
CORRESPONDENCE – INFORMATION REPORT

Background

1. Following most Committee meetings, the Chair writes a letter to the relevant Cabinet Member and senior officer, summing up the Committee's comments, concerns and recommendations regarding the issues considered during that meeting. The attached correspondence between the Chair, the Leader of the Council and the Cabinet Member Finance, Business & Local Economy and Chief Executive is for information only.

Issues

2. At the Committee meeting on 4 July 2012, Members considered Performance Quarter 4. A copy of the Chair's letter to Councillor Joyce, Leader, is attached at **Appendix 1**. The response from Councillor Joyce is attached at **Appendix 2**.
3. At the same meeting Members considered the Council's Internal Services Strategy & Technology Framework 2012-15. A copy of the Chair's letter to Councillor Joyce is attached at **Appendix 3**.
4. On 5th September the Committee considered the proposed Senior Team Model. A copy of the Chair's letter is attached at **Appendix 4**. This letter informed the consultation exercise, a further report is programmed for consideration by Cabinet on 11th October 2012.

5. On 18th September the Committee held a special meeting at which it considered the Proposed Equal Pay Settlement and the Living Wage. A copy of the letter that followed is at **Appendix 5**.

Legal Implications

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

Financial Implications

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

Recommendation

The Committee is recommended to note the content of the letters contained in the appendices.

MIKE DAVIES

Head of Scrutiny, Performance & Improvement

26 September 2012

My Ref: T: Scrutiny/PRAP/Com Papers/July 2012
Date: 11 July 2012

Councillor Heather Joyce
Leader
Cardiff Council
County Hall
Cardiff
CF10 4UW

Dear Councillor Joyce

Policy Review & Performance Scrutiny Committee – Performance Quarter 4

I would like to thank you and the Cabinet for agreeing to the Policy Review and Performance Scrutiny Committee's consideration of the 2011/12 Performance Quarter 4 report at its meeting on Wednesday 4 July 2012. Our thanks also go to Mike Davies, Christine Salter and Philip Lenz for attending. During their discussions following the scrutiny, the Members wished to pass on the following concerns and observations.

Reporting Approach

The Committee is aware that the Performance Quarter 4 report would normally be presented to Cabinet in the first instance, and Members are particularly grateful to have had an opportunity to familiarise themselves with the corporate performance reporting and performance management arrangements at their first formal meeting. The Committee welcomed the offer of a report tailored to their own Terms of Reference should they decide it would be useful in the future, for example more detailed sickness absence monitoring information.

Presentation/Format

Members on several occasions requested that abbreviations are published in full. If necessary the report should contain a glossary.

Management or Monitoring

Members had some concerns that whilst there is clear evidence of a performance monitoring mechanism in place, there is less evidence of its link to performance management arrangements. They observed that within the current Personal Performance and Development Review (PPDR) mechanism it seems that no sanctions are applied where Chief Officers under or overspend budgets, or under perform on their targets. The Committee appreciates that at any one time Chief Officers will have many targets to pursue and that there may be greater merit in considering a balanced scorecard approach to performance management.

Trend Analysis

The Committee wishes to offer a view that performance reporting within the current report card approach would have more value if there was clearer trend

analysis. Arriving at the whole picture requires questions to be asked as illustrated on a number of occasions during the scrutiny. For example, page 30 reports good news for Committee and Member Services by providing figures of the number of Member meetings supported during 2011/12. However an absence of data for previous years means it is unclear whether this is good or bad news. The Committee therefore welcomed the offer of trend information as to how the picture has changed compared with previous years, particularly for example around Freedom of Information (FOI) requests. Members sought clarification on whether the responses to FOI requests are made public and how many requests were outstanding after 20 working days.

Targets

The Committee has previously observed there are few numerical targets listed in the performance quarterly reports, and has questioned whether there is potential to refine the information provided to include targets (*Oct 2011*). The new Committee similarly felt there was an absence of targets, little explanation of how targets were arrived at, and the process by which targets had been validated as appropriately challenging.

Quality of Content/data

During the scrutiny Members made reference to several specific service area reports, which officers offered to pass on as appropriate and the Committee will refer to the appropriate Scrutiny Committees. Firstly more explanation is sought supporting the data around Houses in Multiple Occupation. Secondly target setting for Cardiff East Park & Ride, and thirdly increasing numbers of Delayed Transfers of Care.

