

POLICY REVIEW & PERFORMANCE SCRUTINY

14 FEBRUARY 2012

Present: Councillor Dianne Rees (Chairperson);
Councillors, Carter Chaundy, Hyde,
Brian Jones, Montemaggi and Walker

Apologies: Councillors Burley and Goodway

41: MINUTES

The minutes of the Policy Review & Performance Scrutiny Committees held on 23 November 2011 and 18 January 2012 were approved as a correct record and signed by the Chairperson.

42: DECLARATIONS OF INTEREST

The Chairperson reminded Members of their responsibility under Part III of the Members' Code of Conduct to declare any interest in general terms and complete personal interest forms at the start of the meeting and then, prior to the commencement of the discussion of the item in question, specify whether it is a personal or prejudicial interest. If the interest is prejudicial, Members would be asked to leave the meeting and if the interest is personal, Members would be invited to stay, speak and vote.

43: CORPORATE PLAN 2012-2015

The Chairperson advised Members of their responsibility for scrutinising the strategic planning of the Council. The Corporate Plan is the key statement of the Council's priorities and to assist Members in consideration of the plan the Chairperson welcomed the Leader, Councillor Rodney Berman; the Executive Member Finance & Service Delivery, Mark Stephens; the Chief Executive, Jon House; and the Chief Corporate Services and Section 151 Officer, Christine Salter.

The Leader made a brief statement in which he noted that the Corporate Plan followed a format used on previous years but with increased alignment to the budget, with specific issues relating to budget allocations. He stated that the Corporate Plan outlined the seven key

themes from the What Matters Strategy and the eighth from Transformation.

Mike Davies provided Committee with a brief overview of the Corporate Plan, stating that it is a refreshed version of the 2011/2014 plan and outlining the following points:

- The Corporate Plan indicates the priority activities being taken forward, and how challenges are met in the long term,
- How Priorities and Activities are delivered over the life of the plan,
- Streamlined activities, grouped similar themes, emerging objectives are all included in the plan,
- The basket of measures has been refreshed and the targets updated as appropriate.

The Chairperson thanked Mike Davies for his presentation and invited comments and questions from Members including;

Members raised concerns over the increasing levels of homelessness and asked what strategies were in place to help or prevent this getting worse. It was explained that there were a number of areas that would be addressing this issue, including a review of citizen's advice and the use of citizen hubs. It was further explained that there were earmarked reserves for homelessness pressures, and a commitment to increasing the provision of affordable homes being funded by being on target to achieve the WHQS by the end of the year.

Members discussed the lack of skills locally and sought information on the progress of the Cardiff Commitment. It was explained that there was revised engagement with stakeholders, with an aim to a combined approach that looks at best practice. It was further explained that work was being done to identify those families that were most likely to become NEET; to have strategies in place to help these, such as volunteers from company's and the Council helping with pupils reading in schools, role modelling and encouraging Careers Wales to use the Citizens Hubs.

Members noted the disparity in health outcomes throughout Cardiff and sought clarification on any flexibility in the planning process to limit or help with healthy living. It was noted that as part of the LDP, any growth in housing has to be sustainable, have transport links etc, and that the

inclusion of bike racks/sheds on new housing developments would encourage bike use.

Members were concerned that the targets for Key Stage 2 and 4 were not included in the success indicators for schools and considered that these should be included. It was explained that targets relating to these key stages were agreed with secondary head teachers as part of the Cardiff Ambition, which was a separate agreement but still aligned to the Corporate Plan, and was a longer term agreement. Members considered it would still be a valid target and that it should be included in the plan.

Members considered it would be useful to be able to see the previous year's outturn when looking at performance targets, as it educates the reader as to how valid the projections are based on the previous years performance. It was noted that the information is available in quarterly performance reports but not in the Corporate Plan.

Members discussed the number of days (280) taken to deliver the Disabled Facilities Grants. It was explained that this is an average number of days from the very start of the application process right through to any installation/modifications being made to a home.

Members discussed the value of 'perception measures'. It was noted that people's perception changes over time but can also be based on their very recent experiences. It was explained that perception information was used over a longer period of time to determine how people's perceptions have changed and it was important that a robust enough sample size was used.

