

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

**POLICY REVIEW & PERFORMANCE  
SCRUTINY COMMITTEE**

**11 October 2016**

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**CITY OF CARDIFF COUNCIL STATUTORY ANNUAL IMPROVEMENT  
REPORT 2015-16**

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**Reason for this Report**

1. To facilitate the Policy Review and Performance Scrutiny Committee's consideration of the Council's Annual Statutory Improvement Report prior to its submission to Cabinet on 13 October 2016.

**Background**

2. The Local Government (Wales) Measure 2009 requires the Council to publish its Improvement Objectives and how it plans to achieve them. In previous assessments of the Council's performance of this duty, the Auditor General for Wales highlighted the need for the Council to be more focussed on its key priorities and their delivery. In recognition of this opinion, and the growing pressure on the Council's finances available to deliver services to the citizens of Cardiff in 2015-16, the Council focussed on the following four priorities:
  - Education and Skills for People of All Ages.
  - Supporting People in Vulnerable Situations.
  - Sustainable Economic Development as the Engine for Growth and Jobs.

- Working with People and Partners to Design, Deliver and Improve Services.
3. The Council's Corporate Plan 2015-17 focussed on what the Council would deliver to achieve these four priorities, and in turn they helped to shape the Council's Improvement Objectives for 2015-16 as well as the content of the Outcome Agreement with the Welsh Government for 2013-16.
  4. The Council's Improvement Objectives for 2015-16 focussed on:
    - Every Cardiff school is a good school where learners achieve well.
    - Looked After Children in Cardiff achieve their potential.
    - Adult learners achieve their potential.
    - People at risk in Cardiff are safeguarded.
    - People in Cardiff have access to good quality housing.
    - People in Cardiff are supported to live independently.
    - Cardiff has more employment opportunities and higher value jobs.
    - Cardiff has a high quality city environment that includes attractive public spaces and good supporting transport infrastructure.
    - Communities and Partners are actively involved in the design, delivery and improvement of highly valued services.
    - The City of Cardiff Council has effective governance arrangements and improves performance in key areas.
    - The City of Cardiff Council makes use of fewer, but better, buildings.
  5. The Council is required under the Measure to assess its performance against the National Strategic Indicator (NSI) and Public Accountability Measure (PAM) data sets. These are set by the Welsh Government. Where these indicators and measures are relevant to the progress made against the Council's Improvement Objectives and Outcome Agreement they are included in this Improvement Report. The Council's performance against the full range of NSI and PAM data sets is shown in the 'How We Measure Up' section.

## City of Cardiff Council's Annual Improvement Report 2015-16

6. The Council's Annual Statutory Improvement Report provides a retrospective summary evaluation of performance for 2015-16 and Members should note that the Report, attached as **Appendix 1**, is a final draft. It contains the key elements to meet the statutory requirements, but will be subject to some minor amendment or updating prior to submitting to Council on 20 October 2016.
7. The Council's Annual Statutory Improvement Report 2015-16, attached as **Appendix 1**, is a text document which, once approved, will be translated into Welsh prior to publication by 31 October 2016.
8. The Improvement Report should:
  - Provide a picture of the Council's performance for the reporting year 2015-16 against the agreed outcomes, activities (improvement objectives) and targets.
  - Communicate improvement information that is timely and accurate to Members, officers, citizens, communities, stakeholders, other Councils, the Welsh Government and regulators.
9. The Wales Audit Office issued the Council with a certificate of compliance for the Council's assessment of 2014-15 performance on 13 November 2015. The certificate confirmed that the Council had not discharged its duties under sections 15(2), (3), (8) and (9) of the Measure. The Auditor General made the recommendation that the Council must ensure that its annual report contains a summary assessment of the Council's view of its success in achieving its improvement objectives for the previous year.
10. The Council's Annual Statutory Improvement Report 2015-16 therefore seeks to address these issues.

## **Our Performance**

11. In 2015-16 the Council improved or maintained its performance in 70% of National Performance Indicators compared to 47.7% in 2014-15. Performance in 2015-16 exceeds the all-Wales improvement of 65%; making the Council the third most improved Local Authority in Wales.
12. Despite positive trends, however, it is recognised that the Council will need to continue to focus on addressing areas of underperformance which are also underlined by the NSI and PAM results 2015-16. These areas will in part inform future planning arrangements in the context of changing demographics, a growing population and ongoing budgetary pressures.
13. The Wales Audit Office undertook a Corporate Assessment Follow-on review in October 2015, and concluded that a better performance management culture was emerging. The Council responded positively to this assessment with a Statement of Action and further development of its Performance & Governance Programme. In their Annual Improvement Report issued in July 2016 the Wales Audit Office determined that during 2016-17 the Council is likely to comply with the requirements of the Local Government (Wales) Measure 2009, providing arrangements to support improved outcomes are embedded and the current pace of improvement is maintained.
14. Within its Performance & Governance Programme, the Council has embarked on a programme of activity to further develop and embed its performance management arrangements. This will allow the Council to develop a meaningful Performance Management Framework to facilitate effective planning, reporting and performance support.
15. In their letter of March 2016, Estyn deemed that sufficient progress had been made to remove the Council from any further Estyn monitoring.

