CARDIFF COUNCIL **AGENDA ITEM 8**
CYNGOR CAERDYDD

POLICY REVIEW & PERFORMANCE
SCRUTINY COMMITTEE **9 July 2013**

CORRESPONDENCE – INFORMATION REPORT

Background

1. Following Committee meetings, the Chair writes a letter to the relevant Cabinet Member or senior officer, summing up the Committee's comments, concerns and recommendations regarding the issues considered during that meeting. The letter usually asks for a response from the Cabinet Member to any recommendations made and sometimes requests further information.

Issues

2. A copy of the Correspondence Monitoring sheet detailing the Committee's correspondence and those responses received is attached at **Appendix A**. For ease of reference, the lines of those letters to which the Committee has received a full response, with no actions left outstanding, are coloured grey. Where new information has been added since the Committee last considered a correspondence report, this information is highlighted in **bold**.

3. Attached to this report are copies of recent correspondence, as follows:

15 May 2013 meeting – Commissioning and Procurement

4. At the Committee's meeting on 15 May 2013, Members considered the Council's approach to Commissioning and Procurement. A copy of the Chair's letter to Councillor Russell Goodway, Cabinet Member for Finance, Business and the Local Economy following the meeting is attached at **Appendix B.** While the Committee welcomed improvements which have been made in this area in recent years, the Committee made a number of comments regarding the need to make the

procurement process easier for small and local businesses. Members were also concerned that there should be stronger monitoring of contract compliance and that this should be built in to quarterly Cabinet performance reports. Members recommended that more work should be done in the area of community benefits from procurement and in investigating the extension of the Living Wage to the Council's suppliers. Members also requested further information regarding the medium term Commissioning and Procurement Savings Plan and expenditure on the People and Professional category.

5. The response from the Cabinet Member for Finance, Business and the Local Economy is attached at **Appendix C.** The Cabinet Member has asked officers to include compliance data in performance monitoring. He also gave details of work which has been undertaken to aid suppliers in working with the Council. Officers are researching options for extending the Living Wage to the Council's suppliers and this work will be concluded in the autumn. Data regarding the People and Professional category spend will be sent later this month, once compiled.

5 June 2013 meeting

6. On 5 June 2013, the Committee considered:
   - Arrangements for the Wales Audit Office's Corporate Assessment and the Independent Peer Review. The Chair's letter is attached at **Appendix D**. A response is awaited;
   - Customer Management programme – Cardiff Council website. The Chair's letter is attached at **Appendix E**. A response is awaited.

7. The Committee also decided to write to the Cabinet Member for Finance, Business and the Local Economy regarding his correspondence with the Committee. A copy of that letter is attached at **Appendix F.** A response is awaited.

18 June 2013 meeting – Review of the Post of Chief Executive

8. Later in June the Committee agreed to hold a special meeting to consider a Review of the Post of Chief Executive prior to a Cabinet decision on 19 June. A copy of the Chair's letter is attached at **Appendix G.** No response was requested, but the Cabinet adjourned its own meeting in order to consider the Committee's

recommendations. The Cabinet subsequently agreed that Christine Salter should be recommended to Council as Interim Head of Paid Service, with Marcia Sinfield to replace her as Interim Section 151 officer, and that a replacement Chief Executive should be recruited. Cabinet also recommended that Employment Conditions Committee should agree that the appointment should be on the appropriate JNC salary scale as close to the Hay scale as possible. The post has since been advertised at £170,000, lower than the current Chief Executive's starting salary point of £176,376.

Legal Implications

9. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers 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

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

Recommendation

The Committee is recommended to note the content of the letters attached to this report and decide whether it wishes to take any further actions, or request any further information.

MIKE DAVIES
Head of Service
Scrutiny, Performance & Improvement
3 July 2013

Policy Review Performance Scrutiny Committee
Correspondence

Committee date	Committee item	Recipient	Comments/Information requested	Response	Further Action
04/07/2012	Internal Services Strategy & Technology Framework 2012-15	Cllr Heather Joyce	Committee: - Encouraged full collaboration in sharing ICT best practice - Recommended ICT procurement is addressed, as Council not achieving as low prices as could be expected - Recommended reconsideration of delegation of ICT budgets - Would look to schedule consideration of Council's website - Was concerned that objectives in strategy were not measurable - Stressed need for equality of access to information - Made comments regarding use of Cloud technology	Response: - Notes the Committee's recommendations - States that bids to be put forward in 2013/14 budget to address ICT - Comparative indicators are being investigated to ensure that the Strategy is measurable. - Website item has now been scheduled for June 2013	None
04/07/2012	2011/12 Qtr 4 performance	Cllr Heather Joyce	Committee: - Commented that the Quarterly report should be made more accessible, avoiding acronyms - Was concerned that the links between Personal Performance and Development Reviews and wider performance management are not strong enough - Recommended greater use of trend analysis - Requested further information regarding sickness absence levels - Was concern that target setting is not clearly justified or sufficiently challenging - Noted a number of items for future scrutiny: information management, data protection and risk management training	Response stated that: - Performance report content and format is under review; Committee's comments have been noted - Comments regarding PPDRs have been passed to Corporate Chief Officer Shared Services. - Committee has since considered Information Management and the Council's Corporate Risk Register/risk methodology	None
05/09/2012	Senior team model	Chief Executive	Committee: - Was unconvinced by the evidence base for the change or that the proposed structure would result in improved services - Felt that the structure may increase silo working - Felt that full costs were not satisfactorily identified - Were concerned that the restructure would cause significant disruption. Recommended that it should be staggered. - Commented that a Director level Scrutiny/Member Support post was unnecessary	- No formal response requested - A reviewed structure was approved by Cabinet. The Scrutiny and Member Services post was amended to a Monitoring Officer (Democratic Services) post.	Committee may like to investigate any effects of the restructure when it considers other items in 2013/14
18/09/2012	Equal pay settlement/ Living Wage	Cllr Russell Goodway	Committee: - Was satisfied with approach to Equal Pay and Living Wage - Requested costs of legal advice in securing the Equal pay settlement	- Costs provided	None
24/10/2012	Welfare Reform	Christine Salter	Committee: - Requested briefing paper on Council Tax benefit policy - Requested Council's response to Welsh Government consultation	No formal response required, but briefing paper has been circulated by officers	- Copy of response to Welsh Government consultation needed
24/10/2012	Transformation	Cllr Russell Goodway	Committee: - Commented on the governance arrangements in place - Requested details regarding Wave 2 projects, identifying which were not proceeded with and why	Response: - Stated that Transformation has been abandoned. - Made comments regarding the consultants used on Transformation - Stated that there was strong ongoing governance of projects - Stated that the Cabinet is currently reviewing the Wave 2/ongoing projects. Activities will re-focus, prioritising a smaller number of projects, which will be owned at Service Area level.	- Committee may like to schedule a review of the successor to Transformation to be informed regarding the projects which will now be taken forward as this information has not been supplied - Committee may also like to consider the outturn position for those which were due to achieve savings in 2012/13