The strong emphasis on Partnership working was noted and Members queried whether this was realistic in the current economic climate. It was explained that through the Integrated Partnership Board, partnership arrangements would hopefully have a better 'buy-in'. The Council will also be monitoring whether partner organisations are taking their outcomes and objectives forward to their Corporate Plans.

The Chairperson thanked Executive Members and Officers for answering Committees questions.

RESOLVED: The Committee AGREED that the Chairperson on behalf of the Committee write to Councillor Rodney Berman, Leader thanking him and his Officers for the update and detailing the comments of the Committee as set out below:

Corporate Plan 2012/14

- The Committee felt that the Corporate Plan has had a notable re-vamp and wished to commend officers on its readability. They felt there was evidence to demonstrate progress and cited the indicator for the percentage of staff having a Performance Development Review. They applauded the target of 100% and recalled that in recent years scrutiny of this indicator has revealed a significantly lower outturn.
- Members felt that for the *People in Cardiff achieve their full potential* outcome within the Corporate Plan there was a notable absence of new performance measures. Whilst they recognised that the schools service have traditionally had a strong basket of performance indicators Members felt there was an opportunity to develop them further. For example Members noted that page 10 of the Plan includes targets for 2015 that *'no school will have fewer than 50% of pupils achieving the level 2 threshold'* and also that *'standards at key stage 4 will continue to be raised'*. They suggested that both these priorities are formalised as targets within the Success indicators table on page 9. They welcomed the observation that an opportunity exists to re-visit the absence of a key stage 4 target.
- The Committee wanted to encourage the inclusion of targets as well as outturns for 2010/11 in this Corporate Plan, to facilitate a better understanding of the level of challenge created by future targets set out in the Plan.
- Members felt it was important that responsibility for the Corporate Plan priorities is clearly attributed within the action planning documents that will sit underneath this Corporate Plan and will monitor this through service area business plans.
- Some Members had concerns about the time taken to deliver a Disabled Facilities Grant.
- The Committee expressed some concern that, as a high level strategic document, it was vital in the current economic climate that the Corporate Plan supported skills development, stressed the prevention of homelessness and helped citizens in managing debt.

- Members also had concerns that so much of the Corporate Plan depended on a successful partnership approach. Members recognised that the Plan very much supported the aspirations of the overarching What Matters strategic plan produced by the Integrated Partnership Board. They applauded the Council for the excellent work underway with its partners and its recognition by Welsh Government as a pioneer of partnership working. The Committee noted the concern that the commitment of partners in signing up to the agreed partnership outcomes will need to be monitored, and felt this was an area in which Scrutiny could assist.
- Members had some concerns about the weight given to the new perception measures on page 5 of the Plan. They felt that citizen responses could very much depend on their experiences of the previous day rather than a balanced experience over time and urged caution in the use of *perception* measures.

44: SCRUTINY OF THE 2012/2013 BUDGET PROPOSALS

The Chairperson noted that all scrutiny Members were invited to participate in a budget briefing by Christine Salter, Chief Corporate Services and Section 151 Officer, to gain an understanding of the context in which the 2012/13 budget is delivered. Those who were unable to attend either of the two sessions, had been circulated a copy of the scrutiny budget briefing presentation.

The Committee has an opportunity to examine in detail the budget proposals for the three budget areas that fall within its Terms of Reference; those are Corporate Management; Corporate Services and Shared Services.

The Chairperson reminded Members that at the meeting in January the Committee heard that details of the long term costs associated with transformation would be included in the proposed budget papers for 2012/13.

Transformation

The Committee received a presentation on the Transformation Portfolio 5 Year Financial Forecast detailing the revenue summary of savings and costs by year from the 2010/2011 base budget and the in year additive gross savings by programme from 2011/2012 to 2015/2016.

The Chairperson thanked David Trussler for his presentation and invited comments and questions from Members including;

Members noted that the Committee had been scrutinising Transformation for a number of years and that the original forecasted savings in 2010/11 of £3.5m had not been achieved. Members queried whether the projected savings were in fact realistic. It was explained that the figure for 2011/12 was forecasted with a high degree of confidence, and it was on target to be achieved. It was further explained that it takes time for savings to come through and investment is needed initially.

