGEL HOWELLS  
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc

Members of the Policy Review & Performance Scrutiny Committee;  
Lynne David, Operational Manager, Centre of Expertise;  
Chris Synan, Operational Manager.  
Joanne Watkins, Cabinet Business Manager;  
Gareth Newell, Head of the Cabinet Office;  
Matt Swindell, Principal Administrative Officer

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My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

Date: 12 October 2015

Councillor Graham Hinchey,  
Cabinet Member, Corporate Service & Performance,  
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Dear Councillor Hinchey,

**Policy Review & Performance Scrutiny Committee: 6 October 2015  
Employee Survey and Employee Engagement**

Thank you for attending Committee on 6 October 2015 to present the Council's work on the Employee Survey and the wider Employee Engagement agenda. Members felt the contribution of all officers accompanying you, including the four staff ambassadors, was clear, informative and honest. I will be grateful if you can pass on my appreciation to Philip Lenz and his officers Katie Richards and Helen Witham, and to staff ambassadors Theo Callender, Lorraine Gilmore, Julie Reed and Tye Whithear, for giving up their time to attend the meeting.

As Chair I have been asked to pass on the Members' comments and observations raised during discussion at the Way Forward. First, they have asked me to convey their opinion that from the wide range of views presented, there is clear evidence of improvement underway in the conduct and arrangements for the Employee Survey, and on the efforts made to widen communication and general engagement of employees. This appears to be paying dividends in a number of areas.

So, in general terms we are broadly content with the strategic approach and practical implementation of the work, the benchmarking activity undertaken and the pains taken to widen consultation and engagement with employees.

As you are aware, our role is that of a critical friend, and Members shared a number of suggestions based on the evidence presented at the meeting, designed to further stretch improvement. I hope that these comments will be useful to you and officers in further optimising performance on this agenda.

## EMPLOYEE SURVEY

Members were initially keen to test what methodology lay behind your choice of questions within the survey. They understood why you have chosen to reduce the number of questions, and your wish to take the “pulse” of the organisation on a number of issues intrinsic to the Workforce Strategy at a time of change.

The risk behind this approach is that you do not receive a rich data set of information on the issues beneath the headline, to give granularity in interpreting and designing improvement actions in response to the findings. We understand that through your officers’ efforts, led directly by the Chief Executive, you now have a whole new set of opportunities for qualitative follow up with Ambassadors, Cardiff Manager Forum and other employee engagement to dig beneath the headline, and we urge you to ensure that you go beyond relying on the headline figures.

It is encouraging to note that the Ambassadors are being given a key role in designing the Corporate Commitments, and we will be interested to return to this topic when analysing a future round of quarterly performance, to see what is changing on the ground within Directorates as an outcome from this work.

Results seem to have improved in three ways in 2015: levels of completion; the wealth of free text comments and suggestions for improvement; and the scores themselves. This is to be commended. But had these first two welcome outcomes not been delivered, Members wondered whether strategic lessons could be learnt from the results themselves. We were not sure whether there had been much forecasting or developing expectations of targets for improvement, or what those targets would look like. Perhaps you could consider this when planning your next iteration – for instance how far should the percentages increase, what might constrain this, and what might good look like?

Members remained sceptical of the value of asking if employees would recommend the Council as an employer to a friend. Although somewhat encouraged that the results of this question have marginally increased since it was last asked in 2013, it is difficult to discern what conclusions to draw from the 0.36% increase. Unless your

follow on work clearly uncovers key findings from the way employees have responded to this headline question that can be translated into compelling actions to improve staff morale, we do not see much value in its continuation in future surveys.

Members understand the practical value of deriving mean scores from responses to each of the questions as a communication tool within the organisation, but would be disappointed if efforts were not invested to consider the range of answers to each question. In particular, where detailed analysis of responses showed a measurable number of employees diverging from the mean (particularly to the more negative ends of the scoring spectrum) particular effort should be invested in exploring how to address this negativity, its causes and potential solution.

A Member asked about how the organisation was planning to engage the significant number of school-based staff who were not included in this survey. The Committee recognise the different employment relationship of schools staff and the need for more specific relevant questions to this staff group, but want the organisation to be able to run an organisation-wide survey and compare as far as possible the results of this significant segment of the City's workforce alongside that of the existing respondent sample. We urge you to do all you can to avoid a two tier data set, which would feel like a wasted opportunity.

Members understand the rationale for the "confidential", anonymised approach taken in encouraging honesty and openness in the answers provided. They did feel however, that a potential trick had been missed in not offering employees who provided specific suggestions for improvement the chance to have an individual response from the Chief Executive – perhaps you could consider this next time around. It will now be important to communicate widely across the workforce to ensure that employees who made suggestions can see that their suggestion is being considered, and how that consideration is turning into improvement.

The Committee welcomed Philip Lenz' offer to share the suggestions received with this Committee, and will be grateful if this could be provided to Paul Keeping as soon as available.

## STAFF AMBASSADORS

Members gathered from the valued contributions of the four Staff Ambassadors that:

- The engagement around this Staff Survey was the best they had encountered. The quality of engagement is improving, employees are opening up and are more trusting that their views will be listened to.
- The survey is just one tool of engagement, and there is a need to drill down to a greater level of detail in interpreting the survey results and understanding employee perspectives.
- Staff on the front line may not be noticing the improvements as much as centrally-based staff. There is still a perception of “them” and “us”, and that messages about improvement need to be tailored to the individual job roles of front line employees (particularly if they are part time or specialised staff).
- Communication was definitely improving at a corporate level, and there were signs of improvement at a Directorate level, but it was at the Team and individual line management level where the messages were being lost, or not being correctly applied.
- At the start of the Ambassador Programme, it was clear that some Directorates were more effective at communicating with their employees than others. Initially, for instance in Highways there were few staff ambassadors, and employees needed to rely on ambassadors based in other Directorates for their information. This is now changing, with consistency emerging.
- PPDRs are much more widely and consistently undertaken. The focus now needs to shift onto the quality of the reviews, the clarity of performance objectives and the usefulness of the reviews to prompt meaningful development plans.
- It might be useful for Members to spend more time directly meeting employees to hear their views.

These are generally positive views, and even the negative comments give you the opportunity to build improvements into your engagement work. We will be pleased to receive the list of Ambassadors, indicating which Directorate they work for, which you said you could provide to Paul Keeping for distribution to Members.

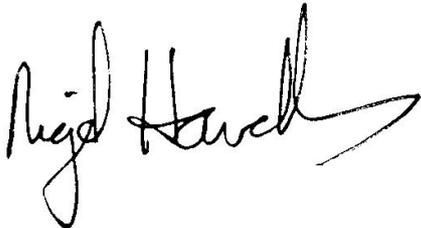
*To re-cap, the Committee will be pleased to receive:*

- the list of employees suggestions received through the Survey.
- The list of Staff Ambassadors, broken down by Directorate.