Policy Review Performance Scrutiny Committee
Correspondence

Committee date	Committee item	Recipient	Comments/Information requested	Response	Further Action
24/10/2012	Performance reporting	Mike Davies	- Committee will consider development of its own Performance report	Not required	- A bespoke report is under development for Quarter 4 2012/13
16/11/2012	Callaghan Square	Cllr Russell Goodway	- Decision was not referred back - Committees requested a copy of the letter from the Welsh Government regarding interest of a third party to purchase the land to be released if possible.	- Letter has not been made available. Cabinet Member informed the Committee that it has been accidentally destroyed	- Copy of Welsh Government letter has been requested. **UPDATE 09/07/2013** **A copy of the letter has been seen by the Chief Executive and the Minister has been requested to confirm if this can be released to the Committee**
28/11/2012	Draft Attendance & Wellbeing policy	Cllr Russell Goodway	Committee: - Recommended that the proposal to withdraw payment for the first 3 days of sickness should be withdrawn. The Committee queried why this was included in the proposals before them. - Was concerned that the proposals had been made public via Scrutiny and the media. Proposals should be handled more carefully in future. - Commended positive approaches e.g. preventative initiatives and Employee Counselling Service - Recommended that the targets included in the original inquiry report are included in the Corporate Plan - Requested an explanation of static sickness absence levels - Requested that Industrial accident levels should be made explicit in the monitoring of sickness - Recommended that a measure of flexibility should be retained in applying the policy - Requested further information regarding the Mutual Fund after January 2013, once Headteacher conferences have taken place - Recommended ongoing commitment to the Critical Illness Policy - Wish to monitor the training for managers in managing sickness absence - Will look to schedule an update to monitor the implementation of the Policy - Wish to see the Equality Impact Assessment of the Policy	Response: - Non-payment had been raised by officers on a working group set up to review the Policy. - Flexibly applying the Policy may have resulted in inconsistencies, and would have entailed new terms and conditions for staff - The targets recommended by the original Inquiry would be unlikely to be achieved, so the targets will be recalibrated based on current information - The Equality Impact Assessment needs to be reviewed once the draft Policy is finalised. This will be available to Members via CIS once complete - Mandatory e-learning will be rolled out for managers regarding sickness absence - The Mutual Fund information will be made available in early 2013 - The Critical Illness Policy will be maintained whilst being merged into the Attendance & Wellbeing Policy. Briefing attached - Flexibility in applying the Policy is possible as it relates to disability and pregnancy, but flexibility must be within a clear framework to ensure transparency - The statistics regarding sickness must be carefully analysed with regarding any static levels of sickness	- Mutual Fund information - Committee may like to consider the implementation of the Policy as well as its Equality Impact Assessment
28/11/2012	Connect 2 Cardiff	Cllr Lynda Thorne	Committee: - Noted comments that the operation of C2C is part of a wider Customer Management Strategy to promote 'channel shift' for those contacting the Council, with the website as method of choice - Wished to be kept informed regarding any expansion of the service - Recommended that the Council must avoid a 'two-tier' system which favours those with internet access - Queried whether C2C can be used to generate income - Requested a ward-by-ward breakdown of complaints	Response: - Customer Management Strategy will ensure that customer can use all methods to contact the Council, while promoting the website. It will also address 24/7 access - Requested information was supplied - Committee is considering the website in its June 2013 meeting	None

Policy Review Performance Scrutiny Committee
Correspondence

Committee date	Committee item	Recipient	Comments/Information requested	Response	Further Action
28/11/2012	Draft Complaint policy		Committee: - Was content with draft Complaints Policy, but recommend that it is publicised as widely as possible - Recommended that the Policy should also incorporate compliments and comments - Noted that there are discrepancies in how service areas handle complaints and hope that these will be addressed	Response: - Policy will be publicised appropriately - Policy was renamed to include Comments and Compliments, but did not address these in depth	Committee may like to follow up on service area handling of complaints
16/01/2013	Budget M6	Christine Salter	Committee: - Requested a breakdown of income generation councilwide - Requested Information regarding overpayment of VAT on trade waste and landfill tax. - Noted the expectation that projected overspend will be corrected by end of the year - Noted that budget monitoring scrutiny is difficult to achieve given timescales	Response - Breakdown of income generation provided - Information regarding VAT overpayment and Landfill provided - Monitoring position had improved at Month 8	None
16/01/2013	2012/13 Qtr 2 performance	Cllr Heather Joyce	Committee: - Unsatisfied with information surrounding targets and with comparative data available - Was concern that the report does not link to the Corporate Risk Register; mitigating actions should be included in the performance reports - Recommended that trend analysis data should be included in with outturn report - Recommended that sickness by service area to be included in report - Welcomed CEx's offer to provide an update on the Performance & Information project, which is addressing how the Council manages performance - Will schedule a scrutiny of Information Management	Response: - The selection of indicators in the report will allow trend analysis over the lifetime of the Administration and the team is looking at what historic data is available - Questions around target setting should be addressed to relevant Chief Officers as it was considered inappropriate to include with the report - Outturn report will be published summer 2013 - Sickness absence data has been improved with Quarter 3 report - Committee received an Information Management briefing report in March 2013 and may schedule a further Inquiry	Committee may schedule a further Inquiry into Information Management. Committee may also like to consider the Performance and Information Management project as part of its 2013/14 work programme
16/01/2013	Corporate Risk Register	Cllr Huw Thomas	Committee: - Requested a copy of the Marsh Welfare reform report - Requested scrutiny of the 'opportunity register' once this is put into practice - Recommended consideration of the links between the Risk Register and quarterly performance reporting - Noted the ICT risk and Info Governance. - Noted that the Risks should be reflected in the budget proposals	Response - Further work will be done with officers regarding capturing opportunities - The Marsh Welfare Reform report should have been available from February [on speaking to officers, this is not yet available]	- Marsh Welfare reform report
20/02/2013	Corporate Plan 2013-17	Leader	Committee: - Welcomed structure of Corporate Plan but Committee was unsatisfied with links between the Plan and the What Matters Strategy - Was concerned that delivery of the Corporate Plan will be difficult to measure and that the milestones and targets included in it are inconsistent and ill-defined - Welcomed moves to include more comparative data - Was concerned that insufficient attention was paid to Ask Cardiff data in establishing priorities	Response: - Grateful for Committee's positive comments - Further document showing links between the Corporate Plan and What Matters supplied - Committee has been offered a bespoke performance report which could address its identified need for greater performance monitoring - Will reflect on comments regarding Ask Cardiff for next year	Monitoring via performance reports

Policy Review Performance Scrutiny Committee
Correspondence

Committee date	Committee item	Recipient	Comments/Information requested	Response	Further Action
20/02/2013	Budget Proposals 2013/14	Leader	Committee: - Was concerned about the accessibility of the Budget Proposals and the potential confusion their wording may have caused in the public - Commented on the budget consultation process - Was concerned that Cabinet members made statements to the media which appeared to pre-empt the budget process - Was concerned that engagement with those affected - officers, third sector and public - had not been sufficiently robust - Requested improvement to information made available to Scrutiny - Will seek to better understand the assessment processes which budget proposals undergo	Response: - Will review how budget consultation is undertaken for next year - Will ensure robust engagement with those affected by proposals going forward - Administration has chosen to treat voluntary sector in a similar way to its own departments when asking for savings - Welcome Committee's desire to with officers to define the Committee's information requirements for next year and to understand budget setting better	Committee may like to schedule a Budget Inquiry in its 2013/14 work programme
06/03/2013	Strategic Equality Plan annual review	Cllr Lynda Thorne	- No further info requested Committee: - Noted the aim to mainstream equalities duties - Noted that 'inequality' can cover issues other than the protected characteristics (e.g. socio-economic inclusion) - Noted that the Equality Impact Assessment process is being embedded	Response - Noted comments regarding monitoring data. Had been some systems issues this year, but anticipate that these will be resolved	Committee may like to consider the Equality Impact Assessment process or social inclusion as part of the 2013/14 work programme
06/03/2013	Information Management	Leader	Committee: - Noted that a Scrutiny Inquiry into Information Management would be welcomed and will aim to include in 2013/14 work programme - Requested a breakdown of source of information requests, types of request received, number of info requests which are in and outside timescales and average cost of fulfilling info requests	Response: - An inquiry would very much be welcomed - Information was provided regarding sources and types of requests (the latter at a high level); the number outside the timescales and compliance rates - Average cost of dealing with a request is not yet available	Include average cost of fulfilling info request as part of Inquiry briefing material. The information will be available as part of national study by the Ministry of Justice, but has not yet been released to participants.
17/04/2013	Non-Operational Property	Cllr Russell Goodway	Committee: - Made clear its disappointment that Cllr Goodway did not attend and that Committee did not have access to the full draft Cabinet report - Commented that there seems to be a lack of vision around the use of non-operational property - Recommended that the social and community benefits of the estate should be considered, as well as the financial benefits - Commented that the Review has featured on the Cabinet Forward Plan for months without being considered, making planning effective scrutiny difficult - Welcomed moves to monitor performance of the estate and to compare this to other cities - Stated that it wishes to consider the Draft Cabinet report in pre-decision. Prior to this, a strategic vision for the use of Non-Operational Property should be developed, as well as comparative performance indicators, a communications strategy for existing tenants, details of the asset management process and a statement regarding the non-financial value/benefits of the estate.	Response: - The Cabinet report will cover many of points raised, but officers have been asked to develop a specific section to set out the vision for the development of the estate. - A review of workshops is being undertaken and the two issues will be dealt with in one report. Timescale to be determined. - Cllr Goodway will reflect on the Committee's request to consider the report in pre-decision at the appropriate time	- Committee may like to insist the report is included in the 2013/14 work programme - Timescale for report to return to Scrutiny to be determined. - When it returns, check whether points have been addressed. **UPDATE 09/07/2013** **Officers have stated that the report may go to September Cabinet in conjunction with a review of the Council's workshop estate**