Members further queried the decrease in 'In year costs' and sought clarification on this point. It was explained that an internal model was used to determine when the bulk of change occurs and can forecast when less people and investment are needed at the end of a project period.

The Chairperson thanked David Trussler for answering Members questions.

Corporate Management

Members queried the implications of reducing the Corporate Initiatives budget. It was explained that many events such as the Speedway and Mardi Gras, have been repositioned into service area budgets to enable more flexibility, and that the events would still go ahead. It was further explained that the Corporate Initiatives budget was to be used for events that were not ongoing, when events became ongoing it was more relevant to move them to Service Areas.

Members discussed cutting Management costs (line 103) and considered whether the Authority was becoming too lean. It was explained that the aim was to reduce overheads such as office space for managers. It was further explained that cutting overheads in these area would mean less cuts to make at frontline services. Members discussed whether management support staff such as PA's could be shared and therefore savings made. It was noted that with plans for open plan offices there would be shared duties and a better response rate from support staff.

Members queried whether there were options available to the Council to be able to borrow at better rates possibly in the private sector. It was explained that the Council participates in a Local Government Association working group looking at this issue and research indicates that reduced rates on new borrowing wouldn't be achieved unless local

authorities went out collectively to borrow. More work would be done on this issue and the risks would have to be balanced out.

Members queried whether there were any ways in which the Police portion of the Council Tax bill could be reduced, possibly through Local Service Boards. It was explained that the Police Precept was set by the Police Authority, but that scope for joint working and sharing of back office costs should be explored.

The Chairperson thanked the Leader and Chief Executive for answering Members questions.

Corporate Services

The Committee received a presentation in which Officers outlined the links to the Corporate Plan, Corporate Services financial pressures for 2012/2013, Corporate Services savings for 2012/2013, Significant Challenges, Scrutiny Performance & Improvement Service Issues and Challenges, and Legal and Democratic Services Significant Issues/Risks for 2012/2013.

The Chairperson thanked Officers for their presentation and invited comments and questions from Members including;

Members queried whether there were opportunities for the Council to be involved in seeking local agreements to negotiate energy prices. It was explained that the Government had changed the tariff system to make domestic generation attractive. Longer term options such as renewable energy would have to be considered.

Members discussed the implementation of the Local Government Measure and the fact that the bid for additional Scrutiny Resources had not been accepted, and queried whether the same level of service could still be delivered. Officers explained that Cardiff Scrutiny Services was well resourced and that no cuts were being made to the service. A watching brief would have to be kept on Resources and Members' availability and if the service became unsustainable then further bids would have to be made next year. It was further explained that there was a reserve set aside for Members training.

Members discussed the extra pressures on the legal team with the challenges being brought forward with the Commissioning and Procurement projects that were ongoing. It was noted that there would

have to be a balance of in house expertise and external resources requirements. With increased pressures in the coming three to four years on procurement issues particularly, if more resources were needed they would have to be put in place to minimise risk to the Authority.

Members discussed the fact that there were minimal staffing reductions in the Finance and Service Delivery area. It was explained that a significant number of staff had been reduced in previous years and the staff that were left, had the expertise that was absolutely needed to deliver the service.

The Chairperson thanked Officers for answering Members questions.

Shared Services

The Committee received a presentation in which Officers outlined the Shared Services budget savings proposals and financial pressures for Internal Services, Customer Services, Customer Management Project, Communications & Media, HR People Services, Facilities Management and Central Transport Services.

The Chairperson thanked Officers for their presentation and invited comments and questions from Members including;

Members sought clarification on why the budget for Communications had been reduced by £50k. It was explained that line 150 identified a saving of £50k and reflected where the funding sat in service areas, additional activity in service areas had seen a reduction in spend.

Members sought further clarification on whether any Transformation savings had been made in this area. Officers explained that there were savings of £50/100k for the current year, with the new structure for Communications and Media now implemented it was clear what spend was needed on staffing etc.

