

s c r u t i n y



**Policy Review and Performance
Scrutiny Committee**

Annual Report 2014 – 2015



June 2015

City & County of Cardiff Council

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE



Councillor Nigel Howells (Chairperson)



Councillor Jim Murphy



Councillor Gary Hunt



Councillor David Walker



Councillor Mary McGarry



Councillor Kathryn Lloyd



Councillor Russell Goodway



Councillor Jayne Cowan



Councillor Cecilia Love



CONTENTS

Chair's Foreword	4
Introduction	5
What <i>IS</i> Effective Scrutiny?	6
Work Programme Overview	7
Types of Scrutiny Undertaken	8
Highlights of 2014/15	10
• Task and Finish Inquiry	10
• Pre-Decision Scrutiny	12
• Programme of Organisational Change	19
• Performance Monitoring	24
• Policy Development and Review	32
• Financial and Budget Monitoring	38
• Call-In of Cabinet Decision	40
• Monitoring of Cabinet Responses	43
Observation of Committee by External Guests	45
Scrutiny Development Work	47
Work Programme Opportunities for 2015/16	50

City and County of Cardiff Council Scrutiny Services,
Tel: 029 2087 2953. Email: scrutinyviewpoints@cardiff.gov.uk.
www.cardiff.gov.uk/scrutiny

CHAIR'S FOREWORD

DRAFT



Councillor Nigel Howells

Chair, Policy Review and Performance Scrutiny Committee

INTRODUCTION

This Annual Report covers the work of the Committee during the 2014/15 Municipal Year, between June 2014 and May 2015. The work programme has been varied and responsive to the Council's priorities throughout the year. Matters considered by the Committee are listed in the 'Work Programme Overview' below, whilst those areas of greatest impact are reported in 'Highlights of 2014/15' from page eight onwards.

The Policy Review and Performance Scrutiny Committee has a corporate policy and performance overview responsibility. In its examination of service performance and policy development across a range of corporate services, it forms a central part of the Council's governance arrangements. The Committee's terms of reference are:

- *To scrutinise, monitor and review the overall operation of the Cardiff Programme for Improvement and the effectiveness of the general implementation of the Council's policies, aims and objectives:*
- *To scrutinise, monitor and review the effectiveness of the Council's systems of financial control and administration and use of human resources;*
- *To report to an appropriate Cabinet or Council meeting on its findings and to make recommendations on measures, which may enhance Council performance in this area.*

The Terms of Reference also allow for the Committee to consider certain specific areas of the organisation's current structure in depth. These include: Finance; Corporate Performance; HR People Services; Legal and Democratic Services; Estates and Land Strategy; Information Governance; Commissioning & Procurement; Customer Services; Communications; and Central Transport Services.

The Committee's Terms of Reference also empower it to consider other areas including relations with the voluntary sector, equalities and citizen engagement.

WHAT IS EFFECTIVE SCRUTINY?

As defined by the Local Government Act 2000, Scrutiny is the process of non-executive elected representatives holding the executive (or Cabinet) to account. The Centre for Public Scrutiny identifies four “cornerstones of public scrutiny”:

- Led by Independent-minded Governors
- Provides “critical friend” challenge to help the Executive
- Represents the voice and concerns of the citizen
- Leads to improvement in public services.

More recently, Cardiff Council has, with the other 21 Councils in Wales, developed 15 “Characteristics of Effective Scrutiny”¹ which are designed to show whether scrutiny is working well locally, irrespective of an authority’s priorities, challenges, political and organisational cultures and local issues. This Framework’s three Outcomes are: Better Cabinet Decisions; Better Engagement with Stakeholders; and Better Outcomes for the Council, the city and its Citizens.

We hope that you will see through the pages of this Annual Report that the Policy Review and Performance Scrutiny Committee is providing effective scrutiny to support the City of Cardiff Council at this challenging time.

¹ <https://www.cardiff.gov.uk/ENG/Your-Council/Councillors-and-meetings/Scrutiny/Documents/Guidelines%20for%20effective%20Scrutiny%20in%20Wales.pdf>

WORK PROGRAMME OVERVIEW

The Policy Review and Performance Scrutiny Committee held 12 meetings during the 2014/15 municipal year. This included 11 planned Committee meetings and one Call-in meeting. They culminated in 34 letters to the Cabinet and Senior Management Team sharing the Committee's comments, concerns and recommendations, following the scrutiny of items.

In May 2014 the Council's Cabinet introduced a Programme of Organisational Change in response to the Welsh Local Government Association's (WLGA) October 2013 Peer Review report on Cardiff, and in anticipation of a Corporate Assessment of the Council soon to be conducted by the Wales Audit Office (WAO). Noting the recommendations in the WLGA report and the extensive scope of the Organisational Change Programme, the Members decided at their work programming discussions in June and July to prioritise strategic change and improvement as the central platform of the Committee work programme for the year ahead.

This commitment was reinforced when, in September 2014, the WAO Corporate Assessment made a number of recommendations on the Council's governance and corporate performance arrangements, and signalled their intention to re-inspect the Council in the summer of 2015, to test if the organisation had succeeded in delivering the organisational change signalled by the May 2014 Cabinet report.

This report therefore extensively details the scrutiny undertaken during the Committee's scrutiny of the Council's change agenda, plus its performance and budget management work.

Outside these formal Committee meetings, Members have supported an extensive joint scrutiny during the year, with Members of the Environmental Scrutiny Committee, of proposals to develop alternative delivery models for a range of outdoor services grouped together within the Council's Business Infrastructure Project. The Committee also set up a sub committee to consider Community Hub Proposals alongside similar sub committees of other scrutiny committees.

TYPES OF SCRUTINY UNDERTAKEN

Scrutiny activity enables non-Executive Councillors to employ a number of different methods and tools for driving improvement in the Council's services and policies. This section of the Annual Report lists the following different types of scrutiny carried out during the year to achieve the Committee's goals, and the items of scrutiny carried out.

Pre-Decision Scrutiny – Where the Committee has evaluated and commented on policy proposals before they go to the Cabinet. In 2014/15 these included:

- Budget Proposals 2015/16
- Corporate Plan 2015/17
- Draft Property Strategy and Investment Property Review
- Reforming Local Government White Paper
- Voluntary Severance Review.

Policy Development and Review – Where the Committee has contributed to the Council's policy development processes by considering draft policy documents, or considered the implementation and impact of policies, providing the Cabinet with Scrutiny Members' views about whether any changes are required. In 2014/15 these included:

- Communications Strategy and Capital Times Update
- Cardiff Debate
- Improving Scrutiny Project
- Business Infrastructure Project
- Control of Employee Cost.

Monitoring of Programme of Organisational Change – As part of its performance monitoring role, the Committee this year undertook several pieces of scrutiny of the following aspects of the Council's change programme:

- Improved Governance Programme
- Programme Progress Reports

- Organisational Development and Wales Audit Office Corporate Assessment
- Strategic Commissioning and Service Reviews
- Change Challenge Group.

Monitoring Progress – Where the Committee has undertaken monitoring of the Council's performance in implementing actions previously agreed. In 2014/15 this included receiving a Cabinet response to the Committee's April 2013 Inquiry titled '*Public Engagement with Scrutiny*'.