Please can you arrange for this to be sent to Paul Keeping when available.

Finally, on behalf of the Committee, I wish to thank you and the officers for your continued support for the internal challenge of important issues that can improve the quality of services the Council is delivering to its customers.

Yours sincerely,



**COUNCILLOR NIGEL HOWELLS  
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc

Members of the Policy Review & Performance Scrutiny Committee ;  
Philip Lenz, Chief Human Resources Officer  
Joanne Watkins, Cabinet Business Manager;  
Matt Swindell, Principal Administrative Officer  
Katie Richards, Human Resources  
Helen Witham, Corporate Communications and Media  
Staff Ambassadors: Theo Callender, Lorraine Gilmore, Julie Reed and Tye Whithear

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**SWYDDFA CYMORTH Y CABINET  
CABINET SUPPORT OFFICE**

Fy Nghyf / My Ref: CM32453  
Eich Cyf / Your ref: T: Scrutiny/PRAP/  
Comm Papers/Correspondence



Dyddiad / Date: 06 November 2015

Councillor Nigel Howells  
Chair, Policy Review & Performance Scrutiny Committee  
Scrutiny Services  
Room 263  
County Hall  
Cardiff  
CF10 4UW

Annwyl / Dear Councillor Howells

**Policy Review & Performance Scrutiny Committee: 06 October 2015  
Employee Survey and Engagement**

Thank you for providing the opportunity to seek the views of the Policy Review and Performance Scrutiny Committee on 06 October 2015 in relation to the Employee Survey and the Ambassador Network. As a key stakeholder group, I am pleased to note your acknowledgment of the positive work taking place across the Council in relation to both the Employee Survey, the Ambassador Network and the wider Employee Engagement agenda.

The Employee Engagement agenda and the Workforce Strategy are key areas of work for the Council. They are crucial to the development of the organisation and ultimately help to improve the quality of services the Council is delivering to its customers.

**Employee Survey**

I appreciate your acknowledgment that there is clear evidence of improvement underway in the development and arrangements for the Employee Survey. It is clear that the delivery of the Organisational Development Programme and Employee Engagement agenda are making a real difference in terms of the approach to the Survey and consultation and engagement with staff.

One of the aims for this year's Employee Survey was to increase participation rates, to a 40% completion rate. The actual response rate corporately was 51.6% and each Directorate also had more than a 40% response rate. It is important to highlight this achievement particularly in traditionally hard to reach areas, for example; catering, cleaning and waste management. I also feel that it is important to note that this has been achieved, during a particularly challenging

**ATEBWCH I / PLEASE REPLY TO:** Swyddfa Cymorth Y Cabinet / Cabinet Support Office,  
Ystafell / Room 514, Neuadd y Sir / County Hall,  
Glanfa'r Iwerydd / Atlantic Wharf, Caerdydd / Cardiff,  
CF10 4UW Ffon / Tel (029) 2087 2479

time for staff. Significant budget cuts and alternative service delivery consideration can have a negative impact on levels of engagement but the figures in relation to the survey indicate that employee engagement levels are increasing despite these difficult times.

Thank you for the suggestions of 'what good could look like', potential targets, future questions, etc. A review will be undertaken in advance of the development of the next Survey and as part of wider stakeholder engagement we will consider these suggestions.

In order to support understanding of outcomes and scores, a Managers guide has also been developed and distributed to support the identification of issues and development of actions behind the headline data. This will also provide further clarity in interpreting and designing improvement actions in response to the findings.

In relation to the Schools based survey, work is underway with the Education Strategy Group to discuss the development of the Schools based survey. I would agree that a two tier data set is less advantageous and so will continue to work with the Director of Education and other stakeholders in the development of the Schools Survey and a comprehensive communication and engagement plan.

Whilst I acknowledge the comments you have made regarding anonymised approach taken towards suggestions and ideas, it is important to note that the Employee Survey is just one way of gathering ideas, suggestions and feedback from employees as ideas can come in through a variety of routes including Employee Road shows and Chief Executive Have you Say sessions. In the coming months, there are plans to develop a Corporate Ideas Scheme to capture employee ideas in an open and transparent way

### **Staff Ambassadors**

In terms of the Ambassador Network I am pleased that you valued the contribution of those who attended. The Ambassador Network and other networks underpin the future development of Organisation wide and Directorate Led Engagement activity.

As requested, please find enclosed the following for your information:

- The list of employees suggestions received through the Survey
- The list of Staff Ambassadors, broken down by Directorate

In summary, I am encouraged that you recognise the efforts in relation to the wider Employee Engagement agenda, including the Employee Survey.

Yn gywir,  
Yours sincerely,



**Councillor / Y Cynghorydd Graham Hinchey**  
**Cabinet Member for Corporate Services & Performance**  
**Aelod Cabinet dros Wasanaethau Corfforaethol a Perfformiad**

Enclosures

Cc      Members of the Policy Review & Performance Scrutiny Committee ;  
Philip Lenz, Chief Human Resources Officer  
Joanne Watkins, Cabinet Business Manager;  
Katie Richards, Human Resources  
Helen Witham, Corporate Communications and Media  
Staff Ambassadors: Theo Callender, Lorraine Gilmore, Julie Reed and Tye Whithear

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Ideas from Survey	
1	Simplify procurement for relatively low budget work. e.g. raise 3K and 10k thresholds.
2	The cost of providing individual taxis for Service users costs the Council a huge amount of money. If there was a dedicated transport vehicle to provide transport this would save a large amount of money.
3	Use the assessment centre to allow SU to purchase their own small pieces of equipment, revenue for the council as SU are buying from argos and other retailers.
4	Income generation - possibly charge for Car parking at County Hall
5	Hold forums for top 5 - 10 questions, wished to be asked to senior management. The forums would be held and conducted by the front line staff of any given area, basically they could ask their question, air their problems, disputes and suggestions, debate as to which would be most productive then collate the top questions/suggestions wished to be put forward for answering to the relevant section senior managers, keeping everything anonymous. The results could be put on the intranet under a 'You said, we said'
6	Work shops to inform staff of Council Changes. That Council representatives are fully equipped with the knowledge required to answer possible questions that may arise and not defer to their standard reply "I will have to look into that" and then not get a reply.
7	Fully searchable Employee profile pages so that staff can see who they need to speak to or contact within teams and know where there are people with information and/or skills that are relevant to their role.
8	There should be a system where tenants can report their own repairs via online rather than phoning, as a lot of them cannot afford to call. Otherwise have a free phone number. I also feel that there needs to be a better way to remind tenants of where they can go, what they can do and who can help when they need it most. Maybe have an e-mail update service so tenants can receive any necessary information which may reduce incoming calls and waiting times.
9	Office accommodation-So many empty offices in City Hall etc why dont we apply for partial empty relief through the Valuation Office?
10	My idea to improve and to save money is to increase the number of POOL CARS, advertise this and to set in place the criteria for going to meeting/conferences etc that the first port of call is to book a pool and not use "Grey Fleet".
11	Review the capped charge of £60.00 - to open and assessed costs based on individual's financial circumstances.
12	Link flexi adjustments to Digigov (ie leave approved on digigov send automated message to flexi team to adjust clock)
13	Basic training for new managers on how to conduct PPDRs and select your PPDR criteria, what to do when you get a new starter, how often to have team meetings and what you should discuss.