Policy Review Performance Scrutiny Committee
Correspondence

Committee date	Committee item	Recipient	Comments/Information requested	Response	Further Action
15/05/2013	Commissioning & Procurement	Cllr Russell Goodway	Committee: - Noted a number of anticipated improvements to the procurement process which should make it easier for suppliers - Were concerned that lotting strategies are not necessarily helping small suppliers - Noted that the team has good buy-in from current senior managers and hope that this will not be affected by senior management restructures - Emphasised the non-financial benefits which the Council's external spend can have - Recommended that a method of monitoring the Council's local spend is devised and included with regular contract compliance monitoring - Sought to understand if local multiplier effect can be built into contracts, as well as community benefits issues and the living wage - Requested breakdown of anticipated £8 million procurement savings - Will seek to include contract monitoring (re. quality) in 2013/14 work programme - Requested a breakdown of People and Professional spend category	**Response:** **- Officers have been asked to make arrangements for non-compliance reports to be included in Cabinet performance monitoring arrangements. This information has not been included in the Delivery and Performance 2012/13 outturn report.** **- The Team is making arrangements to brief new Senior Managers on Commissioning arrangements, including their own Directorate procurement spend, current budgeted savings opportunities and non-compliant spend.** **- Further information on how the Council supports businesses to engage with the Council was included with the response** **- Work is ongoing to improve data around local spend** **- Officers are exploring if the Living Wage can be built into contracts, and will conclude this work in the autumn** **- Medium term Commissioning and Procurement savings plan was included with response** **- Officers are currently mapping the People and Professional spend against the new senior management structure, and this will be available in July.**	Committee may like to consider contract monitoring or community benefits in procurement in 2013/14 work programme UPDATE 09/07/2013 - Monitor whether compliance information is included with Performance reports in 2013/14 - Establish if local spend data is improved as per response - Committee may wish to explore the medium term savings plan in more depth in 2013/14 budget monitoring, given the levels of savings targeted and the shortfall against 2012/13 Commissioning and Procurement savings (as per Budget Outturn report to Committee 09/07/2013) - Request People and Professional spend breakdown - July 2013 - Confirm conclusion regarding Living Wage in contracts - Autumn 2013
05/06/2013	**Customer Management - Cardiff Council Website**	**Cllr Luke Holland**	**Committee:** **- Welcomed the forthcoming changes to the website** **- Was concerned that thought should be given to 'future proofing' the website in terms of potential technology upgrades and regional collaboration** **- Emphasised the need to make the website accessible and ensuring other methods of contact are available to customers** **- Emphasised that the Council should explore social media as a valid form of contact and of making service requests** **- Noted that governance of the website is vital** **- Urged that the quality of responses should be considered, whatever medium is used** **- Will keep a watching brief on the development of the Customer Management programme**	**Not yet received**	**Committee may like to consider Customer Management further as part of its 2013/14 work programme**

Policy Review Performance Scrutiny Committee
Correspondence

Committee date	Committee item	Recipient	Comments/Information requested	Response	Further Action
05/06/2013	WAO Corporate Assessment and Independent Peer Review	Leader	Committee: - Asked for the confirmation of Independent Peer Review Panel membership when confirmed - Was concerned that the customer view was not being taken sufficiently into account in the Peer Review process - Recommended fuller engagement with Trade Unions than had been planned - Would like to consider the results of both the WAO Corporate Assessment and the Independent Peer Review as part of its 2013/14 work programme - Would like to take up the offer of access to the 'virtual zone' which will store information for the WAO Corporate Assessment - Noted comments regarding the need for early engagement in the budget setting process and asked for engagement with Scrutiny, and the consultation process, to be improved for the 2014/15 budget round	Not yet received - Panel membership was however confirmed at Special Committee meeting on 18/06/2013	Committee may like to schedule a scrutiny of the WAO Corporate Assessment and Independent peer Review as appropriate in 2013/14
05/06/2013	Engagement with Scrutiny	Cllr Russell Goodway	Committee: - Expressed concern over the speed and paucity of Councillor Goodway's responses over the course of the year and urged him to investigate why some letters seemed to have gone missing and to ensure that all points and recommendations were addressed in future - Requested an update on the WG Callaghan Square letter - Expressed their concern about Cabinet attendance at Committee meetings	Not yet received	

Policy Review Performance Scrutiny Committee
Correspondence

Committee date	Committee item	Recipient	Comments/Information requested	Response	Further Action
18/06/2013	Review of Chief Executive Role	Leader	In terms of proposals for an Interim Head of Paid Service, Committee: - were concerned with the Leader's preferred option of taking up the WLGA on its offer of providing an interim Head of Paid Service and recommended that an internal candidate be given an honorarium instead. In terms of the replacement for the Chief Executive, Committee: - was concerned that there was an insufficient evidence base for the creation of a 'City Director' role with fewer external facing duties and recommended that a replacement Chief Executive be recruited - urged Employment Conditions Committee to explore the possibility of appointing the replacement on a spot salary at the lower end of the current Chief Executive's pay scale	None required. The Committee's letter was presented to Cabinet at its meeting on 19 June 2013. The Cabinet adjourned its meeting to reconvene on 26 June, to give it time to consider the Committee's comments. The Cabinet subsequently agreed that Christine Salter should be recommended to Council as interim Head of Paid Service, Marcia Sinfield to replace her as Section 151 officer, and that a replacement Chief Executive should be recruited. Cabinet also recommended that Employment Conditions Committee should agree that the appointment should be on the appropriate JNC salary scale as close to the Hay scale as possible. The post has since been advertised at £170k, lower than the current Chief Executive's starting salary point of £176,376.	

My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

Date: 23 May 2013

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Neuadd y Sir
Caerdydd,
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Councillor Russell Goodway
Cabinet Member - Finance, Business & the Local Economy
Cardiff Council, County Hall
Cardiff
CF10 4UW

Dear Councillor Goodway,

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE: 15 MAY 2013

Commissioning and Procurement

Thank you for attending the Policy Review and Performance Scrutiny Committee meeting which considered the Council's approach to Commissioning and Procurement. Members were glad to hear from Scott Parfitt, Senior Lecturer from the Faculty of Business and Society of the University of South Wales, that Wales, and Cardiff in particular, is leading the way in improving approaches to commissioning and procurement. The Committee recognised that the Commissioning and Procurement team has come into being only relatively recently, so we commend officers for their work in this area over the last few years. We hope that more is done to publicise this good work.