Performance and Financial Monitoring – Where the Committee has undertaken monitoring of the Council's performance in implementing actions previously agreed, and managing corporate finances. In 2014/15 this included:

- Budget Outturn 2013/14
- Directorate Delivery Plans 2014/15
- Quarterly Delivery & Performance Monitoring
- Financial Resilience of Cardiff Council
- Budget Monitoring at Months 4, 6 and 9
- Budget Strategy 2015/16 and the Medium Term.

Performance Inquiries – Where the Committee has undertaken an examination of a topic over a period of time, resulting in a formal report to the Cabinet. In 2014/15 this included Workforce Planning and Agency / Overtime spend.

Joint Scrutiny Work – Where the Committee has joined together with one or more scrutiny committees to examine a topic of a crosscutting nature to enable collective consideration of the issues or preparation for individual scrutiny. This included scrutiny of the Council's Community Hubs Programme, which a sub-Committee of PRAP undertook jointly with similar sub-Committees of three other Scrutiny Committees.

Call-In – Where a Member invokes the Call-in procedure under the Council's constitution, to review a Cabinet decision prior to implementation. In 2014/15 there was one Call-in, of a decision to write-off and restructure a loan to Glamorgan County Cricket Club Loan.

Task and Finish Inquiry

Four Committee Members kindly volunteered to invest a very significant amount of their time through the year in seeking a solution to a thorny and complex policy challenge facing the Council.

Council's Infrastructure Business Model & Alternative Delivery Options (Joint with Environmental Scrutiny Committee)

This inquiry was initiated by Members on 1 September 2014. The aim of the inquiry was to review the range of available alternative delivery models that could be used by the City of Cardiff Council to deliver a range of outdoor front line services. In doing so the inquiry focused on the potential range of services that could be delivered using alternative service delivery models and the range of potential operating models currently being considered by the City of Cardiff Council.

The Inquiry was agreed to be undertaken jointly with Environmental Scrutiny Committee. Councillors Nigel Howells, Garry Hunt and David Walker agreed to represent this Committee as task group Members.

When evaluating alternative delivery option and the potential services to be included in the model, the Inquiry explored a number of key factors including:

- Service delivery, financial, staffing impact and legal impact;
- Deliverability and potential risk;
- Identification of a suitable priority-based selection criteria that could be used to identify the most appropriate operating model for delivery of front line services;

- Strengths and weaknesses of each alternative delivery model. The models considered included: Modified in-house Delivery; Wholly-owned Arms Length Companies; Public-Public Partnerships and joint venture companies; and Private Sector Procurement;
- Lessons learnt from other local authorities on the implementation of alternative delivery models.

A total of 13 services had been nominated within the scope of the Infrastructure Business Model and agreed at the 20 November 2014 Cabinet meeting; they were listed in a report titled 'Infrastructure Services – Alternative Delivery Model'.

A key part of the work of the task group has been to individually review how prepared each of the 13 services are to transfer across to a new Infrastructure Business Model. The first part of this evidence section looked at each of the individual services and provided:

- A brief description of the service, highlighting the statutory requirements;
- A summary of the volume of work involved, financial and budgetary position;
- Comment on any systems and resources issues;
- A description of existing and potential future income opportunities;
- Detailed current benchmarking and performance management of the service.

It also reviewed and summarised by theme the SWOT analysis undertaken for each of the services.

Having received evidence from a large number of witnesses across ten meetings and three visits, the Members made 27 recommendations. The draft report will be presented to Environmental Scrutiny Committee in June 2015, and to this Committee on 7 July, before being sent to the Cabinet. The Alternative Delivery Model Outline Business Case and Cabinet response to the inquiry are due at Cabinet in July 2015.

Pre-Decision Scrutiny

An important aspect of Scrutiny is holding to account the Cabinet for Decisions they are about to make, and quality-assuring the draft reports that will inform these decisions. This section of the Annual Report explains five proposed Cabinet Decisions that the Committee scrutinised this year.

Draft Property Strategy

The Committee has responsibility for scrutinising the Council's operational and non-operational property assets, which is an area of great significance to the Council's financial wellbeing. Operational properties are premises from which the Council delivers its services, and given current pressures the Council is seeking to optimise space in some properties, and gain revenue through selling others. Non-operational properties are premises that the Council owns as investments, and which are often let for commercial return or to promote local employment, small businesses and the economic regeneration of local areas.

Following comments relating to the Council's management of building assets published in the WLGA's October 2013 Peer Review, the Council set out plans for improvement in this area within the Economic Development Directorate's Delivery Plan 2014-15 and the Council's Programme for Organisational Change.

The Committee scrutinised these matters at their meetings on 1 July and 4 November 2014, and 6 January 2015. Members initially felt concerned at a perceived lack of timely progress in addressing WLGA's criticisms. They had expected to see more detail of direction of travel, and noted that several pieces of work were yet to be completed. They recommended that further detail on benchmarking should be included in the Strategy, and more attention paid to Member engagement with asset disposals.

The Leader responded by re-asserting his appreciation of the value provided by Committee, and committing the Cabinet to benchmarking with Core Cities.

As the Municipal Year progressed the Committee was heartened to receive more detailed reports. At the 6 January meeting the Committee considered an early draft of the final Investment Property Review, and fed back to the Council Leader that:

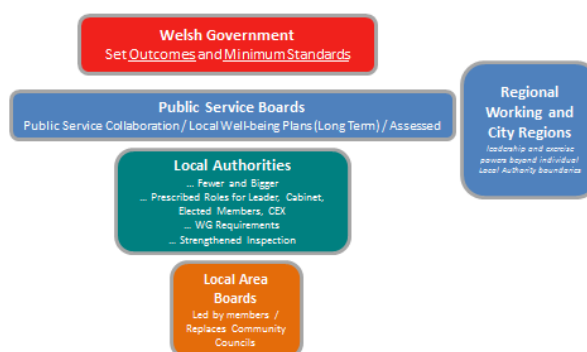
- The Cabinet should consider community and social benefit as well as financial issues in their decisions about the future of the Council’s Investment Portfolio;
- Ward Members should be consulted where disposals are considered;
- Committee disagreed with Cabinet’s recommendation to sell rack rent shops without giving serious thought to their benefit to the community;
- Clear community capacity and sound business cases should be in place when considering asset transfer;
- Members agreed Cabinet’s recommendation that city centre strategic sites should be retained, as well as historical and cultural assets like Central Market.

Members asked to view the final pre-Cabinet draft when it was available. The Cabinet Member agreed the Committee’s request, and Committee is looking forward to scheduling this early in its 2015/16 Work Programme.

Devolution, Democracy and Delivery White Paper Consultations

Committee has responsibility for non-executive overview of Strategic Policy and Partnership, and hence has an interest in matters relating to local government review and democracy in Wales. This year the Committee undertook two linked scrutinies of emerging policy stemming from the

Graphical Representation of Welsh Government Vision & Framework for Local Authorities



Commission on Public Service set up in April 2013 to consider governance and delivery in the Welsh public sector.