14	An area of my work that I find particularly challenging is that of PP&DR. I find that the timescale we are asked to do them on is very challenging - if we don't complete them by June/July, they become very out of date as can't be done before September. It's often difficult to obtain appropriate information about how they should be filled in before June, and this means that we do them, but are then told that they aren't really in line with Council objectives, but it will be better to wait until next year and try again with new targets then. But then, when April comes around again, the parameters have changed, and we are left waiting for guidance again, and end up filling them in very late, or finding that they aren't really appropriate. Clear information about what to do in advance of the April/May period for filling them in would be very helpful.
15	Finance and Inome Generation - The Council may want to consider the removal of Insurance Damage Waiver goverened by circumstance under Plant Hire. May help save some money Procurement Stipulation - Cross Purchasing via one Vendor. That is one central vendor placing orders with other suppliers when that order can be placed direct with the other supplier . All the hidden costs that are passed on. Is this type of purchasing true or false economy for the Council. One department saving at the cost of another. .
16	In regards to answering Welsh calls- Suggest installing a queuing system for calls, as is normal with most large organisations, and ensure C2C are properly trained in which department deals with which types of queries.
17	Overhaul training - both the organising and especially the recording of it- should be centralised. Provide a training path for back office. There are a lot of graduates who don't qualify for graduate schemes (graduated more than 3 years ago) and who do't have staff underneath them so aren't considered for I.L.M These people have a lot of experience but no career path and are being lost to the organisation dueto lack of training and no prospects.
18	We have a lot of persons who are qualified to deliver training within the council which are specific to each department - Specialist subject like health and safety- manual handling etc - I feel we should employ a training person/manager in each department who could deliver this training in house and save the council thousands of pounds rather than just deliver the soft courses in-house. This would improve the service also at the training would be specific/bespoke to each section and improvement service delivery
19	Bobs business should be used more for the subjects covered in this survey.
20	I believe within Housing Benefit/Council Tax Reduction we should be aiming to train everyone to the same level as most of the experienced assessors are now retiring or moving to other areas and there is a gap in knowledge of benefits.
21	Secondment opportunities to help develop skills personally and the skills mix within teams.
22	HR call log system should be used with SLT similar to ICT.
23	New starters are unable to carry out their full role as most areas of work require computer access. Difficult to train as only one computer can be used. Only 1 member of staff able to set up new users for SAP resulting in delay when on leave or sick. Temp staff who become permanent have their computer access withdrawn. Managers should be made aware that the access is coming to an end with the option of extending the temporary access. Not available to contact by phone until 8am. Call cannot be logged via computer if problem with access!, If staff are in then calls should be answered.
24	Utilise incab technology in refuse vehicles-smarter more effective working reduces time wasting/cost

25	Develop the IT team to assist staff with the creation and maintenance of bespoke databases to manage complex records.
26	Redirect all calls to C2C to filter and send to Service Areas, need to reduce public expectation that if they call that they will be able to speak to specific Officer.
27	The decision making process is too long and takes too much time and needs to be overhauled and streamlined, also too many basic authorisations have to have OM approval when this could be done by grade 10's & 9's such as ICT account extensions or access to different drives and folders. OMs get bogged down with these basic authorisations when their time could be better spent on other issues.
28	Allow community based workers access to smart phones/ipads to enable direct document scanning note taking whilst on visits- this will save staff having to travel back and forth from visits to office unnecessarily also allow more scope to see more clients.
29	I work on site a lot and the ability to view an on-line flexi report would be massively beneficial, rather than putting in a request for one each time.
30	Improve response times from ICT, staff are non-productive for too long waiting for 'log-on' details and minor repairs/cables.
31	HR do not respond quickly enough, their responses are anomalous and any additional or supplementary questions appear to be sent to another advisor (responses are inconsistent)
32	Need to sort out a better system in IT for temporary/new employees. I waited 7 working days for log on details.
33	It would help to support our role in Children's Services if we had laptops and access to Carefirst from home.
34	Acceleration of the process for creating posts.
35	Updating of the Flexible working policy to include opportunity for all groups, such as compressed hours options. In my department very few people can access the 'new' purchase more holidays scheme as we are unable to take leave without cover.
36	We need energy saving lights everywhere and I mean everywhere.
37	Develop a menu of support for staff affected, integrate this into HR processes ensuring they are responsible for managing exit from employment as rigorously as entry and signpost staff to the support.
38	Mobile working for social workers / iro's social care workers. IRO team to join with another local authority as independent - commission.
39	The ability to contact and be contacted by service users by email and mobile phone (currently can not give them a contact number for work mobile). This would save a lot of time and therefore increase effectiveness in my work.
40	* Business rate type charge for landlords owning HMO properties for students etc. as they are running a business and there is no revenue gathered for such properties despite the usual services enjoyed by the occupants. * Business Waste Collection type charge for landlords owning HMO properties for students etc. (see above)
41	Weekly cleaning visits would provide better service for the tenants and leaseholders communal areas. At present there are fortnightly and this leaves areas Un - visited for 13 days so lots of mess can gather.