Members queried whether it was realistic for C2C to offer savings relating to their opening hours, and discussed 'false offers' from service areas. It was noted that the Executive had chosen not to take the proposed savings and that the out of service offered by C2C was valuable, serving a certain demographic, with an average of 300 calls on a Saturday morning.

Members discussed Fleet Services move from Clare Road to Brindley Road, the investment needed to reduce the vehicle usage and the

procurement of a newer fleet. In addition Members discussed the possible move into fleet maintenance for partner organisations/other local authorities.

It was noted that the number of respondents in the Ask Cardiff Survey was 237 and queried whether that was a big enough response on which to base the priorities. It was noted that there had been a decrease in response rates and that a full review had been undertaken, with increased use of social media being considered for the survey next year.

The Chairperson thanked Officers for answering Members questions.

RESOLVED: The Committee AGREED that the Chairperson on behalf of the Committee write to Councillor Rodney Berman, Leader thanking him and his Officers for the update and detailing the comments of the Committee as set out below:

Proposed Budget 2012/13

Transformation

- The Committee was reassured to hear that the Council was at a point of achieving the transformation savings forecast for 2011/12, and that the costs associated with those savings were projected to reduce to £1.2m p.a. over the next 5 years.

Corporate Management

- From line 103 of the Council wide savings summary the Committee clarified that savings of £50,000 were proposed around support for corporate management rather than cutting further senior management posts. However Members maintained that there were potentially further opportunities for savings around secretarial support for senior managers and would urged that this be explored particularly as the organisation moves towards open plan office arrangements.
- Members were supportive of cutting management overhead costs but at the same time were keen to ensure that the Councils senior management resources were not too lean to operate effectively.

Corporate Services

- The Committee were keen to explore whether the Council could consider borrowing from the private sector and heard from the Chief Corporate Services and Section 151 Officer that the Council is locked into its historic long term debt at an average interest rate of 5.3%.

Therefore opportunities that may present themselves are in respect of future borrowing requirements.

- Members noted the Corporate Chief Officers work with the Welsh pension fund and felt that when the panel's recommendations were published in due course it would be worthwhile scrutiny programming consideration of the recommendations on a future work programme of this committee.
- Members highlighted an opportunity for the Council to support local agreement in negotiating energy costs and urged the Executive to explore this matter.
- The Committee sought assurance that the obligations of the Local Government Measure 2011 could be met despite rejecting a pressure bid for additional resources in this area. They were reassured to hear that there was money in reserves for both scrutiny and Member development.
- Members identified a risk of being insufficiently supported by in-house procurement lawyers. Members noted that Councillor Stephens acknowledged that resources may need to be put in place to deal with this pressure and wished to monitor this in future.
- The Committee wished to highlight that the proposed savings within the Finance service area appeared small compared to the budget for that service. Members felt that given the Council's approach to seeking savings across the board there may be an opportunity for greater savings to be offered by the service area tasked with delivering Council wide savings options.

Shared Services

- Members wished to formally record their observation that the annual process of seeking savings from service areas across the board was constraining. They felt the system was wrong and clearly all service areas are not in the same position to identify realistic savings. To illustrate this the Committee cited lines 159 and 160 of the Savings Summary, observing that these may be false offerings. They noted that the C2C budget was totally people based, and to offer savings would be impossible without cutting services delivered by people. Whilst the Head of Customer Services felt it was important to look at the profile of callers rather than numbers of callers during the 'out of hours'

period, the Committee sought further information on the percentage of calls into C2C ‘out of hours’.

- The Committee noted that the response rate to the budget questions within the Ask Cardiff survey was low in January 2012 when compared with previous years. They took on board that a review of this service was planned and wished to take up the offer of early engagement with the review on its forthcoming work programme.
- Members were encouraged to hear the Executive Member indicate that in the longer term it would be possible to make further savings within the back office HR People services area.
- The Committee were similarly encouraged to hear that Central Transport Services were now in a position to offer services to other organisations.
- Finally the Committee indicated that in future it would be seeking to revert to an overarching scrutiny of the whole budget alongside the Corporate Plan. They felt that the approach taken this year had constrained the opportunity for general budget scrutiny.

CHAIRPERSON.....DATED.....