Members were informed that compliance with Council procurement procedure rules has improved since the team came into place and that the Senior Leadership Team receives a quarterly monitoring report to ensure continued improvement. This information could also be built into Cabinet budget monitoring or quarterly performance reports. We heard that the Commissioning and Procurement team has developed strong relationships with service areas, although there is still a lack of engagement from some. We understand that the team has achieved good buy-in from existing senior managers and hope that these relationships do not weaken under the new senior management structure.

We welcome the steps which have been taken to support small and local business, given the legal restrictions which apply. The Committee is keen that the procurement process should be made easier for suppliers, and in particular for small businesses. We noted officers' comments that it is anticipated that a self-certification form for bidders for low value/low risk contracts will be in place in the coming months. This will simplify the initial procurement stages. We also noted that the Welsh Government should launch the online Supplier Qualification Information Database (SQuID) in 2014. It is hoped that this will further simplify and standardise the selection stage of the procurement process and make it more transparent, providing as it currently does a standard set of questions for the selection stage . We heard at the meeting that there is increased use of lotting strategies to improve access for Small and Medium Enterprises. However officers also stated that it is often difficult to preclude or even have visibility of suppliers bidding for multiple lots as part of different consortia, meaning that individual small suppliers may not be helped in the way intended.

Scott Parfitt stated that it is impossible for him to put a percentage figure on the level of potential savings an organisation could achieve from improved procurement processes. However, given the scale of the financial difficulties facing Cardiff Council, the Committee request a breakdown of the £8 million anticipated savings opportunities which have been identified within the Commissioning and Procurement savings plan to be achieved between the 2013/14 and 2015/16 financial years. We noted officers' comments that there has been a concentration on 'quick wins' to date and that there will be a shift in approach now that the team is more mature, to look at driving through reductions in non-essential spend.

The Committee would, however, emphasise the non-financial benefits which can be achieved through our external spend and that we should drive forward the ethical procurement agenda. There are often unintended consequences for local businesses and communities of driving costs down too far. We strongly recommend that further thought is given to how the local multiplier effect can be built into the contracts if possible, and if it is not we would like to understand the legal arguments why.

The Committee also recommends that a robust method of monitoring what the Council spends locally is developed and that this should be built into the quarterly monitoring reports to Senior Leadership Team. In addition, the Committee recommends that the Council considers the adoption of community benefits clauses as a core part of our contract specification. Although we noted Scott Parfitt's comments that it may be difficult to enforce stipulations regarding the payment of the Living Wage to staff of suppliers specifically. Members were informed that a report is being prepared with Legal Services to consider this issue in more depth and request to consider this in pre-decision scrutiny.

Members asked me to emphasise the role which the third sector has to play. Officers commented that the Procurement team encourages and supports service areas in collaborating with third sector partners. We recommend that the benefits of partnership working and maximising mutual efficiencies is explored further.

The Committee requests a breakdown of the People and Professional services category of the Council's external spend, in particular the consultancy and agency spend for 2012/13, once these figures have been verified. The Committee also requests more detail regarding the 'tender light' solution which was mentioned at meeting.

Finally, the Committee will seek to consider contract monitoring, and quality in particular, as part of its 2013/14 work programme. The Committee is keen to understand whether the Council's newly-established Commissioning and Procurement team has developed enough expertise to be able to properly monitor the delivery of contracts with service area clients.

Committee Letters

Finally, thank you for having remained in the meeting as the Committee started to discuss its Annual Report. As I mentioned to you, the Committee is disappointed not to have received responses to some of its letters to you earlier over the course of the year. The Committee will present its Annual Report to Full Council in June so we need to ensure that all responses to the Committee's considerations over the last 12

months are included in the report. Members urged you in the meeting to respond to any outstanding queries at the earliest opportunity. These items included: Transformation; Budget Monitoring Month 6; the Draft Attendance and Wellbeing Strategy and Non-Operational Property. However, I have since received your responses to these items, so many thanks. I am, though, exceedingly concerned about the delay between when your letters were dated and when they were first received. For example, your letter on the Transformation/Efficiency portfolio, following the 24 October 2012 Committee meeting was dated 5 December 2012 yet I only received a copy on 17 May 2013 - nearly 6 months later. I will therefore, be seeking clarification of how this breakdown in communication has occurred.

We also discussed the provision from you of the Welsh Government Minister's letter regarding land in Callaghan Square to the PRAP Committee. Receipt of the letter was requested during the joint Policy Review & Performance and Economy & Culture Joint Scrutiny Committee Call In meeting on 16 November 2012. The letter was the justification for the urgency in the Council's bid to buy the Callaghan Square land in November 2012. Since I had not received the letter from you I had subsequently requested it on 6 December 2012, 5 February 2013, 19 February 2013 and 10 May 2013. During our meeting last week the Committee noted your comment that, as you left the call-in meeting, you handed your papers to an officer and that the letter was subsequently shredded. I will be requesting the Welsh Government Minister for a duplicate. I am copying this letter to the Chair of the Economy and Culture Scrutiny Committee for his information, as the issue was considered jointly by our Committees.

I would be grateful if you would ensure that the Committee's comments are responded to as appropriate.

Yours sincerely,

Elizabeth Clark

COUNCILLOR ELIZABETH CLARK
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Christine Salter, Corporate Chief Officer (Corporate)
Steve Robinson, Operational Manager Procurement & Supplies
John Paxton, Strategy and Development Manager, Commissioning and Procurement
Joanne Watkins, Cabinet Office Manager
Members of the Policy Review & Performance Scrutiny Committee
Scott Parfitt, University of South Wales
Councillor Craig Williams, Chair, Economy and Culture Scrutiny Committee

Cardiff County Council, Atlantic Wharf, Cardiff Bay, CF10 4UW E-mail: eclark@cardiff.gov.uk

CABINET SUPPORT OFFICE
SWYDDFA CYMORTH Y CABINET

My Ref: CM24612
Your Ref: T: Scrutiny/PRAP/Comm Papers/ Correspondence

Date: 17 June 2013

Councillor Elizabeth Clark
Chair Policy Review & Performance Scrutiny
Cardiff County Council
Atlantic Wharf
Cardiff Bay
CF10 4UW

Dear Councillor Clark

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE: 15 MAY 2013 COMMISSIONING & PROCUREMENT

Thank you for the invite to Policy Review and Performance Scrutiny Committee and your positive comments around the progress that is being made in delivering a challenging procurement agenda. In your letter you have raised a number of issues which I will look to address in order.

Quarterly Monitoring Reports
I agree that including the non-compliance monitoring reports within Cabinet performance reporting arrangements would help drive further compliance progress and I have asked officers to make the necessary arrangements.

New Senior Management Structure
I have been informed that the Commissioning and Procurement Team has plans in place to provide new senior managers with an overview of commissioning and procurement in Cardiff. This will cover a range of issues including:

- Procurement spend within their Directorate including the current budgeted savings opportunities and non-compliant spend.
- How the Category Management Teams will work with Directorates to deliver identified savings and to identify new savings opportunities.

Supporting Small and Local Businesses
The Selling to Cardiff Council Guide has received positive feedback and clearly sets out how the Council procures goods, service and works. It is a useful reference document for not only suppliers/potential suppliers but also for Councillors and officers. In addition the Commissioning and Procurement Newsletters provide an overview of key issues and signpost readers to where they can find additional information. I know that officers are also looking to continue to attend Meet the Buyer events and are looking at opportunities to further improve our engagement with small and local businesses. The next event that they are

PLEASE REPLY TO: Cabinet Support Office, Room 529, County Hall,
Atlantic Wharf, Cardiff CF10 4UW
Tel (029) 2087 2479

scheduled to attend is the South Wales Chamber of Commerce annual Business Exhibition on 27 June at Cardiff City Stadium.