42	1. Introduce SAP Work Order Management (WOM), it is already used in the Council. The system would create a unique job number for each individual event, function, project or scheme. All income generation & related costs are assigned against the number which once closed will identify if the job actually made a profit or cost more to host. Certain events only just break-even but the economic benefit that they bring into the City adds to the event value, however there are other smaller events, function etc that do cost more to run and should be scrutinised for true benefit of running them as there could be possible savings to be made.
43	Increase charges for non-statutory services ie. Blue Badges.
44	We work in the Education element of the Council & there are many 'Corporate' systems that are imposed upon us that don't understand the differences between the financial year & the academic year that we run to. E.g. Dlgigov & PPDR dates. If Education would run in the Academic year it would make far more sense.
45	Put photo booths in council buildings generate money
46	In my opinion Legal should follow up quickly the possibility of having a legal document drafted by an outside barrister which makes the relative in charge of paying the assessed charge for the relevant citizen to the care home personally accountable for any debts due to defaulting on payment. At the moment there does not seem to be much that can be done to prevent default on payment in terms of legal action against the 'offending' relative as the debt is in the citizen's name. Cardiff Council underwrites at the moment significant amounts of debts to secure placements as some relatives do not pay the assessed charge. There seems to have been talk about drafting such a document by my understanding is that no action has been taken yet.
47	Online payslips (to reduce postage costs).
48	Only print one menu a year, x3 weeks (not dated) Monthly ones waste money (Schools)
49	50 plus prices on off peak times Monday -Friday 9-4 same across all leisure sites. Also 50 plus introduced on weekend Saturday and Sunday afternoons in gyms, when quiet.
50	A greater number of pool cars should be available for use across the key buildings, this will reduce the need for staff to bring cars to work. The internal charge associated with this should also be abolished, the council should only be concerned with money leaving the authority
51	I believe there are savings to be made from introducing council leased cars for people who are high users as far as mileage claims - I believe it may have been looked at previously but by using the council buying power we can surely cut costs on claiming mileage and other related transport costs?
52	Also, why does the council have a mobile phone contract with no usage minutes? I can walk into a phone shop and get thousands of free minutes.....
53	I think it would be a good idea to have solar panels on all council office buildings which can then be used towards the electricity costs and even sold to the National Grid which could generate a much needed income as well as the bonus of City of Cardiff Council being 'greener' .
54	Make 'Our News' electronic (not printed and in pay slips)
55	Engage public more in Council meetings (Committees, Full Council)

56	Meals on wheels must no longer be subsidised but cost those who take it what it cost to bring the whole service to their door
57	Offer parents online option to pay for school dinners in primary schools reducing cost of administration of current system (cash/cheques)
58	Save money by removing all bottle water machines in all offices there is nothing wrong with tap water
59	Stop the use of KIER as part of the maintenance. Costs have risen since they have been used and maintenance is not carried out to the standard required or in a timely manner
60	They could make available - a 360 degree feedback and reporting system that allows the majority work force (including those on the lower pay scales - especially those employed through Cardiff Works to be able to provide 'realistic and honest' constructive suggestions and feedback, feedback that isn't diluted or ignored, by their immediate managers and by those making decisions that will impact negatively on the vast majority of the work force, whilst seeming to not have a clue what is actually happening within the various departments.
61	Video- conferencing instead of paying car-parking charges around the city
62	We as caretakers should be more responsible for basic works in communal areas such as maintenance of courtyard areas like cutting of grass and hedges we could also change light bulbs and paint walls so that they are kept to a certain standard these things are basic we are on site but sometimes have to wait weeks for these jobs to be completed by contractors surely it would be better and cheaper to us
63	Light sensors in Council buildings Lights are left on for long periods in parts of building which are not used.
64	One suggestion to save money would be to reduce the temperature of the hot water in the restrooms at County Hall, I don't know if they all work from the same system, but the one on the fourth floor is VERY hot and if this was reduced it could save valuable money
65	It appears to unwise to go through a single provider when incurring travel expenditure. Would it not make sense to have a small in house team arranging travel for employees/councillors, making use of the internet to find better deals than that offered by one external company??
66	To save money, review the use of mobile phones across the authority. Does an employee who is predominantly desk based need a mobile phone as well as a phone connected to a land line? Paying BT for a land line and the network provider for the mobile landline appears to be duplication. Also, is there really a need for employees to have the latest handsets through upgrades? Surely a basic handset is that is required if someone is offsite and needs to make/receive calls.
67	Part time or full time driving instructor employed by the Council within Children's Services. Driving lessons can be provided to Looked After Children and Care Leavers, as a Positive Outcome (and could also be used as an incentive with young people and inspire them to get a job to pay for a car); someone employed (in house) rather than having to pay for expensive one off lessons, whereby only a few actually leave care with this outcome; driving can build confidence and open up opportunity.
68	Turn the heating off in Suffolk House which is on 365 days a year to save money.

69	There are various panels in children's services which require a huge amount to paper for printing reports- some of which have posting as well as printing costs. Paperless panels are already in operation in other authorities with reported savings.
70	One suggestion could be that in order for the council to save money. Rather than cutting front line services to vulnerable service users, the council finance team could ensure that they carry out fn assessments every year. Yearly FN review's were carried out automatic years ago, however, since Efacs and changes in departments etc, this is not done automatically and requests have to be made. As a result service users are either still contributing too much towards their POC or not enough. I'm sure the council would save money by if they looked into this.
71	use of apprenticeships, within a variety of settings across the council.
72	Rather than operate short term contracts within the Council for admin/clerical roles of up to 1 year or indeed maternity cover, could the time used to complete the recruitment process not be better utilised by putting these short term options through our inhouse agency. This would free up time to the recruitment of permanent longer term employees and enable the service to flow quicker. The time delays of advertising and then interviews are timely and there would be an impact on costs both for service managers and HR in terms of their time during the process.
73	Within Children's Services it is often very difficult to recruit and retain staff. We currently have too many agency workers which is costly. Better use of temporary (not agency staff) and simplification of recruitment process (can hire an agency worker relatively easily but takes months to hire someone temporary/permanent) would be preferable.
74	FRintroduce the Cycle to Work Scheme. Cardiff has been praised for it's efforts to become a city with a sustainable transport network and for its improved cycle network yet has pulled out of the Cycle to Work Scheme which ultimately improves employees health and saves on the employer contribution to National Insurance!!!!!! It's farcical!
75	I think the rules that apply to Housing Benefit (LHA) should also apply to Council Tax Reduction. Ie: When claiming housing benefit, private tenants will only receive benefit for the amount of bedrooms they require. I feel this should also apply to Council Tax reduction claims (Ie: if a single person living in a 3 bedroom house applies for CTR they would only receive a one bedroom rate ) This could generate an income for the council aswell as reducing the amount of benefit paid to home owners.
76	If you are trying to make people recycle more, please make the bags more available as making a special journey to a Leisure Centre is not really want you want to do on a day off.
77	Not in my role but as an employee but as a user, an alternative to the current childcare voucher scheme such as Sodexo would alleviate a lot of paperwork and administration for the Council and allow greater flexibility to employees using childcare, allowing them to pay variable amounts to childminders rather than having to fix payments and to allow immediate flexibility instead of having to give a month notice to change the payment amount. I have previously put this forward as a suggestion.

