

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

5 JULY 2016

Present: County Councillor Howells(Chairperson)
County Councillors Hunt, Murphy, Thomas and Walker

12 : APOLOGIES FOR ABSENCE

Councillors Goddard and Sanders

13 : 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 and complete Personal Interest Forms at the commencement of the agenda item in question.

14 : MINUTES

The Minutes of the meeting held on 7 June 2016 were approved as a correct record.

15 : CORPORATE ASSET MANAGEMENT PLAN

The Chairperson welcomed:

- Councillor Graham Hinchey, Cabinet Member Corporate Services & Performance
- Helen Jones, Head of Strategic Estates

The Chairperson advised Members that the Committee had an opportunity to consider the Council's proposed Corporate Asset Management Plan, and provide views to the Cabinet prior to consideration of the Plan this month. The Chairperson reminded Members that the Committee had previously considered the Council's approach to non-operational property on 3 November 2015 and this was an opportunity to undertake pre-decision scrutiny of the Corporate Asset Management Plan which sets the Council's priorities in relation to supporting and investing in the Estate for pre-decision scrutiny.

The Committee received an updated version of the Corporate Asset Management Plan.

The Chairperson invited Councillor Hinchey to make a statement as the Cabinet Member with responsibility for Operational Property.

Councillor Hinchey explained that Operational Property activity had been significantly high with a reduction in the Estate. These reductions included staff moving from Global Link into County Hall as part of the Office Rationalisation agenda. Savings of £1M were made last year with £6.8M being realised through Capital Receipts. Modernisation of Council resources was essential to support the Change Agenda, along with the reliance being placed on partnership working.

Helen Jones provided a [presentation](#) to the Committee which outlined the following:

The Committee was advised that the Modernisation of Council Assets was put in place in order to ensure that the Council's Estate was fit for purpose. This was also an opportunity to develop further partnership working with other public sector organisations.

The Chairperson invited the Committee to ask questions.

The Committee drew attention to Page 6 of the Corporate Asset Management Plan and asked what drivers were in place to support achieving the targets. In response Officer's explained that all targets derived from the Masterplan, a document which analysed and assessed property needs. Targets were addressed by the Asset Management Board and by Operational Groups for assessment to evaluate the service aspirations going forward.

Members were advised that there was a constant drive to be ambitious in relation to targets in this area, with resources being directed towards delivery. It was acknowledged that Running Costs were not achieved in relation to Community Asset Transfer projects, including Insole Court and Leckwith Stadium. These were constantly being reviewed.

Members were concerned that Capital Receipts were slowly being reduced and therefore monies were decreasing. In response, Officers assured the Committee that the Capital Receipt Programme for the next couple of years would increase significantly mainly as a result of the on-going School Organisational Programme.

Members of the Committee were keen to learn what the future proposals were for County Hall. In response the Officers explained that currently the plan was to maximise the use of County Hall, with additional staff being moved in from alternative buildings.

The Committee drew attention to the types of buildings that were being looked at as part of the Corporate Asset Management Plan and asked what the position was with Special Schools.

There were long term aspirations in place in relation to the reviewing mechanisms for the 21st Century Estate, however, there was nothing specific in relation to Schools. This was part of the School Organisational Programme being led by Education.

Members of the Committee were disappointed that a proposed community asset transfer at the Caretakers house in Herbert Thompson School had not been successful.

Officers noted the concerns being raised by Members of the Committee in relation to local issues and agreed to take on board comments and advice from Ward Members when dealing with future Community Asset Transfers.

The Committee was advised that some buildings highlighted for Community Asset Transfers could present complicated procedures. As a result of these issues a new post would be created in this area and support the Neighbourhood Area Planning projects.

The establishment of Neighbourhood Area Planning projects was essential to move forward with the aspirations for Community Asset Transfers and a workshop pilot was developed in Cardiff North which would involve further partnership working.

The Officers welcomed feedback from local knowledge and the valuable input from local Members when dealing with Community Asset Transfers.

RESOLVED: At the conclusion of the meeting the Committee discussed the evidence presented, following which they tasked the Chairperson of the Policy Review and Performance Scrutiny Committee to write to the witnesses to thank them for attending the meeting and set out the comments made by Members (letter attached)

16 : CORPORATE RISK REGISTER

The Chairperson welcomed:

- Councillor Graham Hinchey, Cabinet Member Corporate Service & Performance
- Christine Salter, Corporate Director Resources
- Ian Allwood, Head of Finance
- Chris Pyke, Principal Auditor, Risk & Governance.

The Chairperson advised Members the Committee would consider the Corporate Risk Register at the 2015/16 year end, and have the opportunity to consider the strategic risks facing the Council prior to consideration by the Cabinet. The Corporate Risk Register was the key record of 'strategic risks which had an impact beyond any one service area and/ or are of such significance that they need to be highlighted corporately. The register was currently updated and presented to the Senior Management Team on a quarterly basis and to Cabinet six monthly

Councillor Hinchey explained that the Senior Management Team considered two risks that had been sufficiently addressed at the year end:

- Preparing a Local Development Plan considered sound by the Inspector within the proposed timescales. The risk had decreased from High to Low priority;
- Ensuring effective operation of the Council's Asset Management Board to achieve effective strategic oversight and identified savings. The risk had decreased from High to Medium priority.