Self Certification Form
The Self Certification Form which is based on SQuID questions is undergoing its final consultation; I have attached a copy of the latest draft for your information. Officers are now seeking suitable contracts to pilot the Self Certification Form over the summer/autumn and will seek further feedback on the form from potential suppliers at the South Wales Chamber of Commerce event on 27 June.

Savings Opportunities
The Medium Term Savings Plan (see Appendix 1) sets out the £7.4 million of identified savings opportunities. The Commissioning and Procurement Team will be undertaking further work with service areas over the summer, and moving forward, to identify further savings opportunities. I have also asked the Commissioning and Procurement Team to give further thought to how the local multiplier effect can be built into contracts within the existing legal framework. As set out at Committee Council officers are already actively exploring with partners and the Welsh Government whether certain procurement opportunities can be advertised locally or regionally if there is a competitive local market.

Local Spend
As set out at Committee the Source Regional Project is looking to improve access to public sector procurement opportunities for local organisations. The Project has already delivered the Selling to Cardiff Council Guide and developed the draft Self Certification Form. Over the next year the Project will pilot the Self Certification Form in Cardiff, develop a guide to e-procurement and develop a guide to advertising low value opportunities all aimed at supporting local small businesses to access procurement opportunities.

The Council already reports local spend but as was set out at Committee there are caveats that need to be placed on this data. At present the reporting process matches spend to the postcode of the buy from address of the supplier whereas the payment could go to the head office based outside Wales. I have asked officers to explore the potential to run two reports, one based on the buy from address and one based on the payment address. As larger contracts are introduced there will be opportunities for local companies to secure work within the supply chain, officers are liaising with the prime contractor so that they report on spend within the local supply chain.

Community Benefits
The Category Management Teams are already working with prime contractors and partners to maximise opportunities for community benefits be this via a non-core approach (where community benefits/ social aspirations are dealt with via contract clauses) or a core approach (where community benefits / social aspirations form part of the core procurement, ultimately forming part of the evaluation criteria).

As part of the new procurement planning process for all contracts above £150,000, a Procurement Plan must be completed. The Procurement Plan template asks officers to consider whether there are opportunities to derive community benefits from the contract; they also have to consider equalities and sustainability issues. For all contracts over £2million and in line with Welsh Government Guidance there is an expectation that the contract will deliver community benefits. The Council will be closely monitoring the community benefits that we derive from contracts.

Living Wage
As I set out at Committee I am committed to Living Wage being extended to all organisations who work with Cardiff Council where this is practicable. Officers are presently researching the options for doing this and considering the legal implications, they will look to conclude this work in the autumn.

Supporting the Third Sector
I know that officers are working to maintain good links with the third sector, i.e. engaging with C3SC and the Wales Co-operative Centre at an early stage in the development of the Selling to Cardiff Council Guide. I have asked officers to explore whether a targeted Meet the Buyer style event for the Third Sector could further enhance the relationship. The event would not only provide an opportunity for the Council to explain its procurement processes but for the Third Sector to highlight / set out ideas for how they could best be engaged in the procurement process and to explore how to maximise mutual efficiencies.

Spend Data
The 2012/13 procurement spend data is presently being mapped to the new Council Structure. I have asked officers to provide the breakdown for the People and Professional Service category external spend; in particular consultancy and agency spend, to Committee once it becomes available in July.

'Tender Light'
Officers are currently looking at how information technology is used in the tendering process and how the Council can maximise the benefits of this technology in the procurement process. A key focus of this work is ensuring the process is proportionate to the value and complexity of the procurement. This will link to the Self Certification Pilot with officers looking at options to create a streamlined tender process for lower value / lower risk tender opportunities. This will need to interface with Sell2Wales, the National Procurement tender portal.

I welcome the Committee's plans to consider contract monitoring and quality as part of its 2013/14 programme.

Yours sincerely,

COUNCILLOR RUSSELL GOODWAY
CABINET MEMBER (FINANCE, BUSINESS & LOCAL ECONOMY)

ENCLOSURES: Supplier Self Certification form
Appendix 1 – Medium Term Savings Plan

cc Councillor Nigel Howells
Councillor Craig Williams

APPENDIX 1 – COMMISSIONING & PROCUREMENT MEDIUM TERM SAVINGS PLAN

	14/15	14/15	15/16	15/16	16/17	16/17
	High Saving	Low Saving	High Saving	Low Saving	High Saving	Low Saving
Adult Social Care	£1,479,575.91	£993,920.75	£39,759.72	£15,903.89	£0.00	£0.00
Childrens Social Care	£200,178.32	£99,626.24	£200,178.32	£99,626.24	£0.00	£0.00
Professional Services	£297,862.03	£192,132.01	£252,124.46	£164,689.47	£41,082.80	£24,649.68
Building Maintenance	£716,304.92	£573,043.94	£437,563.80	£348,856.03	£447,004.91	£264,617.93
Construction & Special Projects	£1,657,842.53	£952,856.97	£0.00	£0.00	£0.00	£0.00
Highways, Waste & Parks	£367,944.41	£160,277.94	£393,283.83	£244,010.46	£75,211.33	£45,126.80
Corporate & ICT	£108,257.34	£88,002.74	£0.00	£0.00	£0.00	£0.00
Transport	£456,656.55	£357,209.67	£103,357.85	£75,416.13	£0.00	£0.00
Facilities Management	£95,935.90	£67,155.13	£21,028.23	£14,719.76	£21,028.23	£14,719.76
TOTAL	£5,380,557.92	£3,484,225.39	£1,447,296.21	£963,221.98	£584,327.27	£349,114.17

The table sets out all identified savings not just General Fund - as at 12th June 2013.

SELF CERTIFICATION FORM

Guidance to suppliers

- The purpose of this form is to verify your organisation's contact details and to ensure that you are suitably qualified to proceed to award stage. This is a self-certifying form which asks suppliers a series of 'yes' / 'no' questions.

- Please read all the questions carefully. Be sure to answer every question on this form; incomplete forms cannot be accepted.

- The form is separated in to two sections, (A & B). The only supporting evidence that you might have to provide when returning this form is in relation to section A.

- **Section A: Supplier Acceptability**

  - The questions within this section are subject to either mandatory or discretionary exclusion.
  - If **mandatory exclusion** applies and you answer '**yes**' then you **will not** progress any further.
  - If **discretionary exclusion** applies and you answer '**yes**', then the Council **may** allow you to progress further, but only if you are able to provide sufficient evidence that the circumstances no longer apply.
  - If you are asked to provide further details then you will be required to attach these separately when you return this form. If this is the case then this will be highlighted green.

- **Section B: Supplier Qualification**

  - The Council requires you to meet **all** the requirements within this section.
  - If you **do not** currently meet a particular requirement then you **may be** asked to confirm that you are willing to do so prior to contract award.
  - Circumstances where this might apply include Insurance Levels, Dun & Bradstreet registration and Health & Safety.
  - ***N.B.*** *This is not guaranteed for every procurement exercise; the Council may require you to have these requirements in place already.*
  - Suppliers **do not** need to provide supporting documents, for example, accounts, certificates or policies at this stage.
  - **Only if you are chosen as the preferred supplier, will the Council ask you to provide evidence and relevant documentation prior to contract award.**
  - You will be required to provide the documentation within **10 days** of receipt of request from the Council.
  - Notes highlighted green explain what documentation will be requested from you if you are chosen as the preferred supplier.
  - If you cannot supply the information requested then you **will not** be awarded the contract.
  - If the Council discovers at a later stage that you have falsified any responses on this form your contract will be cancelled.

- **Suppliers are required to 'check' the declaration box at the end of this form.**

To select the 'yes' / 'no' answers on this form, double click on the box you want to select. Under 'default value' click 'checked' and then click 'OK'.