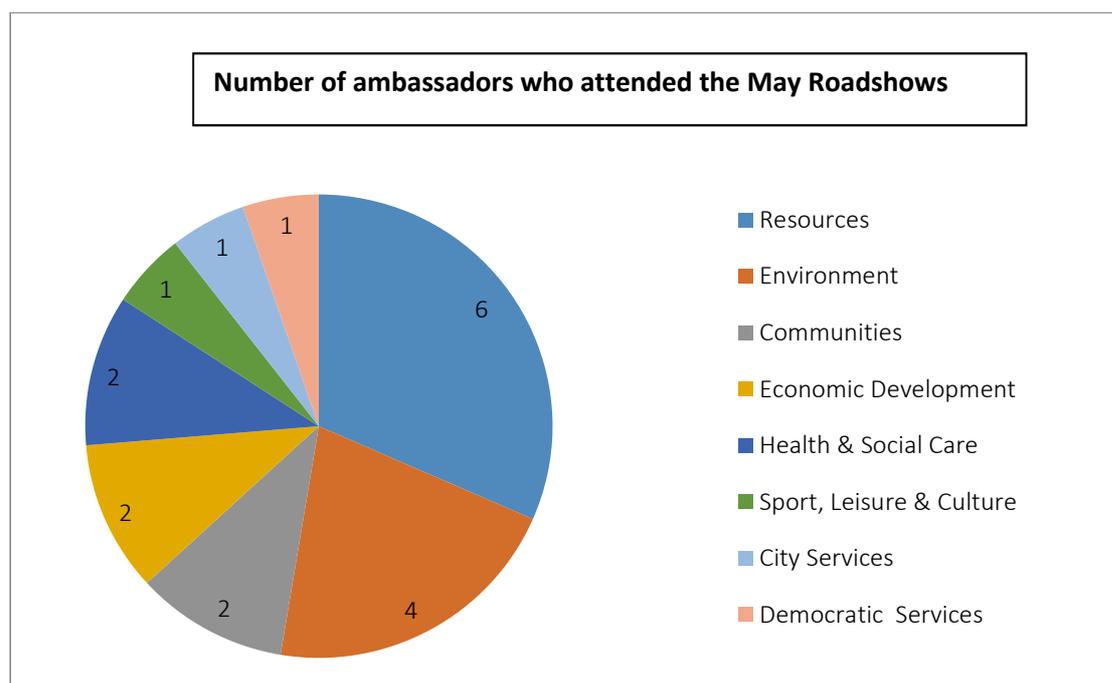
78	I feel that there is an opportunity to generate income via the 'smart house' at the joint equipment stores. If this were staffed on a rota basis by OT staff, the public could have an opportunity to purchase equipment knowing that they have discussed their needs with a member of the OT Team. A profit could potentially be made if the equipment were priced appropriately.
79	I work within the Crematorium and we should look to offer the same booking times that the private Crematoriums are able to offer. We should look at Animal/Pet cremations to fill up any empty slots in our chapels. We should look to widen the services that are available in our chapels. They could be used for baptisms, christenings, naming ceremonies and anything that normally takes place in a large church hall.
80	Charge businesses for services (graffiti removal, repairs, new disabled access, ICT advice and training) ~offer and charge external bodies / businesses for internal training courses. ~rent out hot desk rooms to businesses or approved individuals as well as meeting rooms
81	Dispose/sell off other assets the Council owns, not just buildings. Eg, Council's art collection - Charles Byrd paintings in County Hall & the Library Service. The collection & preservation of art is not part of the Council's primary agenda. Likewise other art, manuscripts & maps owned by the Council could be scoped & sold/transferred to other organisations (museum/universities/archives) where possible, as storage & preservation generates costs which are a burden to the Council.
82	Make the car park available after 6pm & on weekends for the public to use - generating an additional income. Rationalisation of subscriptions for Member Services, Legal, PDD & other depts - many Members subscribe to a number of publications (journals, periodicals, newspapers, e-publications etc). These could be procured by the library service which receives substantial discounts (sometimes up to 50% off).
83	In times of austerity and financial constraint it is regrettable that all train journeys must be booked through agent when many of the employees have railcards which could be used to reduce fares for journeys undertaken in the course of our work.
84	Stop all departments from purchasing any bottled water. Tax payers' funds should not be used for staff's personal gain. If they don't like the tap water, they should buy their own water and bring it in

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### City of Cardiff Council – Ambassador Network

The Ambassador network is key to supporting the delivery of the Council's employee engagement agenda. Through the Ambassador network we are working to ensure that the Council is also hearing from those in the 'harder to reach' areas and inviting them to participate in activities under the Employee Engagement agenda.

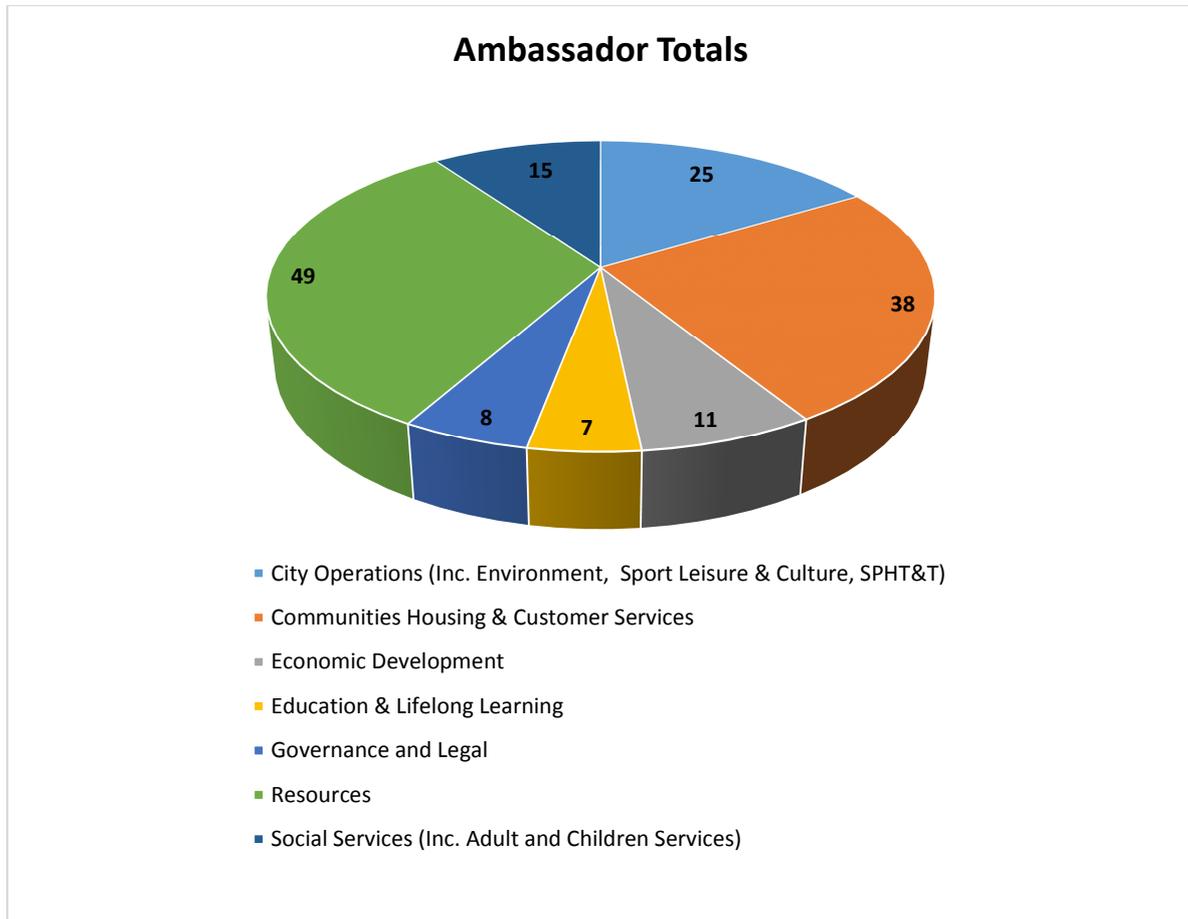
Prior to the May roadshows the CEX asked Directors to seek volunteers in order to facilitate table discussions at these events. A number of volunteers came forward and the graph below shows the breakdown of the Ambassadors who attended the May roadshows.