16. In a report entitled 'Inspection of Children's Services in City of Cardiff Council' of March 2016, CSSIW reported that our Elected Members and our Corporate Management Team demonstrated a common understanding of the direction and drive needed to ensure Social Services effectively supports improved outcomes for children and young people in Cardiff, and partnership agencies are well-engaged strategically and evidence understanding of the complex issues facing the Council. CSSIW also highlighted that the needs of the child were kept at the forefront of assessment, and the core assessments observed were comprehensive and of good quality.

### **Wales Audit Office Corporate Assessment of the City of Cardiff Council**

17. In February 2016, the Auditor General published his report on the Corporate Assessment Follow-on. This report concluded at that time that *'The Council has put in place better arrangements to support improvement and to address longstanding issues, but is now at a critical point in embedding them if it is to achieve a step change in delivering improved outcomes'*. The outcome of this work was a formal recommendation that *'The Council must ensure that it addresses the proposals for improvement as set out in the report to deliver improved outcomes within the next 12 months'*.

18. The Council responded constructively to the Corporate Assessment Follow-on and prepared a Statement of Action to address the recommendation made and its associated proposals for improvement. The Statement of Action was resolved at the Council's Cabinet meeting on 21 March 2016 and a Performance & Governance Programme has been established, focussing on Business Planning, Performance Reporting and Performance Support.

19. The Annual Statutory Improvement Report, as outlined earlier, provides a picture of the Council's performance for the reporting year against the

agreed outcomes, activities (improvement objectives), and targets and therefore is a key strand in the Council's performance arrangements.

20. The Council's Annual Statutory Improvement Report will be audited by the Wales Audit Office in November 2016.

### **Role of the Auditor General for Wales**

21. The Auditor General for Wales, through the Wales Audit Office (WAO), audits each authority's Improvement Report to assess the extent to which the Report has been prepared and published in accordance with statutory requirements and will determine whether or not to issue a Certificate of Compliance.

### **Scrutiny of Improvement**

22. The Committee continues to engage with the Council's improvement journey by routinely scrutinising both external improvement assessment (by the WAO), and internal improvement planning. The focus of work programming for 2016/17 acknowledges the pivotal point the Council is at in embedding improvement. With this in mind the Committee will consider progress of the overall Organisational Development (OD) Portfolio and specific projects within the OD Programmes; engage particularly closely with how the Council is refreshing its performance monitoring framework; and progress in delivering the Statement of Action developed in response to the Corporate Assessment Follow on Review.

23. In September 2016 the Committee considered all Wales performance and took reassurance from the published Welsh Government tables that the Council is evidently on the improvement journey Cabinet Members and officers claim it is on.

24. The Committee has acknowledged that the Council is in the process of refreshing its performance management reporting arrangements. The full Committee, and indeed its performance representatives, have found the on-going interaction with officers of the Performance team most valuable.
25. In September the Committee was reassured by the Auditor General's conclusion that the Council is likely to comply with the requirements of the Local Government Measure during 2016-17, as it has in place better arrangements to support improvement. Overall Members felt the Council has an opportunity to secure a step change in improved outcomes by the end of 2016, if it continues to embed improved arrangements. However the Committee also considered that weak performance in some key service areas make it clear that the Council has a way to go.
26. The Committee will continue to be committed to playing an effective internal critical friend role in the Council's improvement journey, and I have programmed a progress report on the Corporate Assessment Statement of Action for consideration in November 2016 when we will explore further embedding arrangements the Council has put in place.

### **Way Forward**

27. The Committee is invited to consider the Annual Statutory Improvement Report 2015-16 and internally challenge how effectively the Council is preparing for improvement going forward, by focusing on delivery of its four key priorities.

## **Legal Implications**

28. 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**

29. 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:

- I. consider the Council's Statutory Annual Improvement Report 2015-16
- II. report any concerns and observations on the Annual Improvement Report 2015-16 to the Leader of the Council prior to submission to Cabinet and publication by the statutory deadline of 31 October 2016

**Paul Orders**

Chief Executive

4 October 2016