COMPANY DETAILS

1.1	Name & address of organisation	

1.2	Registered address: (If different to 1.1)	

1.3	Contact name of person applying on behalf of organisation:	
	Position in company:	
	Telephone number:	
	Fax number:	
	Email address:	
	Mobile phone number:	

1.4	Company Status:	*Please Indicate*
	Sole Trader	Yes ☐ No ☐
	Partnership	Yes ☐ No ☐
	Limited Company	Yes ☐ No ☐
	Public Limited Company	Yes ☐ No ☐
	Charity	Yes ☐ No ☐
	Other (please specify)	Yes ☐ No ☐
	Number of employees: (please specify)	

1.6	Date of formation or registration:	

1.7	Registration number:	
1.8	Is your organisation an affiliate or subsidiary of another organisation or holding organisation? If yes, please provide details.	Yes ☐ No ☐
1.9	VAT number (if applicable):	

SECTION A - SUPPLIER ACCEPTABILITY

Although the Public Contracts Regulations 2006 do not apply in full to contracts valued below the EU thresholds, the Council is adopting Regulation 23(1) and (4) for all contracts.

Mandatory Exclusion: If you answer **'yes'** to any of the points a) to f) below, the Council is required by law to exclude you from participating further; you **will not** be selected to tender if any of the grounds for exclusion apply.

If any of the grounds for exclusion do apply and you answered 'yes' please attach separately the details. The details will be used solely to determine whether the conviction disclosed is one of the types listed in Reg 23 (1). ***If such a conviction exists, your organisation will be automatically excluded.***

Regulation 23 (1)

Regulation 23(1) of the Public Contracts Regulations 2006 sets out grounds on which a bidder will be deemed ineligible to tender for, or be awarded, a public contract if the bidding organisation has been convicted of any of the following.

a) conspiracy;
b) corruption;
c) bribery;
d) fraud, including—
    a. cheating the Revenue/HMRC;
    b. conspiracy to defraud;
    c. fraud or theft;
    d. fraudulent trading;
    e. defrauding the Customs/HMRC;
    f. an offence in connection with taxation in the European Community; or
    g. destroying, defacing or concealing of documents or procuring the extension of a valuable security;
e) money laundering; or
f) any other offence within the meaning of Article 45(1) of the Public Sector Procurement Directive (2004/18/EC).

Please see the following link for further information:
http://www.legislation.gov.uk/uksi/2006/5/regulation/23/made

N.B. *If any of the mandatory grounds for exclusion become applicable after data has been submitted for a contract, bidders must inform the buyer. Failure to do so may cause any contract awarded to be cancelled.*

Question	Answer
Has the bidding organisation or its directors or other people with powers of representation, decision or control been convicted of any of the offences listed above, within Regulation 23(1)?	Yes ☐ No ☐

Discretionary Exclusion: If you answer **'yes'** to any of the points below, it is possible that your application will not be accepted. The Council is entitled to exclude you if any of the below do apply; however, the Council ***may*** decide to allow you to proceed further.

*In the event that any of the following **do apply**, please attach separately the details that will enable the buyer to determine whether the discretionary grounds for exclusion laid out in Regulation 23(4) of the Public Contracts Regulations 2006 apply to you or not.*

N.B. The Council is entitled to exclude you in the event you are found guilty of serious misrepresentation in providing any information referred to within regulation 23 of the Public Contracts Regulations 2006 or you fail to provide any such information requested by the Council.

Regulation 23(4)

Regulation 23(4) of the Public Contracts Regulations 2006 sets out grounds on which a services provider may be deemed ineligible to tender for or be awarded a public contract.

- The bidder being an individual is in a state of bankruptcy or has a receiving order or administration order or bankruptcy restriction order made against him or has made any arrangement for the benefit of creditors.
- The bidder being a partnership constituted under Scots law has granted a trust deed or become otherwise apparently insolvent, or is subject of a petition presented for sequestration of its estate.
- The bidder being a company is in the process of winding up, administration, or receivership.
- The bidding organisation has been convicted of a criminal offence relating to the conduct of its business or profession.
- The bidding organisation has committed an act of grave misconduct in the course of its business or profession.
- The bidding organisation has not fulfilled obligations relation to payment of social security contributions.
- The bidding organisation has not fulfilled obligations relating to payment of taxes.
- The bidding organisation is guilty of serious misrepresentations in supplying information required by the Buyer under the Public Contracts Regulations.
- The bidding organisation is not in possession of a licence or not a member of the appropriate organisation where the law requires it.

Question	Answer
Do any of the circumstances set out in Regulation 23(4) above apply?	Yes ☐ No ☐

Conflict of Interest

Discretionary Exclusion: If you answer '**yes**' to this question, you **will not** be able to progress any further with this procurement ***unless*** it can be proven that you have taken steps to avoid the perception of a conflict of interest. **In the event that you fail to declare a potential conflict of interest the Council may cancel any contract awarded.**

Question	Answer
Are you (if an individual) or any of your directors, partners, shareholders, owners, officers, employees, agents or associates (if an organisation) related or connected to any elected officials of the buyer or any officers of the buyer involved in the procurement?	Yes ☐ No ☐

Equal Opportunity & Sustainability

Discretionary Exclusion: If you answer **'yes'** to the following two questions, you **will not** be able to progress any further with this procurement ***unless*** you are able to provide adequate evidence that you have taken action to prevent similar circumstances from recurring.

*In the event that any of the below **do apply**, please attach separately a summary of the finding or judgment for which you answered 'yes' to and explain what action you have taken to prevent similar circumstances from recurring.*

Question - Equal Opportunity	Answer
Has your organisation had any of the following circumstances applied to them in the last 3 years? • a finding of unlawful discrimination by an Employment Tribunal, an Employment Appeal Tribunal or any other court or tribunal (or in comparable proceedings in jurisdiction other than the UK). • following formal investigation by the Equality and Human Rights Commission or its predecessors (or a comparable body in a jurisdiction other than the UK), a complaint of unlawful discrimination has been upheld • a finding of unlawful discrimination against anyone with protected characteristics has been made against your organisation by any civil or criminal court (or a comparable body in a jurisdiction	Yes ☐ No ☐

Question - Sustainability	Answer
Has your organisation been convicted or had a notice served upon it for infringement of environmental legislation in the last three years?	Yes ☐ No ☐

SECTION B – SUPPLIER QUALIFICATION QUESTIONS

1.	INSURANCE	
1.1	Does your organisation have the following minimum levels of insurance in place? • Employer's Liability Insurance £x million • Public Liability Insurance £x million • Professional Indemnity Insurance £x million • Product Liability Insurance £x million. ***N.B.*** *If chosen as the preferred supplier you will be required to provide up to date copies of your insurance certificates.*	Yes ☐ No ☐
1.1.1	If you ***do not*** currently have the correct levels of cover in place, are you willing to put them in place if you are chosen as the preferred supplier?	Yes ☐ No ☐

2.	ECONOMIC & FINANCIAL STANDING	
2.1	**Credit Check** Do you have a Dun & Bradstreet D.U.N.S registration number? *Please provide your D.U.N.S number here:* _____	Yes ☐ No ☐
2.1.1	If you ***are not*** currently registered, are you willing to register and supply the Council with your D.U.N.S registration number if you are chosen as the preferred supplier? You can obtain a free D.U.N.S number for your business by visiting: http://www.dnb.co.uk/Forms/DUNS_Request.asp	Yes ☐ No ☐
2.2	**Profit & Loss** Does your organisation have a profit or loss (EBIT)* figure of XXXX for the last X number of financial years? ** Earnings Before Interest and Tax; this is your underlying profitability.*	Yes ☐ No ☐
2.3	**Acid-test ratio** Does your organisation have an acid-test ratio figure of XXXX for the last X number of financial years? *This ratio is defined as: = (Cash + Accounts Receivable + Short Term Investments) divided by (Current Liabilities)*	Yes ☐ No ☐
2.4	**Accounts** Please confirm that you will be able to provide accounts for the most recently completed **2** financial years. ***N.B.*** *If chosen as the preferred supplier you will be required to provide accounts for the last 2 financial years.*	Yes ☐ No ☐