Stage 1 – September 2014: Welsh Government published its formal response to the recommendations of the Commission, titled '*Improving Public Services for People in Wales*'.

Through the White Paper, the Welsh Government confirmed its support for the Williams Review proposal that local authorities should be merged. It indicated that its preferred option was for twelve authorities in total, leading to the joining of Cardiff and the Vale of Glamorgan. Aside from the recommendations about local authority mergers, the White Paper also suggested that changes would be made to scrutiny and governance arrangements and the role of audit, inspection and regulation.

At their meeting on the 2 September Members made the following points having considered the White Paper:

- Members recommended that the Cabinet's proposed response was presented to Council for debate and approval prior to its submission to Welsh Government in October 2014.
- Members also requested that the additional Welsh Government guidance was distributed for Members to understand the potential incentives to a voluntary merger with the Vale of Glamorgan.

The Leader agreed to report the matter to Full Council on 26 November. At Council the Leader advised that he and the Chief Executive had met with the Leader and Managing Director of the Vale of Glamorgan Council and other stakeholders. Discussion did not result in any agreement to proceed with an Expression of Interest in voluntary merger, but underlined the commitment of neighbouring authorities to working closely with Cardiff to deliver savings and protect services. The Council was not in a position to submit a joint Expression of Interest in voluntary merger to the Welsh Government by the submission deadline of 28 November 2014.

Stage 2 – March 2015: On 3 February 2015 Welsh Government published a second White Paper, titled *‘Devolution, Democracy and Delivery – Reforming Local Government: Power to Local People’*. It was supported by a detailed consultation survey, and set out proposals to improve the democratic leadership, diversity and governance of local authorities and to improve the performance of councils.

At their meeting on 31 March Committee Members gave initial feedback and made comments on the Cabinet’s draft consultation response, particularly on amendments to Call-ins, Corporate Planning, Review and Improvement and Devolution. Committee Members wrote to the Monitoring Officer, asking for further consultation with Members and for the draft Cabinet report to also be presented to Democratic Services Committee and Constitution Committee.

A letter with recommendations was sent to the Leader on 2 April, and in response Cabinet made amendments to the draft, taking into account some of the comments that had been received from Committees and individual Members.

Corporate Plan 2015/17

Members were pleased to have had the new opportunity to scrutinise an early draft of Cabinet’s Corporate Plan in December 2014. It gave Committee the opportunity to consider the Plan as an overall document, and also the targets and milestones proposed for the Directorates specifically reporting through Committee’s terms of reference. Members asked the Leader to be mindful that the Plan has numerous different audiences, and should be designed to be accessible to them all. They made a number of technical points, as well as the more general one that the Plan should explain how public opinion expressed through the Cardiff Debate had shaped the targets and priorities set out in the Plan.

The Leader wrote back to confirm he had taken all these points into consideration in finalising the Corporate Plan.

The Committee had an additional opportunity to consider the Plan in conjunction with the scrutiny of Budget proposals in February 2015. At their meeting they were keen to test the synergy between the Corporate Plan and Budget Proposals, and to judge how far the Plan had shaped the budget proposals, and how far it had been shaped by them. The scrutiny also reinforced Committee's determination that Cabinet and senior managers should use the full range of tools available through the Council's performance management framework to ensure that managers hit savings and performance targets.

Officers were pleased to accept a Member's suggestion that inclusion of an indication of achievement of 2014/15 targets would be a useful addition to the Plan, and this was factored into the final Plan document.

Cabinet's Budget Proposals 2015-16

The Committee considered the Cabinet's draft Budget and Budget proposals on two occasions this year – firstly an early overview at its 2 December 2014 meeting (soon after Cabinet had released early proposals for consultation), and again at its 10 February 2015 meeting, prior to Cabinet made its final recommendations to Full Council at Council's 26 February meeting.

At the 2 December meeting, Members expressed their pleasure that their previous recommendation that proposals were released for consultation earlier in the cycle had been heeded by Cabinet. Their only concern at this point (to be picked up at the second consideration of the Budget at their February 2015 meeting) was the significant level of savings being sought from areas that had not been successful in achieving previous savings targets. They also asked for a contingency to be included in the draft proposals.

Members' comments were framed in a letter which addressed the Corporate Budget; and the proposals relating to the Economic Development, Corporate Management,

Resources, County Clerk and Communities Directorates. The following is a resume of their observations:

- **Corporate Budget:**

- Members were particularly struck by a section of the 2015/16 Budget report in which the Council's Section 151 Officer comments on the Council's financial picture over the medium term, and in the Chair's letter the Committee expressed its discomfort at having to receive a Budget Report in which the risks to the organisation were so clear.
- Members wished the Cabinet Member success in developing the Partnership for Change with trades unions. They had heard a submission from a GMB representative at the meeting, and forwarded her concerns at the risks to the organisation around day centres, play and youth centres, and the need to keep staff closely informed.
- Members discussed the non-achievement by £7 million of 2014/15 savings targets. In areas of non-statutory provision, they reflected that Cabinet might have provided the transparency of further Cabinet reports once it had become clear that in-year targets would not be achieved.

- **Directorate Proposals:**

- Members were keen to be assured that the reduction to Cardiff Business Council would not impede a greater level of return to the City's economy.
- Committee agreed that the level of support to non-Executive Members had reached a point where further cuts would impede the Council's governance and Member capability. They sought assurance that no further cuts in this area would be taken during the medium term.
- Members echoed comments made by other Scrutiny Committees that there would need to be a quantum shift in the pace of "Stepping Up" arrangements if libraries, youth and play centres were to be successfully

transferred to community management, and offered future support in developing this work.

- The Committee was pleased that proposals for a revised third sector infrastructure support service would not impede the effectively delivery of equality support by Race Equality First and Diverse Cymru.

The Committee's comments on the budget proposals were considered by Cabinet at its meeting on 19 February 2015 and Council on 26 February 2015.

DRAFT

Programme of Organisational Change

Given the significant scope of the proposals developed by the Chief Executive and agreed by Cabinet in May 2014, not to mention the close interest expressed by Wales Audit Office and this Committee in the Programme's success, it was natural that Committee provided ongoing focus on the Programme of Organisational Change.

This section of the Annual Report details the six episodes of Scrutiny relating to the Programme:

- **WAO Corporate Assessment of Cardiff Council** (2 Sept 2014 meeting)
- **Strategic Commissioning & Service Reviews:** (4 Nov 2014 meeting)
- **Change Challenge Group update:** (2 Sept, 4 November and 3 March updates)
- **OD and WAO Corporate Assessment update:** (6 Jan 2015 meeting)
Improved Governance: (3 March 2015 meeting)
- **Programme Progress Report:** (31 March 2015 meeting)

Wales Audit Office Corporate Assessment of Cardiff Council

In 2012 the Auditor General for Wales established a new programme of rolling Corporate Assessments, based on a four-year cycle, to be carried out in addition to the WAO's annual programme of improvement studies. It was confirmed that Cardiff would be one of the first four councils to be subject to a Corporate Assessment, commencing in May 2013. The Assessment would *'provide a position statement of an improvement authority's capacity and capability to deliver continuous improvement. It will, by its nature, examine an authority's track record of performance and outcomes*

as well as examining the key arrangements that are necessary to underpin improvements in services and functions’.