Sickness Absence Monitoring

The Committee noted that Sickness Absence has become a more prominent feature of the quarterly report and that the target of 10.88FTE days for 2011/12 had not been achieved. Whilst this remains a matter of concern for the Committee, Members wish to stress the importance of evidence based analysis. The Committee sought further clarification and analysis of the reasons for the 2011/12 outturn sickness absence figures so that if further analysis found the reason given in the report to be incorrect the explanation should be amended. (*ref page 4, paragraph 3*)

Single Status – Appeals Process

Members were interested in the progress of the appeals process following Single Status. They noted that the appeals process for considering 1,500 appeals is underway and it will be necessary to increase the number of panels held each week in the autumn to ensure that all appeals relating to staff in detriment are processed by March 2013.

Future Work Programming

During the scrutiny several items were offered to the Committee for future consideration. Items that have been noted are: information governance; data

protection; grant funding – equality impact assessment; and training in the Council's risk methodology approach.

Thank you for your time and commitment to the Policy Review and Performance Scrutiny Committee. The concerns raised in this letter are for your consideration and a response where indicated. I look forward to hearing from you.

Yours sincerely



COUNCILLOR ELIZABETH CLARK
CHAIR, POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE

cc Jon House, Chief Executive
Mike Davies, Head of Scrutiny, Performance & Improvement
Christine Salter, Corporate Chief Officer (Corporate)
Philip Lenz, Corporate Chief Officer (Shared)
Jo Watkins, Cabinet Office Manager

My Ref: MWD/HS
Your Ref:

Date: 3rd September 2012

Councillor Elizabeth Clark
Chair, Policy Review & Performance Scrutiny Committee
4 Denbigh Street
CARDIFF
CF11 9JQ

Dear Councillor Clark,

RE: Policy Review & Performance Scrutiny Committee - Performance Quarter 4

Thank you for your letter regarding the above matter which was addressed to the Leader of the Council. As the performance period under consideration fell before the New Administration took office, it is considered appropriate, on this occasion, for me to respond on the Leader's behalf.

Your letter set out a number of concerns and observations under nine headings and I deal with each of these matters in turn.

Reporting Approach

Thank you for your comments regarding the Committee's opportunity to consider this report prior to Cabinet on this occasion. I can confirm that, whilst the Leader was content for this to be the position for this particular report, in future, all such reports will be considered by the Cabinet prior to being made available for Scrutiny Committees for their consideration.

Cabinet have requested that consideration be given to a new format for future quarterly reports and I will be happy to discuss with yourself and the Committee whether any such new format meets the requirements of your Committee with regard to the over arching monitoring of the Council's Performance.

Presentation/Format

This point is noted and understood.

PLEASE REPLY TO: Head of Scrutiny, Performance and Improvement,
County Hall, Cardiff CF10 4UW Tel: (029) 2087 2406
e-mail: m.davies@cardiff.gov.uk

Management or Monitoring

I note the concerns set out in your letter regarding individual Performance Management via the Personal Performance and Development Review arrangements. Whilst I can confirm that all Council Staff are accountable for their Performance, I have passed your comments regarding a potential balanced score card approach for Chief Officer's Performance to Philip Lenz, Corporate Chief Officer.

Trend Analysis

As stated above, the content and format of future Quarterly Reports is currently being reviewed and the Committee will be informed of any changes in due course. However, with regard to the specific information requested, I have arranged for this information to be provided to Committee Members, under separate cover, in due course

Targets

As stated above, the content and format of Quarterly Reports is currently under review and these comments will be taken into consideration as part of that review.

Quality of Content/Data

I can confirm that the comments set out in this paragraph will be passed to the appropriate Scrutiny Committees for their potential consideration.

Sickness Absence Monitoring

I can confirm that, in view of comments made at the meeting, an analysis was subsequently undertaken regarding differences in the reported period from previous Q4 trends. I understand that the term "*which is likely*" was used in the report to suggest that single status may have been a contributing factor.

The data for Q4 2011/12 was compared to the trend data for Q4 in previous years which indicates that Q4 for 2011/12 showed an increase in sickness days higher than any previous Q4 result in the previous five years. The key difference, in terms of significant events/potential influencing factors was single status and further research is being undertaken as to whether there was also an increase in calls to the employee counselling service during this period.

The Committee will wish to note that the results for Q3 2011/12 were almost on target for hitting the 5% reduction (4.1% reduction at Q3). However, by the time the Q4 results were in we had gone significantly over target - hence the suggestion that a likely contributing factor in Q4 2011/12 may have been Single Status. I hope that clarifies the position and eases some of the Committee's concerns.

**Single Status – Appeals Process
Future Work Programming**

With regard to the final two headed paragraphs of your letter - Single Status – Appeals Process and Future Work Programming – I have noted your comments set out in the letter and do not believe these require a response.

Finally, I would like to thank you and the Members of your Committee for your helpful comments and observations and would reiterate my offer to provide the Committee with further information relating to any areas within my responsibility.