3.	CAPACITY & CAPABILITY	
3.1	Do your staff have the following qualifications and experience in order to service this requirement? - XXXX - XXXX - XXXX ***N.B.*** *If you are chosen as the preferred supplier you will be asked to provide copies of CVs of the key staff prior to award of contract.*	Yes ☐ No ☐
3.2	Please confirm that your organisation has the following standards /accreditations / certifications in place. - XXXX - XXXX - XXXX ***N.B.*** *If you are chosen as the preferred supplier you will be asked to provide evidence of the above standards/accreditations prior to award of contract.*	Yes ☐ No ☐
3.3	**Experience** Please confirm that you have X examples of contracts that you have successfully delivered in the last 3 years which are relevant to this requirement. ***N.B.*** *If you are chosen as the preferred supplier you will be required to provide details of the contracts you have delivered.*	Yes ☐ No ☐

4.	HEALTH & SAFETY	
4.1	Is your organisation currently registered with a member of the Safety Schemes in Procurement (www.SSIP.org.uk) or equivalent? Please provide your SSIP (or equivalent) registration number here:	Yes ☐ No ☐
4.2	If you ***are not*** currently registered with SSIP (or equivalent) please confirm that you would be willing to register if you are chosen as the preferred supplier.	Yes ☐ No ☐

Supplier Declaration

After you have completed this form, please read the statements below and agree that you understand that:

- False representation could result in de-selection from any competition or termination of contract.
- Falsification of information could prevent my organisation from bidding for work at Cardiff Council for up to a period of XXXX months/years
- Cardiff Council will request to see information supporting my responses if I am chosen as the preferred supplier and understand that failure to provide this requested information will mean that I will not be awarded the contract.
- If any of my details or circumstances change, I am responsible for updating this information with Cardiff Council.
- Cardiff Council is under a duty to protect the public funds it administers, and to this end may use the information I have provided on this form for the prevention and detection of fraud. It may also share this information with other bodies responsible for auditing or administering public funds for these purposes.

If you understand and agree to these statements please 'check' the box below. By doing this you also certify that the information you have supplied is accurate to the best of your knowledge and that you accept the conditions and undertakings in this form. If you do not 'check' the box you will not be able to work with Cardiff Council.

NAME:

DECLARATION: Yes ☐

DATE:

In My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

Date: 19 June 2013

County Hall
Cardiff,
CF10 4UW
Tel: (029) 2087 2087

Neuadd y Sir
Caerdydd,
CF10 4UW
Ffôn: (029) 2087 2088

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

Dear Councillor Joyce,

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE 5 JUNE 2013
Wales Audit Office (WAO) Corporate Assessment and Peer Review

Please pass my thanks to the Cabinet Member for Finance, Business and the Local Economy for attending the Policy Review and Performance Scrutiny Committee meeting on your behalf, to aid the Committee's consideration of the Wales Audit Office's impending Corporate Assessment and the Peer Review of the Council.

The Committee was informed that the WLGA has not yet identified those who will be undertaking the Peer Review; once this has been confirmed, please pass this information on to the Committee.

We noted that the results of the Peer Review will be used to inform incoming senior managers as they take up their posts. However, Members were concerned that a key element of any review of the delivery of the Council's services – the views of the customer – will be missed in the Peer Review arrangements. While we understand the time constraints on completing this work, we would urge you to address this issue. The Committee also recommends full engagement with Trade Union colleagues, which is not necessarily guaranteed if they are treated as simply another stakeholder group.

Members would also like to consider the results of both the Peer Review and the Corporate Assessment, so that the Committee use the reports to inform its work programme. Please ensure that officers work with Scrutiny Services in order to schedule an appropriate agenda slot. The Committee would also like to take up the Chief Executive's offer of access to the 'virtual zone' which has been created to allow the WAO to retrieve the documents it needs to complete its desk-based review, prior to being on site in October.

Finally, Members noted that early engagement in the 2014/15 and 2015/16 budget processes is considered vital. The Committee welcomed the Cabinet Member's comment that the consultation process will be revised next year, as the Committee previously noted concerns with the 2013/14 budget consultation. The Cabinet Member stated that there are 'no sacred cows' in terms of services to be protected from the effects of a settlement which is likely to be worse than predicted. In the light of this, wider and early engagement, particularly with Scrutiny Committees, must be improved as part of this year's process.

I would be grateful if you would ensure that the recommendations and requests contained in this letter are responded to at the earliest opportunity.

Yours sincerely,

COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Jon House, Chief Executive
Councillor Russell Goodway, Cabinet Member for Finance Business and the Local Economy
Steve Barry, Wales Audit Office
Mike Davies, Head of Scrutiny Performance and Improvement
Joanne Watkins, Cabinet Office Manager
Members of the Policy Review & Performance Scrutiny Committee

Cardiff County Council, Atlantic Wharf, Cardiff Bay, CF10 4UW E-mail: nhowells@cardiff.gov.uk

My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

Date: 19 June 2013

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Cardiff,
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Tel: (029) 2087 2087

Neuadd y Sir
Caerdydd,
CF10 4UW
Ffôn: (029) 2087 2088

Councillor Luke Holland
Cabinet Member Social Care, Health and Wellbeing
Cardiff Council, County Hall
Cardiff
CF10 4UW

Dear Councillor Holland,

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE 5 JUNE 2013
Customer Management – Cardiff Council Website

Please thank your Cabinet colleague and officers for attending the meeting of the Policy Review and Performance Scrutiny Committee on your behalf for its consideration of the forthcoming changes to the Council's website.

Members of the Committee have been concerned for some time that the website is not fit for purpose, so were pleased to hear that these improvements are under development. The Committee understands these changes as part of the wider programme to modify the way in which the Council manages its relationship with customers, which the Committee has considered in previous meetings. The website is being developed as an access channel, rather than simply a communications tool. Members were concerned however that there is a long implementation timescale and that in four years time we may not have reached the point we want to in terms of customer service via the web.

Members also urge that, as far as possible, developments to the website should be future-proofed. The Committee expressed its concern at the meeting that the development of any bespoke solutions for our website may mean that there would be difficulty in upgrading our technology in future. Members were also concerned that little thought seems to have been given to future regional collaboration with other local authorities. It is possible that great expense could be wasted on developing our website in a way which will be incompatible with future partnerships. Members were informed that the Vale of Glamorgan, for instance, does not use SAP and that this would pose an issue in any future collaborative customer relationship management.

The Committee queried whether due regard was being paid to making the website accessible to people with disabilities. Members were informed that officers are working with the Royal National Institute of Blind People and would like to receive more information about this work. The Committee once again reiterates its point that we must ensure that customers have access to their preferred method of communication with the Council. Members also recommend that further thought is given to the use of social media as an access route for Council services. Members understand that there are issues with this, in terms of raising customer expectations of immediate responses that may be difficult to meet, for example. There may also be difficulties in ensuring a consistent level of service between different access

channels. However, if the Council does not look into this area, we risk excluding a section of the population who largely use this method of communication.

Members heard that website governance is vital to ensure that the information on the website and the types of services it offers are appropriate, consistent and well-managed in future. In the past the website has been updated and managed in a quite inconsistent way by individual service areas, rather than by a centrally resourced team. Members would like further information about this governance once it has been fully developed. The Committee further notes that the proper management and use of information is an important aspect of this governance. This has an impact in terms of both the appropriate release of information to the public and our use of customer data to provide a better service. We urge you to ensure that Customer Services officers work closely with the Improvement and Information Management team to ensure a joined-up approach.

Members also urge consideration of the quality of the Council's response to requests for service via any medium. The Committee commented at the meeting that greater use should be made of customer feedback to ensure that our responses are of a consistently high standard.