The report was released by the Wales Audit Office on 1 September 2014 and the Corporate Assessment was formally presented to Committee the following day, prior to presentation at Cabinet’s 18 September meeting. At Committee’s meeting Members welcomed WAO’s report, and encouraged the Council Leader to urgently respond to the shortcomings identified in the Assessment report. To play its own part in the process, Committee decided to take update reports on the Programme of Organisational Change on 2 December 2014 and 31 March 2015. It also decided to programme scrutiny of some of the specific Programme Work Streams (including the Improved Governance Programme), and to scrutinise areas such as the Cardiff Debate.

The Leader welcomed this degree of focus in response to the WAO’s recommendations, prior to the Regulator’s proposed return in the summer of 2015 to assess the progress made against the Organisational Development Programme.

Strategic Commissioning & Service Reviews

Members were pleased to note a clear commissioning approach and a shift towards co-production in the Council’s work in this area. Given the increasing request for local communities to “step up” to meet any service deficits resulting from budget reductions, Committee called for a multi-disciplinary team of finance, legal, economic and neighbourhood capacity to be developed, to provide the support that would be necessary to facilitate co-production.

They asked for good practice from Core Cities (including concrete examples) to be identified and modelled for work in Cardiff, and also for the emerging Service Review Methodology developed by the Commissioning and Procurement Team to be owned corporately. To train managers to manage service review the Committee

recommended that the Cardiff manager Programme be opened to all line managers, and not just reserved for officers at Grade 8 and above.

In his letter, Cabinet Member noted the positive response to the strategic commissioning approach and agreed practical examples would be useful. This will be explored and shared with Scrutiny. A new post has been funded in the Communities, Housing and Customer Services Directorate to work with local communities to build capacity to take on service provision.

Change Challenge Group Update

As part of the Programme of Organisational Change, the Cabinet agreed to establish a “Change Challenge Forum” where ‘Members and officers can work with, and be challenged by, a group of advisors who are at the forefront of national and international best practice’. The Forum is chaired by the Leader and includes the Cabinet Member for Corporate Services and Performance, as well as the Chief Executive and Corporate Director Resources. The Chair of the Policy Review and Performance Scrutiny Committee sits on the Forum in an observer role.

The Committee scrutinised the item on 2 September and agreed that the Forum could be a powerful mechanism for encouraging real changes in performance and welcomed the Forum’s initial focus on achieving improvement in Education and Children Services. Members agreed that it would be useful if the Forum examined Health and Social Care in the near future. Committee Members requested that Forum members should attend Committee to brief them on their work and aid their scrutiny of relevant issues (performance and Organisational Development). They requested written updates on the Forum's future work and recommendations, to be reported to other Committees as relevant.

Since the initial scrutiny of the Challenge Forum, Committee Members were provided with updates on 4 November and 3 March. Some Members reiterated their wish for Members to attend Challenge Forum sessions and to receive meeting papers regarding this item, both of which were welcomed and agreed by Chief Executive.

OD and WAO Corporate Assessment Update

At their meeting on 6 January Members welcomed the update given by officers. The Committee was informed that the Programme had reached a certain point in delivering the objectives which were originally set in May last year and that these had been to a great extent front-loaded. The Programme was now being refocused on a smaller number of functions and services in order to drive forward change in the medium term.

The Committee felt that to satisfy the Wales Audit Office, and indeed to satisfy Committee Members that the Council's overall performance was improving, a greater evidence base than was presented at this meeting was needed to address the shortcomings identified by the Corporate Assessment.

Members welcomed the offer of an additional scrutiny session prior to a further report being presented to Cabinet to set out the new direction for the Organisational Development Programme. The meeting took place on 3rd March and it is described further in the report.

Improved Governance Programme

The Cabinet Member for Safety, Democracy and Engagement attended Committee on 3 March 2015 with the County Clerk to detail progress with the Improved Governance Programme. Members were pleased to note how the Modern.Gov software was likely

to make significant efficiency improvements to Committee administration. They expressed concern that the Cabinet Forward Plan on the Council website needed updating. They also urged the County Clerk to consider benchmarking innovative Member development practices followed by other authorities, which included use of web-based training, YouTube and social media.

Programme Progress Report

Following Committee's meeting on 6 January Members had another opportunity to receive more detailed information on ongoing work to deliver the Organisational Development Programme at their Committee Meeting on 31 March.

At the meeting, Members did not feel in a position to comment in detail on the progress report. They commented that the report felt incomplete, in that it did not fully address the financial position and resilience of the Council.

Members requested a further progress report on the Programme that provides clarity about the financial position and resilience of the Council as well as providing an overview of the new approach planned for the ODP to be provided by 5 May. Members were pleased to hear that Chief Executive gave his commitment to ensure that a future progress report would provide clarity about the financial position and resilience of the Council, as well as providing an overview of the new approach planned for the ODP.

The Cabinet Member in his response asked the Corporate Director (Resources) to address directly the financial position and resilience of the Council in her next progress report to the Committee. He also welcomed the opportunity to bring proposals for a refreshed ODP to a future meeting of the Committee in advance of formal consideration by Cabinet, which is expected to be in July 2015.

Performance Monitoring

The importance of Committee's key responsibility for Monitoring of Corporate and Directorate performance has been set in sharp context by comments made about the Council's performance management arrangements in WLGA's Peer Review and WAO's Corporate Assessment of Cardiff documents (mentioned elsewhere in this report), and the incoming Chief's Executive's response of introducing a major new Programme of Organisational Change and refreshed performance management approach.

Committee has contributed to the new approach, which has seen changes this year both to the managerial and political management of performance, and the way performance is monitored by Cabinet, senior officers and scrutiny committees.

While securing improvement is a fundamental principle underpinning all scrutiny and drives all scrutiny activity, the Council's five scrutiny committees formally consider corporate performance reports prepared by the Chief Officer of Change and Improvement. The other four Committees provide expert insight to the areas within their terms of reference, while this committee has a general corporate overview role, assessing the performance of every Council Directorate as well as analysing in detail the Directorates (such as Resources and Democratic Services) that specifically report their performance through PRAP.

The five committees manage the risk of duplication by ensuring a good flow of communication between them. As the Committee whose meetings tend to take place first in the monthly cycle of meetings, PRAP can consider issues about (as examples) education or social care, and can refer issues it has discussed relating to those Directorates for further consideration at the subject committee due to take place in the days following PRAP's meeting. It can also recognise themes that cut across two or

more Directorates (for instance sickness absence, agency spend or target setting) and programme these for further attention via performance “deep dives” as it did in 2014/15 on issues like workforce planning and control of employee cost).

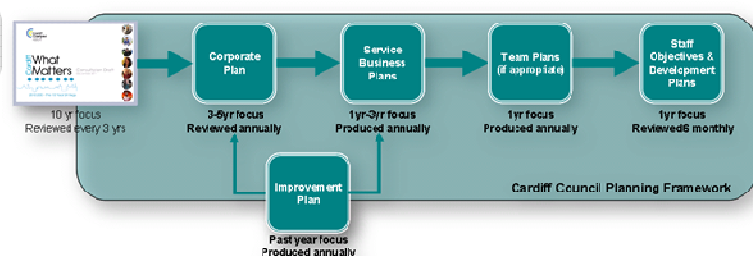
Members recognise that the new approach has potential for further refinement, and received commentary during the year from a Challenge Advisor engaged by the Council to support improvement in performance management arrangements, which will enable them to further improve and optimise performance monitoring arrangements during 2015/16.