Yours sincerely,

MIKE DAVIES
Head of Scrutiny, Performance and Improvement

My Ref: T: Scrutiny/PRAP/Com Papers/July 2012
Date: 17 July 2012

Councillor Heather Joyce
Leader
Cardiff Council
County Hall
Cardiff
CF10 4UW

Dear Councillor Joyce,

**Policy Review & Performance Scrutiny Committee – Internal Services
Strategy & Technology Framework 2012-15**

Thank you for attending our Committee on 4 July 2012 with Philip Lenz and Steve Durbin for consideration of the Internal Services Strategy & Technology Framework 2012-15.

The Committee was interested to hear about the key challenges faced around the IT budget; training; availability of spare parts; the impact on IT of the reconfiguration of Council buildings; remote working and the issue of access to information. Members have therefore asked me to pass on the following concerns and observations to the Cabinet.

Collaboration/data sharing

The Committee observed that Local Government services are delivered in all parts of the country and therefore excellent opportunities for sharing of knowledge and systems exists. Members wish to encourage full collaboration in sharing best practice where IT systems are concerned.

Procurement of IT equipment

The Committee was concerned to hear that a Society of Information Technology Managers (SOCITM) report, *Benchmarking the ICT service in Wales 2010*, found that Cardiff was not achieving as low prices for its IT purchasing as could be expected for the size of its IT spend. The Committee asked that action be taken to address this issue.

Budget

In response to questioning it was noted that a high proportion of the Council's IT budget was delegated to service areas. The Committee asked that this practice be assessed to ensure the IT budget is being spent in the most effective way. Officers agreed to provide the 2012/13 budget allocation for information technology to the Committee.

Measurability

Members raised the issue of how the high level objectives within the Internal Services strategy could be measured and monitored, and felt that more identified indicators of performance would be valuable.

Website

The Committee felt that the Council's website was of concern, particularly in relation to the options available for customer interaction and payment. The number of Freedom of Information requests received by the Council was considered by officers as a possible indicator of website effectiveness. Members therefore welcomed the offer to bring details of web development plans to this committee in the future.

In addition Members wish to highlight the importance of the format in which information is presented on the Web, and there was a general feeling that the Council should publish more information.

Equality of access to information

Members wished to stress the importance of maintaining equal access to information and cautioned against the danger of creating two tiers of customer, dependant upon whether a customer had access to IT.

Accessibility

Members were generally complimentary about the accessibility of the Internal Services Strategy document, particularly in relation to its readability. However a glossary of terms as part of such a high level document would facilitate ease of understanding. In addition abbreviations used in the main body of the document need to be explained when they are first used.

The Future

The Committee took note of the target of less than 7 minutes of IT systems downtime per annum, and that it was forecast that it will take the Council 2 years to reduce the red risks listed in the Corporate Risk Register pertinent to the IT service area. The Committee asked to be informed of any difficulties in meeting the 7 minutes downtime target and addressing the red risks.

Members noted that cloud technology is referred to in the strategy and wish to re-enforce the officer's views that security of information and governance is vital.

The Committee wish to urge that the policy on data storage is reviewed to allow for continued growth in capacity.

Thank you again for attending the Policy Review & Performance Scrutiny Committee. It has been much appreciated by myself and the Members of Committee.

Yours sincerely

A handwritten signature in cursive script that reads "Elizabeth Clark".

**COUNCILLOR ELIZABETH CLARK
CHAIR, POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE**

cc Philip Lenz, Corporate Chief Officer (Shared)
Steve Durbin, Head of Internal Services
Jo Watkins, Cabinet Office Manager

My Ref: T: Scrutiny/PRAP/Com Papers/Sept 2012
Date: 10 September 2012

Mr Jon House
Chief Executive
Cardiff Council, County Hall
Cardiff. CF10 4UW

Dear Mr House

**POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE
PROPOSED SENIOR TEAM MODEL**

Thank you for attending the Policy Review and Performance Scrutiny Committee on the 5 September 2012 during the scrutiny of the proposed Senior Team Model.

I set out below the Committee's concerns and observations for your reflection, as you prepare for further consideration of the proposals at the next Cabinet meeting.

Overview

The Committee was not convinced that the proposed Senior Team Model would lead to an improvement in public service. We therefore request that you re-consider the proposals and the consultation timetable. We are concerned that it is largely a management exercise, and that the proposals render the organisation top heavy. We felt that ownership of the proposals was unclear.