The Committee were provided with a chart that illustrated the issues surrounding Risk Management.

The Committee was advised that following the outcome of the EU Referendum the Senior Management Team was keeping a watching brief in relation to the Risk Register.

Members of the Committee were provided with information on the implementation of the Future Generations & Wellbeing Act with compliance being highlighted as a risk. Officers explained this was a transition period and testing mechanisms were place to take forward and assess these proposals in its infancy. The Public Services Board

was a device to ensure the Act was being complied with. An Integration Tool was also being established in order to take this forward.

Members of the Committee were concerned to see that the Consortium was not delivering effective services that challenged and supported Cardiff Schools.

Further, the Committee was concerned that Social Services costs were failing to reduce.

Officers assured the Committee the Consortium was effective across the region and inward self-assessment process were in place at a departmental level.

The Committee was concerned with Business Continuity, *'71% of our most time critical activities (Reds) now have Business Continuity plans which have met or are going through audit'* Officers noted the comments and suggested the Committee list a future agenda item on Business Continuity in order for them to see the full plans and red/amber risks.

Members of the Committee were of the view that risks could be seen as opportunities. It was also interpreted as failure to deliver the job, especially in Social Services where it was apparent that Delayed Transfer of Care was not delivering. Therefore, were these highlighted as risks or management issues? Officers assured the Committee that risks in Social Services were different to management issues.

The Committee was advised that the Corporate Risk Register was benchmarked alongside other Core Cities and there was little to no variation in numbers and issues between the other local authorities in relation to the risks.

RESOLVED: At the conclusion of the meeting the Committee discussed the evidence presented, following which they tasked the Chairperson of the Policy Review and Performance Scrutiny Committee to write to the witnesses to thank them for attending the meeting and set out the comments made by Members (letter attached)

17 : BUDGET OUTTURN 2015/16

The Chairperson welcomed:

- Councillor Graham Hinchey, Cabinet Member Corporate Services & Performance
- Christine Salter, Corporate Director Resources
- Ian Allwood, Head of Finance

The Chairperson advised Members they had an opportunity to consider the final budget outturn position for 2015/16 and reflect on the Council's financial position at the year ending March 2016. Members were invited to consider how the information presented could inform Committee's work programming for 2016/17.

Councillor Graham Hinchey explained to the Committee the Council was in a positive position with a £1.7M revenue outturn. The budget pressures faced by the Council were complex and pressures were highlighted in Social Services, with unachieved savings. Overall the figures were satisfactory with a surplus in Council Tax collections.

CS advised Committee that paragraph 6 of the report was inaccurate and that the Grant received from Welsh Government overall was £3.4M. The reference to £862,000 was the final instalment in 2014/15.

The Committee were invited to ask questions.

Members of the Committee were concerned with the overspends in Social Services and why the respective budget could not be adjusted accordingly to reflect the issues.

Members also asked why so many Cardiff Schools were allowed to run up a deficit budget.

Officers acknowledged the overspends in Social Services, explaining there were different reasons for these costs. In the previous year £5m of the Adult Services controlled approved spending was good. It was recognised there was difficulty with the underachievement of savings. Children's Services was a more complex area with the budget being realigned to support demands on the service. There was no base budget, but a £950k contingency sum to maintain provision.

The Committee was advised that working practices in Social Services were being modernised and this push for change would contribute and support the budget pressures being experienced. Agile Mobile working had been introduced and in the last 6 month's improvements were beginning to be realised.

In relation to Schools the picture was fragmented. Some Schools held balanced budgets and the Schools with deficits were being monitored closely. A significant fall in pupil numbers had been experienced in Michaelston, Glynderw, Cantonian and Willows resulting in their more significant budget deficits than others. Plans were being put in place through the School Organisational Plan and positive signs were beginning to show in Cantonian. It was essential for the Council to continue working in partnership with these individual Schools Governing Bodies to ensure that these deficits were managed downwards over a period of time.

Members of the Committee were of the view that School's should have financial managers in place advising the Head Teacher on financial matters. In response Officers explained that training was in place with sessions directed at the Governing Bodies with 8-9 School's currently having Business Managers in place.

Primary Schools benefited from a shared Business Manager and further work was on-going to develop financial support and advice.

The Committee was provided with information on the Outcome Agreement Grant with the budget report setting out that the receipt of the grant was assumed at 75%. This was at month 9, and following publication of the Cabinet Report in February 2016 the remainder of the grant was received from Welsh Government.

Members of the Committee were advised of the buy out from the Housing Revenue Subsidy. A saving of £3m per year into the Housing Revenue Account, which funded the Housing Revenue Business Account was currently being paid back. The Housing Revenue Account debt was being spread over 40 years

RESOLVED: At the conclusion of the meeting the Committee discussed the evidence presented, following which they tasked the Chairperson of the Policy Review and Performance Scrutiny Committee to write to the witnesses to thank them for attending the meeting and set out the comments made by Members (letter attached)

18 : DATE OF NEXT MEETING

13 September 2016

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