The key episodes of performance monitoring are listed below in this section.

Directorate Delivery Plans

At its meetings in June and July 2014, Committee considered an overview of the Directorate Business Planning Process, and detailed scrutiny of the Directorates specifically reporting through this Committee.

The Corporate Plan 2014-17 made clear that the milestones and targets for delivery of corporate priorities (Economic development as the engine for growth and jobs; Education and skills for people of all ages to fulfil their potential and be well prepared for employment in the Cardiff economy and beyond; and Supporting vulnerable adults, children and young people in times of austerity) would be clearly spelt out in the Directorate Delivery Plans.



The accompanying report stated that Directorate Delivery Plans would be developed containing more detailed objectives and outcomes. They would also further integrate financial and service planning. Directorate Delivery Plans should allow Directorate,

team and individual employee objectives to be aligned, supporting the Council's drive to improve.

The Directorate Delivery Plans were consistently structured, each setting out: an overview of the services provided, staff and financial resources and key performance indicators; recent achievements: an Action Plan and Performance Measures, including key management, Corporate Plan and Cardiff Partnership priorities; and priorities for planning for future challenges.

The Committee found some issues common to each of the Delivery Plans it considered, in terms of performance measures and targets. It recommended that the challenge process should be strengthened next year, so that this does not recur. Members recommended a number of amendments, particularly where performance indicator information was not present.

Members of the Committee recommend that in the period of considerable change for the organisation, more effort is made to ensure that Members are kept up to date when officers upon whom they rely for information and support are leaving the Council. The Committee has long underscored the importance of knowledge transfer as staff moves out of the organisation and continue to believe that this is a cause of concern.

Leader and Cabinet Member in their joint letter stated that Committees concerns have been taken into account.

Following scrutiny of the individual Delivery Plans, Members made the following comments:

Corporate Resources Directorate Delivery Plan

Committee Members were interested in participating in a joint Inquiry with the Environmental Committee to consider the Infrastructure project, which looks at alternative delivery methods for Central Transport Services and Facilities

Management among other areas. The Committee noted a number of areas for consideration in the 2014/15 work programme and stated its comments about some targets included in the Delivery Plan.

Committee Members did not require a formal response, however they asked for confirmation that they would be able to have monthly budget updates previously promised and that the Cabinet would engage with Scrutiny at an early point regarding 2015/16 budget proposals.

The Cabinet Member in his letter agreed that a monthly budget monitoring report would be sent on an informal basis monthly from Month 3 onwards. A meeting had been set with the Committee Chairs to discuss budget scrutiny opportunities. The Cabinet also held an additional meeting in November to discuss consultation on early budget decisions, which were scrutinised by this Committee in February.

Economic Development Directorate Delivery Plan

In their letter Committee expressed their interest to receive the Property Paving report and Final Property Strategy, reiterating Members' view that the portfolio should be used to social and community benefit. Members also stated that they would be interested in scheduling a further consideration of the Council's involvement in national and international city networks.

The letter did not require a formal response, however Members were looking forward to the future work in this matter.

Communities Directorate Delivery Plan

Following the item Members' main recommendations were to return to the Customer Relationship Management project in future meeting and to explore the use of Connect to Cardiff data in performance reports.

The letter did not require a formal response.

County Clerk Directorate Delivery Plan

Members were broadly content with the aspirations set out in the Delivery Plan, although there was some discussion during the meeting about the need to ensure that Members and stakeholders were effectively engaged and informed where initiatives are under development. They expressed interest in receiving further examples of evidence in the action plan.

Members found the read across between the performance measures and Directorate action plan sections difficult, and that a review of the structure of the Delivery Plan template would be useful.

The Leader and Cabinet Member in their joint letter stated that the refreshed schedule has evolved accordingly and will accommodate more time for Member and stakeholder engagement. To ensure that Members are briefed on the content of initiatives being progressed a monthly Members' Newsletter has been initiated and scrutiny research team has been commissioned to undertake research that will inform the development of an information support service. In terms of performance measures and targets a new management team structure has recently been established and targets have been since agreed for all 20 key performance indicators.

Quarterly Delivery and Performance Monitoring
--

Quarter 4 2013/14

At their meeting on 3 June 2014 the Committee made comments on topics including Connect to Cardiff data, Personal Performance & Development Review (PPDR) completion and scheduling, and challenge of in-year Directorate overspends. They asked for the opportunity to consider the report aimed at members of the public once it was developed, and indicated their willingness to undertake detailed “deep dive” inquiry work into various aspects of performance in the coming year.

The Cabinet Member’s response welcomed the Committee's proposal to undertake performance deep dives. The letter stated that more use would be made of digital channels to engage with the public and that a more customer-friendly summarised report was under development. The letter also stated that the Chief Executive's work around PPDRs had already started to raise compliance rates.

Quarter 1 2014/15

At their meeting on 2 September 2014 Members were pleased to see that Personal Performance and Development Review and Sickness performance had improved. They agreed to set up a Performance Panel to look at performance issues in more depth, and chose workforce planning as the first issue for consideration. As part of this the Committee would look at overtime/agency spend, as it did not feel that the information contained in the performance report was sufficient to judge how these were being used and how this linked to, for example, budget savings.

Committee asked to attend Cabinet/director performance challenge sessions to assure themselves that challenge was sufficiently robust. They requested greater visibility of both additional in-year savings (where these are put in place outside the February budget-setting process), and of use of budget contingencies.

The Cabinet Member responded by welcoming the Committee's comments. Officers are reviewing how overtime and agency spend is presented and the Cabinet Member would be happy to discuss this further.

Quarter 2 2014/15

At their meeting on 4 November the Committee noted positive progress made, albeit that the budget position remains of concern. Members however noticed a gap in risk information. Committee Members requested confirmation of the quality checks of PPDRs and an update on progress in producing a 'public facing' version of the report, which was flagged up during consideration of the 2013/14 outturn. During the meeting Members recommended to reinstate overtime and agency spend data.

The Cabinet Member has asked for the information requested to be brought to Committee once available.

Quarter 3 2014/15

At their meeting on 3 March the Committee requested Challenge Forum papers, including confidential papers where Members would be bound by the Council's Code of Conduct and Constitution. They asked to receive the action plan for one of the Star Chamber actions detailed in the cover report, so that Members can see how this action is being addressed. Members also requested an update on the level of staff resources available to Cardiff Business Council once discussions have concluded and there is an agreed way forward.

The Cabinet Member responded positively to the letter and agreed to share information regarding the Challenge Forum meeting and Star Chamber action. The letter also commented on the OM1 post being deleted in Economic Development, stating that a restructure of the new service area was needed to create extra management capacity to support Cardiff Business Council.