Silos

The Committee took on board your clear message that Senior Managers do not report directly to Members. The Cabinet Members provide leadership whilst the managers deliver services. We did however note that the proposed model risks a silo approach to service delivery, with Directors, Assistant Directors and the relevant Cabinet Member developing strong relationships. We also noted a variance in the ratio of Directors working with Cabinet Members. While one Cabinet Member had four Directors covering their portfolio the other Cabinet Members (excluding the Leader) had one Director each.

Costs

Members were unanimous that the full costs of the proposal had not been identified and required further analysis. The £1.67 million outlined in paragraph 18 of the Cabinet report only covered salary, employer's national insurance and pension costs. The committee heard that recruitment would be an additional £200,000. More information is required for the costs of salary protection arrangements, potential redundancy payments, potential Employment Tribunal costs, administrative support, office accommodation, training and legal advice resulting from the proposed senior team model.

Additionally, it was felt that the level of management proposed would result in generalist rather than specialist managers. This approach could, therefore, result in a potential need for consultants and, consequently, the savings proposed failing to materialise.

Evidence base

The Committee felt most strongly that the evidence base for the proposal was insufficient. Consideration should be given to wider and clearer benchmarking with other

local authorities, and more detailed case studies, cities such as Edinburgh, to secure a firmer justification for the proposals.

Members heard that Hay had provided salary benchmarking as requested but felt that it would have been appropriate to secure a stronger evidence base from Hay, as had been the case when re-designing the management team in 2010. More explanation was needed for the information provided by Hay. For example, the names of the core cities and a rationale for inclusion of the London Boroughs in the modelling where the cost of living is generally higher than in Cardiff.

The Committee particularly considered that an analysis of how senior manager's pay links to the performance of local authorities should be provided. This is especially important in the context of staff delivering front line services in Cardiff having a pay freeze in recent years and staff numbers having been reduced.

Disruption

Finally there was unanimous concern that the proposals heralded too much change too quickly. We suggest there is an opportunity to consider a phased approach, particularly acknowledging a need to strengthen arrangements around key areas such as Social Services and Education. Thereafter we feel a gradual approach to the review would avoid unnecessary disruption across the organisation. The impact of the proposals on the layers of staff below the senior team needs to be taken into account. We feel the Council should invest in its Academy programme for senior managers to ensure internal candidates can compete with the best external talent

Member Support

Members were supportive of Cabinet commitment to strengthen scrutiny resources to provide a strong and effective challenge, and to facilitate scrutiny's ability to contribute to policy development. We agree that Member support is important, and that scrutiny is currently under resourced, however have some concerns that a Director of Scrutiny and Members Services is an unnecessary investment. We feel there would be merit in further comparison of roles, and moderation of levels of Directors salary.

We have concerns over the consultation exercise in relation to its timing over the summer period. We were also disappointed that members were not all written to directly with the formal consultation details and proposed job profiles.

I would be grateful if you would ensure that the Committee's comments inform the consultation exercise currently underway. I look forward to welcoming you to the Committee in the near future.

Yours sincerely



COUNCILLOR ELIZABETH CLARK
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Councillor Goodway, Cabinet Member, Finance, Business and Local Economy
Jo Watkins, Cabinet Office Manager

My Ref: T: Scrutiny/PRAP/Com Papers/Sept 2012

Date: 20 September 2012

Councillor Russell Goodway
Cabinet Member, Finance, Business & Local Economy
Cardiff Council, County Hall
Cardiff. CF10 4UW

Dear Councillor Goodway

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

Thank you for attending the Policy Review and Performance Scrutiny Committee on the 18 September 2012 during the scrutiny of the Proposed Equal Pay settlement and Implementing the Living Wage.

I set out below the Committee's concerns and observations for your reflection, as you prepare for consideration of the issues at the Cabinet meeting.

Proposed Equal Pay Settlement

Following the receipt of the evidence, the Committee felt that the advised approach seems to be a satisfactory way of dealing with the situation. The Committee acknowledged the benefits of a good working relationship between the Council Officers and trade unions during the discussions.

The Committee asked for Council Officers to give the appropriate advice to staff regarding the pension implications of the proposal. We also ask to be kept updated of the outcomes of the data cleansing exercise. The Committee look forward to receiving details of the costs of the legal advice to secure the Equal Pay settlement as offered during the meeting.

Living Wage

The Committee were pleased to hear about the proposal to ensure that Council staff received the Living Wage. The Committee looked forward with interest to observing how the initiative is implemented.

I would be grateful if you would ensure that the Committee's comments are passed on and responded to as appropriate. I look forward to welcoming you to the Committee again in the future.

Yours sincerely



COUNCILLOR ELIZABETH CLARK
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Philip Lenz, Corporate Chief Officer (Shared)
Christine Salter, Corporate Chief Officer (Corporate)
Jo Watkins, Cabinet Office Manager