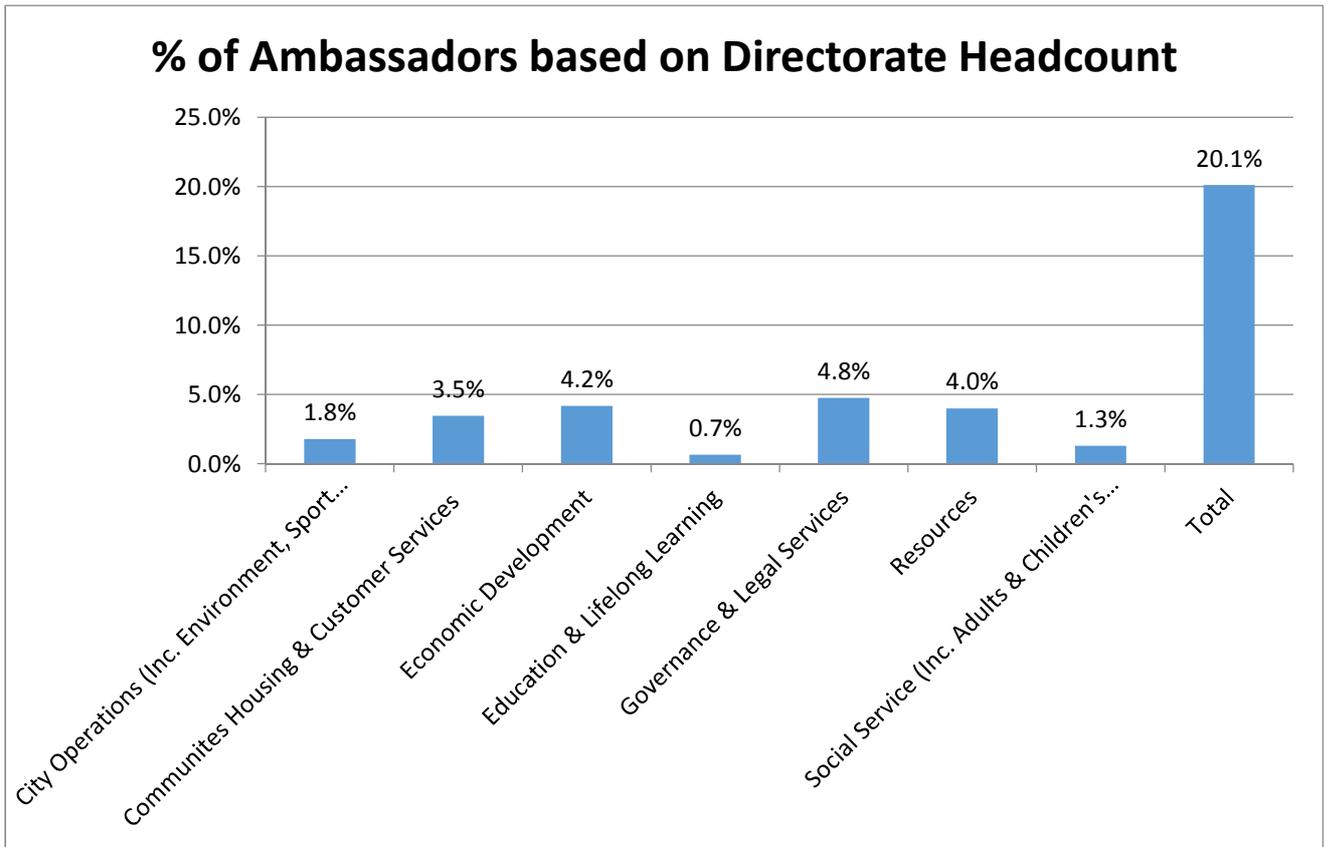
The role of Ambassador Network has developed considerably. There are currently 153 Ambassadors, spanning each Directorate and representing a mix of grades and teams. The increase in numbers can be attributed to the role of the network and its outputs being communicated via CEX/Employee roadshows (May and Nov), Have Your Say sessions, Directorate led engagement, and corporate communication channels including our news.

The following graphs below highlight totals and percentages of Ambassadors by Directorate and Grade as at October 2015.

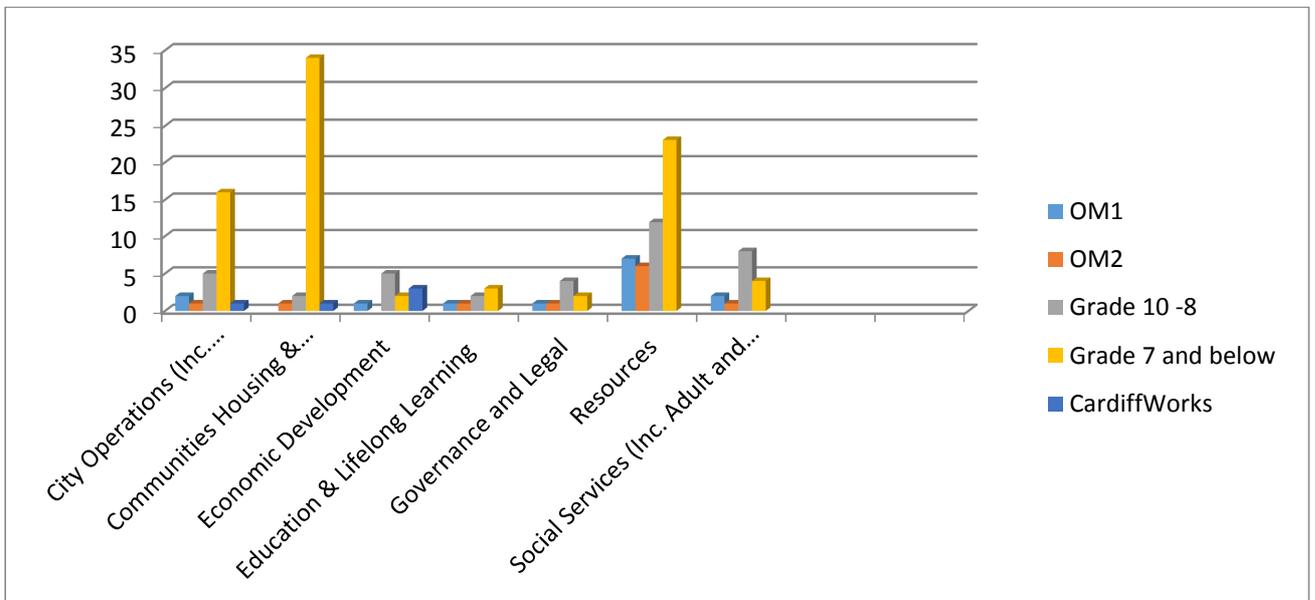
**Total number of Ambassadors per Directorate as at October 2015**