Quarter 4 2014/15

At their meeting on 12 May the Committee sought clarification of arrangements around the cost implications and selection process put in place for the appointment of the advisor to the Education Service. They wished to have sight of the recommendations such specialist advisors present to the Council.

The Committee confirmed that it would be factoring the concerns, recommendations and requests of the four other scrutiny committees into its future consideration of Performance.

The letter was sent on 27 May to the Leader and is currently awaiting his response.

DRAFT

Policy Development and Review

Non-Executive Councillors can add significantly to the wellbeing of citizens and the success of the organisation by providing constructive, non-partisan inquiry to areas of the Council's work that are at a crossroads, or where a number of potential solutions could be explored. This section describes some of the policy development and review work undertaken by PRAP Members this year.

Communications Strategy & Capital Times Update

The Communications Team and County Clerk and Monitoring Officer had worked to bring to Committee in September 2014 an early draft Communications Strategy to consult upon with the Committee. It was planned that this would be informally approved by the Cabinet at a later date, taking into account the Committee's feedback and further development work.

Members noted that underneath the Council's four priorities and Values, the Strategy established its objectives as:

- To improve the image of the Council;
- To demonstrate that we are a listening and engaging Council;
- To ensure the Council's achievements are recognised and celebrated
- Increasing the number of residents who think the Council is doing a good job;



- To increase the percentage of residents who think the Council keeps them well informed;
- To increase the number of staff who feel informed and engaged with the changes happening across the Council and delivers to the highest standards;
- To ensure the communities we serve are aware the way services are delivered has to change;
- To deliver a consistent high quality brand across all Council directorates;
- To work with our partners both public and private to deliver for the city of Cardiff.

Members recognised the efforts which have been taken to respond to WLGA Peer Review and the APSE Review, in more clearly setting out the Council's vision and in communicating with citizens through the Cardiff Debate. Members also recommended that more thought was given to using social media in an appealing way.

The Committee felt that there was more work to do to engage employees effectively, and believed that communication with Members needs to be considerably improved. The Members' Newsletter and Diary were not felt to inform Members about significant issues in a way that enables them to engage with communities meaningfully.

In considering the *Capital Times*, Members were concerned whether the six editions that were only to be published online this year would have as strong an impact as the six distributed physically door to door. They felt that the paper still had more potential to communicate with citizens difficult and useful messages about the Council's financial challenges, and should always be politically impartial.

The Leader responded positively to the Committee letter on the Communications Strategy & Capital Times Update, providing all requested information and reflecting on all the Committee's comments, concerns and recommendations. Cabinet agreed that there is scope to improve member communication and there are plans to increase the content of The Members Newsletter.

The Cardiff Debate



Committee's remit includes consideration of the Council's citizen engagement and consultation. As part of the Organisational Development programme which was agreed by the Cabinet on 15 May 2014, the Council established the 'Cardiff Debate' on local public service delivery under the Improved Governance programme. It is a "three year programme of engagement and collaboration between public, private and third sector organisations and, most importantly, citizens and communities in Cardiff".

The Debate is intended to give all citizens a chance to contribute, not just "the usual suspects". It is aimed at providing an inclusive platform for considering different delivery models and to stimulate debate about local solutions for Cardiff. The Cabinet report stated that the results of the events would be used to inform the Council's Budget Strategy and provide co-produced options for the future of service delivery.

Following their meeting on 4 November Members thanked officers for the huge amount of effort invested in the outreach events, and felt that the Cardiff Debate represented a step forward in the Council's engagement with citizens. They requested that more thought be given to feeding back to citizens what impact their views had had on emerging decisions. The Committee was not convinced that the "Prioritisation of Services" exercise gave a rounded understanding of the actual services the Council delivers, and that results could be affected by very recent media coverage and emerging issues.

The Leader's response indicated that Committee's comments would shape the next wave of consultation on the Budget proposals being released in November 2014. It caveated that it was hard for citizens to understand the huge range and grouping of Council services, but that the next wave would give citizens an

opportunity to identify budget priorities in the current challenging circumstances.

On 2 December 2014 Committee wrote to the Cabinet Member for Finance and Corporate Performance, having considered the early budget proposals. Having heard that the recent Cardiff Debate budget consultation events had not been widely attended by members of the public, they asked if all efforts could be made to encourage people to attend, for people who would prefer not to fill in a questionnaire online to be supported to do so in hard copy, and for the resulting data to be statistically robust, in line with similar surveys conducted elsewhere in the UK.

On considering the final Budget Consultation Report at their 10 February 2015 meeting, Members complimented officers on achieving a solid level of questionnaire completion, but could not be sure that the Debate represented a robust or representative reflection of the views of the people of Cardiff. They reflected again on the challenges of securing attendance at the budget consultation events. Given the length and complexity of the questionnaire, they were in particular keen for those people for whom language might be a barrier to be provided with some facilitation to help them provide their views.

Voluntary Severance Review

The ability of the Council to meet the costs of voluntary severance has consistently been raised as a risk to the Council as it reshapes itself in line with available resources in times of continuing financial austerity. As part of the 2014/15 Budget, the Council agreed to implement a Workforce Agreement for this financial year, which included a reduction of the working week from 37 to 36 hours, among other changes to employee costs. As part of this agreement it was decided to hold to the terms of the Council's current Voluntary Severance Scheme until 31 March 2015, but that a review of the Scheme should be undertaken.

At their meeting on 6 January 2015 Members agreed that the Council should amend the Scheme to place a minimum 12 month restriction on employees leaving with a severance package subsequently returning to work with for Council. They declined to make recommendations on a preferred multiplier of numbers of weeks' service and weekly pay to determine redundancy payment levels, recognising that these should be set to optimise and balance affordability and attractiveness. A response from the Cabinet Member is currently awaited.

Control of Employee Costs

In anticipation of receiving detailed proposals for the control of employee costs as part of the City of Cardiff Cabinet's budget proposals for 2015/16, this item on Committee's January 2015 agenda enabled the Committee to understand how local authorities in Wales and in England are addressing this significant area of local authority spend.

As part of its Budget Strategy for 2015/16, agreed on 17 July 2014, the Cabinet agreed that in order to help meet the Council's Budget Reduction Requirement for 2015/16, £5.75 million would be sought from a review of employee terms and conditions, to be considered against a portfolio of options. The Strategy stated that this would include a further review of the voluntary severance scheme.

The Scrutiny Research Team had undertaken benchmarking of practices in English core cities, and the results of the research were presented to Committee and commended to Cabinet. A Welsh Local Government Association Advisor also attended the January 2015 Committee to provide similar insight on practices followed by other Welsh local authorities. Members were therefore equipped with knowledge to debate what were considered to be appropriate priorities for Cardiff, and provided with comparative information to enable informed detailed scrutiny of budget proposals in February 2015.

At their meeting on 6 January Members were reassured that Cardiff has already implemented many of the recommended practices highlighted by the research, such as acting to cut down sickness levels, reducing discretionary expenditure on travel and moving to control agency spend and vacancies.

Improving Scrutiny Project

As detailed below, the Council this year developed an Improving Scrutiny Project. It forms part of the Programme of Organisational Change introduced by Cabinet in May 2014 to meet the challenges set out in the Welsh Local Government Association's 23 September 2013 Peer Review report on this Council. One of the five programmes of change within the overall Programme is "Improved Governance", and within this Programme is a Project described as "*Strengthen the Scrutiny Function*".

At its meeting on 31 March 2015 the Committee considered the Project progress and agreed its future methodology. They agreed with the County Clerk that what was needed was "*evolution, not revolution*". They asked for further information on the Swansea Model of Scrutiny and those followed by other Core Cities, and more generally for examples of good practice in other parts of the UK that could be replicated in Cardiff.

Financial and Budget Monitoring

The Council's current financial challenges are clearly well documented. The Council has a significant savings target over the medium term, and this Committee has a particular role in providing scrutiny of the organisation's success in achieving this target, plus in ensuring its overall financial health.

At the start of the Municipal Year in September 2014 the Committee considered the recently agreed Cabinet Budget Strategy for 2015/16 and the Medium Term, and made the following observations.

- It was noted that the Council is currently projecting an overspend of approximately £1 million compared with the 2014/15 budget. Directorate overspends are currently projected to total £7.1 million. Management action was forecast to reduce this significantly by the end of the financial year.
- Members were advised that the WAO Corporate Assessment considered at the meeting on 2 September 2014 concluded that *'there was a high risk that savings targets for 2014/15 would not be achieved and longer-term savings requirements are unlikely to be met if current methods of service delivery are sustained'*.

During the year, several monitoring reports were provided to Committee, including the Outturn for 2013/14 and month six 2014/15, with reports for information only provided at months four and nine.

- **Outturn for 2013/14:** On 1 July 2014 Members commented on significant overspends and under-achievement of savings targets within an overall balanced budget, and requested that all in-year proposals to achieve additional savings or make up predicted shortfalls should come to pre-decision scrutiny.

- **Month Six 2014/15:** On 2 December 2014 Members remained concerned at the Council's monitoring position, with many Directorates showing variance with planned for savings targets such as the target to find an alternative management operator for St David's Hall. They reiterated a request for scrutiny of alternative methods for achieving savings.

As explained above, when Committee considered Cabinet's draft Budget Proposals in February 2015, they were concerned at Council's Section 151 Officer comments on the Council's financial picture over the medium term. Having considered a further report on the Programme of Organisational Change at their 31 March 2015 meeting, Members reiterated their concerns at the organisation's financial resilience, and requested that the Section 151 Officer bring a report to the next Committee meeting to spell out how the organisation was planning to manage its existential risks in the context of the huge financial challenge facing the Council.

This report was presented to Committee's final scheduled Committee meeting of the Municipal Year on 12 May 2015, and will provide important evidence to help Committee support the organisation's achievement of savings and income targets for 2015/16. Committee has previously received the Budget Strategy report in September, after Cabinet has considered and agreed the Strategy. During 2015/16 Committee will undertake pre-Decision scrutiny of the Strategy, strengthening the Committee's overview of the Council's financial position.

During the year the Cabinet Member for Finance and Corporate Performance had engaged the Scrutiny Chairs in a conversation about enhancing the existing programme of Budget Scrutiny by introducing a Budget Scrutiny panel, which might meet over the year to provide non-Executive overview and policy support for the Council's medium term financial options. This conversation will be taken into the 2015/16 Municipal Year, with a view to developing a useful and effective additional layer of financial scrutiny to support the Council's difficult financial situation.

Call-in of Cabinet Decisions

Non-Executive Councillors have the power to protect the Council by occasionally exploring a recent Decision taken by Cabinet or a senior officer where concerns have been expressed about the Decision. There are robust procedures to regulate this process, and “Call-in” has only been agreed seven times since May 2012. This section details a call-in referred to Committee during 2014/15.

**CAB/14/015: Glamorgan County Cricket Club
Loan Write-Off and Restructuring**



On 19 March 2015 the Cabinet received a report requesting a decision ‘to consider a proposal from Glamorgan County Cricket Club for a write off and restructuring of sums

due to the Council in respect of loans provided to improve the Club's ground infrastructure and to meet standards required for the staging of test matches.'

Cabinet Decision CAB/14/105, made on 19 March 2015 and published on the same date with a proposed implementation date of 23 March 2015, resolved:

- *In line with the other main creditors, write-off circa 70% of the value of sums outstanding on loans made to Glamorgan County Cricket Club.*
- *Agree the heads of terms and revised terms for repayment of amounts outstanding, whilst acknowledging that there can be no absolute guarantee that income generated by the Club will enable it to repay the proposed restructured loan.*
- *Delegate authority to the Corporate Director Resources to complete revised contractual terms with the club in consultation with the County Solicitor and the Cabinet Member for Corporate Services and Performance.*

A Member of the Committee requested that the above decision be called in for Scrutiny Committee consideration. The reasons given for the Call In were:

- a. The apparent failure to consider other options to secure the council-taxpayers interest;
- b. The apparent willingness to collaborate in the release of a bank guarantee and the repayment of loan capital to a lower ranking creditor to the apparent detriment of council-taxpayers;
- c. The apparent failure to secure changes in the organisation's management to secure improvements in the Club's financial performance;
- d. The on-going financial performance of the Club and its apparent inability to pay its debts when they fall due;
- e. The apparent failure to secure appropriate benefits in kind to mitigate the loss to the council taxpayer;
- f. The risk to the council's reputation resulting from the decision to enter into the proposed agreement.

The Call-in request was approved, and a special meeting arranged on 1 May 2015 to consider the grounds for the call-in. The Cabinet Member for Finance and Corporate Performance was joined by a range of Council officers, the Chief Executive and Board Members from the Cricket Club, and the Club's bank, Allied Irish Bank. The potential benefits and risks of the Cabinet's Decision were given detailed consideration, whether there might have been a better alternative to the Decision that was taken, and whether additional steps could have been taken to improve outcomes.

On reflection, the Members of the Committee agreed not to refer the Decision back to the Cabinet for re-consideration, so the Cabinet's 19 March Decision has been upheld and will now be implemented.

DRAFT

Monitoring of Cabinet Responses

When a Scrutiny Committee publishes an Inquiry Report, it will contain recommendations for Cabinet to consider. Cabinet provides a response, generally including an action plan to show how those recommendations which have been agreed will be implemented.

Cabinet Response to Committee's April 2013 'Public Engagement with Scrutiny' Inquiry report

During 2013 the Committee undertook a task and finish inquiry to consider public engagement with Scrutiny in the light of the Local Government Measure (Wales) 2011 and its accompanying Guidance, as part of its 2012/13 work programme.

The terms of reference for the inquiry were to enable Public Engagement through the different functions and processes of Scrutiny to identify: the requirements of Public Engagement under statutory requirements such as the Local Government Measure 2011, best practice across the UK, and what can be adopted and adapted in Cardiff and how it can be resourced. The Committee commissioned the Scrutiny Research Team to prepare a comparative and best practice analysis of public engagement in UK local authorities.

The April 2013 report was presented to Cabinet in June 2013 and Constitution Committee in January 2014, making four recommendations to Cabinet and two to Constitution Committee. At Committee's 30 September 2014 meeting Councillor Daniel De'Ath presented the combined response of both Cabinet and Constitution Committee, accepting three of the recommendations to Cabinet, and partially accepting the other. Constitution Committee accepted one of the recommendations, and requested a further report on the other.