**Percentage of Ambassadors per Directorate**



**Ambassadors by Grade and Directorate**



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My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

Date: 15 October 2015



Councillor Dan De'Ath,  
Cabinet Member for Skills, Safety, Engagement and Democracy,  
Cardiff Council,  
County Hall  
Cardiff  
CF10 4UW

Dear Councillor De'Ath

**Policy Review & Performance Scrutiny Committee: 8 October 2015**  
**Draft Strategic Equality Plan 2016/20**

Thank you for attending Committee on 8 October 2015 to help Members of the Policy Review & Performance Scrutiny Committee scrutinise the Council's draft Strategic Equality Plan 2016/20. Please can you also pass on my thanks to Marie Rosenthal, Andrew Lucas and Caryle Alleyne for presenting the draft Scheme, and for providing honest and full answers to Members' questions? I will write separately to Martyn Jones of Diverse Cymru to thank him for his independent contribution to the item.

As Chair I have been asked to detail in this letter the Members' comments and observations raised during discussion at the Way Forward. Before I do this, I will also provide feedback on the question on Equality Impact Assessment asked at the meeting by Mrs Sheila Hendrickson-Brown of Cardiff Third Sector Council.

**THIRD SECTOR QUESTION: Equality Impact Assessment**

Members felt that the inclusion of a Third Sector question on this Committee's agenda, posed by Sheila Hendrickson Brown of Cardiff Third Sector Council, to have been helpful in developing useful and productive debate on the topic.

The question was:

*“The Council is having to make very difficult decisions and choices about cuts to local services. There is potential for specific groups of vulnerable people to experience disadvantage as a result of these decisions. Could you therefore give your view on how effective the Council’s arrangements for assessing the equality impacts of these decisions are, how do Equality Impact Assessments feed into and inform service planning, and how is the effectiveness of the agreed mitigating actions monitored once the decisions are implemented?”*

We noted from your answer that while you felt that the Council is still on a learning journey in developing its equalities practice, the Council’s practice had improved in recent years. The quantity of assessments undertaken had increased significantly, and the resultant documents provide a good point of reference for Cabinet Members, scrutiny Councillors and citizens campaigning on individual issues to ensure that the Council makes effective, evidence-based decisions.

We also gathered that you felt our process and practice could further improve, and that you were planning to invest effort in ensuring that this happened. Particular points we noted were that:

1. the EIA process should extend beyond the budget process to encompass decisions made at other points in the year;
2. The Council should work to a consistent level of quality in the assessments undertaken;
3. EIAs should evidence the input and advice of third sector organisations and data; and
4. the impacts and mitigation measures identified in EIA documents should be explicitly referred to when decisions were subsequently brought for review and monitoring, so that Scrutiny Committees, officers and Cabinet Members could

see how effective they had been, and so that the EIAs have a legacy through the life cycle of the decision.

You felt that these issues could be picked up by our Strategic Equality Plan consultation, and actions built into our action plan to continue improving our performance in this area.

You also welcomed the suggestion in Sheila's supplementary question to build co-operation between the Council and its third sector partners in working together to proactively identify and manage potential impacts before budget proposals had been published, and generally support the process of co-production.

We support your aims to see improvement in this area, and will seek to monitor the progress of the Council's work on equality impact assessment during the coming budget cycle.

## **STRATEGIC EQUALITY PLAN 2016/20**

Members were in general supportive of the arrangements set out in the draft Strategic Equality Plan, and wish you success in consulting upon and finalising the Plan in coming months. The points shared by Members at the Way Forward which emerged from Member questioning and evidence received during the item were:

- **Linkage between Objectives and the Corporate Plan:** Members queried the move away from the previous Plan's linkage between the Council's Equality Objectives and the What Matters! Strategy towards linkage with the Corporate Plan priorities. They noted officers' views that the linkage with What Matters! still remains, and that the objectives in question are ones that have tended to remain in place in successive corporate plans, but would want to ensure that our four year Equality Plan objectives will transcend topical administration priorities.
- **Resources to deliver:** I asked whether – given reductions in specialist personnel to drive equality work in recent years – the Council's current and

foreseen financial and resource pressures would be sufficient to deliver the Strategic Equality Plan. Members noted and welcomed your commitment and that of the Director of Governance and Legal Services to drive mainstreaming via managerial and political leadership. We trust that managers and Cabinet Members will deliver that leadership and make the difference in their own areas of responsibility, and will be interested to monitor this when we next review the Council's equality agenda.

- **Martyn Jones' commentary:** Members felt that Martyn Jones made a number of helpful comments in his commentary on the draft Plan. We were pleased to hear that the Council had already undertaken pre-consultation with Diverse Cymru and a number of other local groups, and also his view that the Council's linkage of its equality and scrutiny functions was an exemplar that should be considered by other local authorities.

Please can you take on board the points raised by Martyn about the potential over-emphasis on younger people in the draft Plan, when Welsh Government is developing a more age-neutral approach in its work? Martyn also made helpful suggestions around the opportunities to develop shared equality objectives with local health and criminal justice partners, the learning from Prudent Healthcare and from the Wellbeing of Future Generations Act, and the need to consider the linkage between equality and socio economic deprivation.

- **Partnership between the Council and the Third Sector:** Picking up on the earlier question from Cardiff Third Sector Council, Members can see the value of the Council working closely with its third sector partners, in providing early intervention to ensure that adverse impacts can be avoided by planning services that are inclusive and meet citizens' needs. We can see that this is likely to save money in the long run and mitigate against the need to incur cost in producing an equality impact assessment. We recognise that this partnership is enshrined in the principles of the Local Service Board, and will be interested to return to this theme when we scrutinise What Matters! Later this year.