The Scrutiny Team has itself worked to implement many of the 12 operational recommendations made during the Inquiry, with resulting improvements like the Scrutiny Forward Plan and improved website information through Modern.Gov. Cardiff was shortlisted in the 2014 Centre for Public Scrutiny's "Good Scrutiny" Awards for the involvement of local young people in scrutiny work. It is hoped that public questions to Scrutiny Committees and webcasting of Committee meetings will both be piloted in 2015.

DRAFT

OBSERVATION OF COMMITTEE BY EXTERNAL GUESTS

During 2014/15 various requests were received for external groups to attend Committee meetings, as detailed below.

Wales Audit Office

As part of WAO's Corporate Assessment of Cardiff, the regulator met the Committee Chair in March 2014 to explore his views on the Council's governance and performance arrangements. WAO also attended Committee at that time to observe and form judgements on these matters, as part of the evidence base that led to their September 2014 Corporate Assessment report.

Performance Challenge Advisor

The Council has benefitted from advice this year from Rod Alcott, a former auditor who has advised and informed the Council's refreshed performance management approach. As part of this work, Rod observed meetings of the this Committee, and met Members in March 2015 to provide insight and feedback to support the Committee's future performance monitoring work.

Jordanian Parliamentary Delegation



On 12 May 2015 the Chair of the Kingdom of Jordan's Legal and Administration Committee visited Cardiff with 15 Members of the Jordanian Parliament and the country's Director of Legal Administration. The country

is reviewing the governance relationship between national, regional and local government, and the delegation was interested to learn how UK Parliament worked with the National Assembly of Wales and the City of Cardiff Council. The group was welcomed to attend the Committee meeting taking place that day, and during the visit met the Council Leader, as well as receiving presentations on Cardiff and its governance from County Clerk Marie Rosenthal, Operational Manager for Scrutiny Paul Keeping and Economic Policy Manager Jonathan Day.

Caerphilly County Borough Council Scrutiny Members

Scrutiny Members from Caerphilly observed a Committee meeting as part of a development and change programme the authority was undertaking.

SCRUTINY DEVELOPMENT WORK

This section describes two pieces of work the Committee has shaped which will improve scrutiny outcomes in Cardiff and more widely across Wales.

“Scrutiny in a Changing Landscape”: Improving Scrutiny Project

Cardiff is proud of its scrutiny arrangements, and has gained and sustained a UK-wide reputation, regularly netting awards for scrutiny projects. The structures initially set up in 1999 have stood the test of time, and have not significantly changed during the past decade and a half.

During that time, however, the Council has changed, and is likely to change even more in coming years. A growing complexity of partnerships and collaborations, alternative models of service delivery and financial challenges will require fresh thinking for the Council to thrive, and scrutiny Members need to be at the front of this curve of innovation and development.

The Committee Chair worked with the other four Scrutiny Committee Chairs during the summer of 2014 to submit a bid to the Centre for Public Scrutiny (CfPS)’s “Scrutiny Development Areas” research programme. Bids were invited to explore scrutiny’s role in organisational transformation, and the objectives of Cardiff’s proposal (accepted as one of nine projects across the UK by the CfPS) were to:

- Develop recommended options for future Scrutiny arrangements in Cardiff, to be able to manage the scrutiny of the Council’s transformation in coming years. These proposals would be consulted upon politically and organisationally, and proposals would be taken forward for inclusion in the Council’s 2016/17 Budget proposals.

- Address recommendations in the Local Government Measure (Wales) 2011, and subsequent recommendations in the Williams Review, to consider opportunities for improvement to current collaborative scrutiny arrangements with partner organisations.
- Take forward the learning from Cardiff's participation in the 2013 Wales Audit Office *Improving Scrutiny Study*, especially by using the 15 characteristics in the newly developed "Framework for Effective Scrutiny in Wales" as a mechanism for self-evaluation of the quality of scrutiny in Cardiff, and the planning of future Scrutiny Work Programmes.

The Committee Chair worked with the other four Chairs to spearhead this Project within the Council since November 2014. The Project will culminate in 2015 with a Member workshop, a workshop with Cabinet Members, and the publication of a task and finish Inquiry report in September 2015.

Scrutiny and Regulation – Wales-wide Research Project

In June 2014 the Scrutiny Team bid to Welsh Government's Scrutiny Development Fund to manage a Wales-wide research project to develop credible areas for joint working between internal local government scrutiny functions and external Auditors, Inspectors and Regulators (AIRs). The Chair of this Committee was involved in shaping the proposal.

The bid was designed to shape Welsh Government policy in this area, and optimise the resources of scrutiny councillors and the three AIRs bodies (Wales Audit Office, Estyn and the Care and Social Services Inspectorate for Wales).

This involved working closely with the AIRs bodies and Wales 22 local authority scrutiny teams, and publishing a report that detailed four credible "interface areas" that were tested at the "*Many Hands...*" conference in Llandrindod Wells on 27 March, which brought together over 150 senior managers and Councillors to broadly agree how scrutiny and AIRs could best work together.

The work reinforced Cardiff Scrutiny Team's reputation as a professional unit that could be trusted to deliver nationally significant work. It netted over £35,000 of income for the Council, built in-house expertise and developed the relationship between Cardiff, and senior managers in Welsh Government and the three AIRs bodies.

During 2015 the Scrutiny Research Team will publish the Conference Report, which will feed into a further Welsh Government consultation later this year.

DRAFT

WORK PROGRAMME OPPORTUNITIES FOR 2015/16

The Committee receives regular work programme updates at which Members have the opportunity to consider items received from members of the public, young people, organisations, Council Members and other Scrutiny Committees, for inclusion on the work programme. Committee Members can also suggest any new issues which may be of interest to the Committee.

The Committee will plan its 2015/16 Work Programming in June and July 2015. These are some of the issues stemming from this year's activity that might be considered for scrutiny in the year ahead

- **WAO Corporate Assessment and OD Programme** – WAO has promised to re-inspect Cardiff during the second half of 2015, and there will inevitably be a need to ensure that the Council's progress in implementing its Programme of Organisational Change will satisfy the Regulator.
- **Scrutiny in a Changing Landscape** - the piece of work detailed above is due to be presented to Cabinet in September 2015 via a joint task and finish Inquiry report, steered by this Committee.
- **Partnership Scrutiny** – The What Matters Strategy is due to Committee for a refresh, and this could provide an opportunity to re-examine roles and responsibilities for scrutiny of partnership governance in Cardiff.
- **Work with Internal Audit** - feedback from the WAO Corporate Assessment has suggested that greater co-ordination could be in place between this Committee and the Council's Audit Committee.

City and County of Cardiff Council Scrutiny Services,
Room 263, Cardiff County Hall, Atlantic Wharf, Cardiff CF10 4UW.

Tel: 029 2087 2953. Email: scrutinyviewpoints@cardiff.gov.uk.

www.cardiff.gov.uk/scrutiny

© 2015 City and County of Cardiff Council