More specific to the equalities agenda, we welcome the continuing partnership between the Council, C3SC, Diverse Cymru, Race Equality First and other local charities in delivering the Council's equality work, and hope that this will continue to thrive. We noted from Martyn Jones' evidence that Welsh Government had developed a formal relationship with third sector equality advisors, and would consider a similar forum useful for the Council to develop its strategic approach to diversity. Please could you explore this idea and advise on your views?

- **Focussing on outcomes:** Members noted your intention that the consultation would allow citizens and local organisations to identify actions that could usefully deliver the Council's Equality Objectives. We welcome this, and acknowledge that the action plan will have a four year duration allowing the Annual Review to measure progress and refine and review next steps. We also feel, however, that – as the equality objectives are not SMART – it will be useful for you and officers to work during the consultation period to identify what success might look like, to optimise the relatively narrow time window between the end of the consultation and the adoption of the final Plan, so that actions are identified and agreed and the Council can “hit the ground running” from the beginning of the Plan period.
- **Reaching seldom-heard citizens and employees:** Members welcome the fact that this Plan is shorter than its predecessor, and that you have produced a six page summary Plan. We hope that you will be able to use this to reach communities and parts of the workforce that have not previously been reached by previous Equality Plans. We note that you will be working through trades unions and staff ambassadors, and urge you to arrange an inclusive and wide-reaching consultation.

The Committee has no further or formal recommendations on this piece of work, but we hope that the points made above will help you to optimise the consultation and finalisation of the Plan. If Committee has agenda time to consider a final version, we will ask for this to come forward to our March agenda. Otherwise we will consider monitoring outcomes in the 2016/17 financial year.

*To recap, the Committee is asking you to:*

- Reflect on the aspirations you stated for the improvements to equality impact assessment, and factor these arrangements into the equality action plan;
- Ensure that our four yearly Equality Objectives are resilient to and capable of transcending immediate Corporate Plan priorities;
- Ensure that senior management and Cabinet Members explicitly champion equalities work and drive mainstreaming of equalities into everything we do;
- Reflect on the useful comments made by Martyn Jones (summarised above) and factor these arrangements into the equality action plan;
- Continue to develop effective partnerships with third sector expertise, and consider the adoption of a more formal advisory arrangement between the Council and local third sector organisations to shape Cardiff's equalities work;
- Undertake work during the consultation period to gain a clear picture of what outcomes the Council wants to see emerging from the Plan, to facilitate the process of action planning; and
- Do all you can to make the consultation with citizens and employees inclusive and effective.

Yours sincerely,



COUNCILLOR NIGEL HOWELLS  
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Members of the Policy Review & Performance Scrutiny Committee  
Marie Rosenthal, Director of Governance and Legal Services  
Paul Keeping, Operational Manager responsible for Equality and Diversity  
Martyn Jones, Chief Executive, Diverse Cymru  
Sheila Hendrickson-Brown, Chief Executive, Cardiff Third Sector Council



My Ref / Fy Ref: Scrutiny DD/CC

Your Ref / Eich Ref :

Date / Dyddiad: 23 November 2015

Appendix 7

Councillor Nigel Howells  
Chair, Policy Review and Performance Scrutiny Committee  
County Hall  
Atlantic Wharf  
CARDIFF CF10 4UW

Dear / Annwyl Nigel,

**RE: POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE  
8 OCTOBER 2015: STRATEGIC EQUALITY PLAN**

Thank you for your letter regarding the above. I was grateful to Committee for your considered and useful feedback on our draft Strategic Equality Plan (SEP). Thank you for also arranging for Martyn Jones to attend to provide his helpful and interesting views, and for Sheila Hendrickson-Brown to ask the question on Equality Impact Assessment.

I have reflected on the seven key points made in your letter, and am pleased to respond as follows:

- **Equality Impact Assessment:** Objective One in our draft SEP is to “*meet our specific equality objectives, and build equality into everything we do*”. You heard my thoughts on how the Council’s practice of equality impact assessment can be developed, and we will seek to reflect this into the Plan’s action plan on publication in March 2016.
- **Equality Objectives:** I feel that our draft Objectives are already broad and strategic enough to remain relevant over the four year Equality Plan period. I will, however, will discuss with Cabinet colleagues, and also



reflect on any key messages coming out of the What Matters! Refresh to ensure that our final Objectives link to the highest level of policy commitments possible.

- **Championship at Cabinet and Senior Management level:** Linking to the points made above, you will have seen in our draft SEP the statements “*each Cabinet Member has individual responsibility to mainstream diversity within their portfolio of responsibilities*” and “*each Director will have responsibility for actions within the Plan*”, with individual responsibilities also identified for the Leader, myself, the Chief Executive and the Director of Governance and Legal Services, and collective responsibility for every Council employee . I anticipate that our final Plan document will continue to reflect this commitment, and the action plan may contain targets associated with this.
- **Reflections on Martyn Jones’ commentary:** I have since you meeting updated the document, so that the version that is out for consultation is now more age neutral. I will also ask officers to explore the points made by Martyn regarding Prudential Healthcare, the Wellbeing of Future Generations and socio economic deprivation when they consult Diverse Cymru on the draft Plan on 13 November.

We have made inquiries with local public service partners regarding the possibility of working to shared equality objectives. Arrangements for the immediate period are limited by the fact that several organisations have already gone out to consultation on their objectives, but this clearly remains an aspiration moving forward.

- **Partnership with the Third Sector:** Amongst other arrangements to involve local third sector organisations in the SEP, officers have arranged to consult the Cardiff Third Sector Council on 18 November, and the points you have raised around the advisory role of the third sector will be explored then.
- **“Outcome visioning” work:** Equality Officers have now begun the process of meeting Directorate equality representatives to plan how

outcomes from the consultation process can be translated into actions in the final SEP, and this process will continue through the winter.

- **Inclusive consultation:** We will do all we can to make our consultation inclusive. As examples, arrangements are developing to consult People First, Cardiff Deaf Club and Gypsy Travellers Wales. The consultation documents have been sent to trades union representatives, as you requested.

I hope that the above information welcome, and look forward to continuing our partnership with the Committee in developing the Council's equality agenda.

Yours sincerely  
Yn gwyir

A handwritten signature in black ink, appearing to read 'Dan De'Ath', written in a cursive style.

**Councillor/ Y Cyngorydd Daniel De'Ath**  
**Cabinet Member for Safety, Engagement & Democracy**  
**Aelod Cabinet Dros Diogelwch, Ymgysylltu a Democratiaeth**  
**Councillor for Plasnewydd/**  
**Cyngorydd Plasnewydd**