As there are forthcoming large-scale changes across the Council's customer management strategy, the Committee will aim to keep a watching brief on this area. Please ensure that officers continue to work with Scrutiny Services to schedule further discussions and pre-decision scrutiny as necessary.

Finally, the Committee would like to accept officers' offer to provide the more detailed roadmap which has been prepared regarding changes to customer management.

I would be grateful if you would ensure that the Committee's comments are responded to as appropriate.

Yours sincerely,

COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Councillor Russell Goodway, Cabinet Member for Finance, Business and the Local Economy
Sarah McGill, Director, Communities, Housing and Customer Services
Ross Maude, Chief Enterprise Architect
Mike Davies, Head of Service, Scrutiny, Performance and Improvement
Joanne Watkins, Cabinet Office Manager
Members of the Policy Review & Performance Scrutiny Committee

Cardiff County Council, Atlantic Wharf, Cardiff Bay, CF10 4UW E-mail: nhowells@cardiff.gov.uk

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Neuadd y Sir
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Councillor Russell Goodway
Cabinet Member - Finance, Business & the Local Economy
Cardiff Council, County Hall
Cardiff
CF10 4UW

Dear Councillor Goodway,

ENGAGEMENT WITH POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

Thank you for attending the Policy Review and Performance Committee on 5 June 2013 to represent the Leader and Councillor Luke Holland. I am writing separately to them with regards to the Wales Audit Office Corporate Assessment and Peer Review and Cardiff Council Website items. The Committee has however asked me to write to you directly to express Members' concern over the paucity and speed of your responses to the Committee's comments and recommendations over the past year.

The Committee has been waiting for several months for your responses regarding a number of issues, including the Transformation Portfolio, the Draft Attendance and Wellbeing Policy and the Month 6 2012/13 Budget Monitoring report. I can confirm that the former Chair received copies of your responses on these issues on 17 May 2013, albeit that the letters were dated several months prior to this date. As Members commented at the meeting, clearly there has been a breakdown in the system. I would urge you to investigate this matter and respond to the Committee with your findings at the earliest opportunity. Members also urge you to ensure that all points or recommendations made are reflected in your responses.

The Committee has also pursued a copy of the letter from the Welsh Government regarding the Callaghan Square purchase for several months. We noted your comments at this meeting that the context surrounding this letter had been misunderstood. However, Members reiterate their request for a copy of the letter sent by the Minister, once a duplicate has been received by your office. The Chief Executive has confirmed that he is investigating the accidental destruction of the original and the Committee would like to see the results of this investigation as soon as possible.

Finally, Members have asked me to relay their concerns regarding Cabinet attendance at Scrutiny meetings. There were a number of meetings in 2012/13 where the relevant Portfolio-holder was not able to attend and instead were represented by Cabinet colleagues or by officers. Members hope that the Cabinet will be able to more fully engage with the Committee in the coming year.

I would be grateful if you would ensure that the Committee's comments are responded to as quickly as possible.

Yours sincerely,

COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Joanne Watkins, Cabinet Office Manager
Members of the Policy Review & Performance Scrutiny Committee
Councillor Heather Joyce, Leader, Cardiff Council
Jon House, Chief Executive
Mike Davies, Head of Service, Scrutiny, Performance and Improvement

Cardiff County Council, Atlantic Wharf, Cardiff Bay, CF10 4UW E-mail: nhowells@cardiff.gov.uk

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

Dear Councillor Joyce,

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE 18 JUNE 2013
Review of the Post of Chief Executive

Thank you for attending yesterday's special Policy Review and Performance Scrutiny Committee meeting regarding the review of the role of Chief Executive. Members were glad to hear that you came to the meeting with an open mind in terms of what the next steps will be. Members have asked me to sum up their comments and recommendations with regards to both the Chief Executive's longer-term replacement and interim arrangements, for consideration at this afternoon's Cabinet meeting.

Firstly, in terms of cover for the role of Chief Executive until recruitment can take place, the Committee heard that your preferred option was to take up the Welsh Local Government Association's offer to provide an interim Head of Paid Service on a consultancy basis. Members heard that this was your preference above the temporary appointment of an internal candidate under an 'acting up' arrangement. We noted your comments with regards to the capacity of current and incoming senior managers to undertake the additional duties that an acting up arrangement would involve and that in particular there are concerns with regards to taking away managerial capacity from Education Services. However, the Committee has a number of concerns with this option:

- While the cost of the arrangement would be borne by the WLGA, we should remain conscious that this would still be a considerable cost to public finds;
- The Administration has also made it clear on several occasions that it has aimed to move away from the use of external consultants and towards building up internal capabilities, which seems at odds with this option;
- The interim arrangement would only be funded by the WLGA for three months. As the recruitment process is highly unlikely to be concluded by that time, it would leave the Council to find an alternative arrangement for up to another three months, if the chosen candidate has to complete a notice period. You informed the Committee that this was likely to be an acting up arrangement. The Committee was particularly concerned that this would lead to a further period of uncertainty for the organisation;
- The Committee also discussed the specific appointee to be provided by the WLGA, as identified in the media. The Committee heard from the Chief Executive of the WLGA that the candidate has extensive experience in English local government and that this originally led to his selection as a member of the Independent Peer Review commissioned by the Cabinet. While the WLGA

feel that he will be able to successfully undertake both the roles of Head of Paid Service and Peer Reviewer, the Committee felt that this would be an inappropriate conflict of interest and may undermine the value of the Review.

- The Committee was also concerned that it is proposed that the candidate would work on only a part-time basis. Members feel that the Council needs a full-time resource given the various pressures which it is currently facing, including the ongoing Wales Audit Office's Corporate Assessment and significant financial challenges.

The Committee would stress that it welcomes the experience which the WLGA candidate could offer in his original proposed role as a member of the Peer Review Panel. However, Members strongly recommends that the Cabinet considers appointing an internal candidate on a temporary acting up basis until the recruitment process can take place. This would provide greater continuity to the organisation; would have less impact on stakeholder relationships, which have already been adversely affected by the publicity surrounding the proposals; and would offer greater benefits than a part-time, short term arrangement which would need to be reassessed in the very near future.

Secondly, with regards to a longer-term replacement for the current Chief Executive, the Committee heard that your preference was to create a new role of 'City Director', which would undertake fewer externally-facing duties and which could save around 15% on the current Chief Executive's salary. The Committee has a number of concerns around the proposed role:

- Members do not feel that adequate clarity has been established about the external duties currently undertaken by the Chief Executive which would shift to the Cabinet to provide sufficient distinction between the roles. The Chief Executive offered to provide a list of his current external facing duties and the Committee would like to take up this offer, but feel that this clarity should have been given in the Cabinet report to permit an informed decision;
- The Committee was also concerned that the shift towards a City Director post would create unnecessary pressures on the Cabinet in terms of their capacity to assume external duties as well as those they currently undertake;
- Members believe that the City Manager post may be seen as a 'downgraded' position in comparison to that of Chief Executive, meaning both that Cardiff's reputation nationwide may suffer and that we may not find a candidate of sufficient calibre;
- The Committee was concerned that the 'first among equals' status to be attributed to a City Director role would not allow the post-holder sufficient strength and direction in a relatively new senior management structure;
- Finally, Members wish to highlight issues with the City Director job description included with the Cabinet report. The Committee feels that it would be more appropriate for the role to 'support and advise Full Council' (as in the current Chief Executive job description) than 'support the Leader and Cabinet' only.

Despite the Committee's misgivings around the proposed City Director role, Members were pleased to hear from the WLGA that the number of Member-led bodies and partnership groups is increasing across Wales. We are very much in support of this agenda.

In terms of the option to create a shared Chief Executive post with a neighbouring authority, the Committee agrees that this is not appropriate at this time. Members feel that, in light of the challenges currently facing the Council, any arrangement where we would share a Chief Executive would take away vital capacity from the Council's management structure. The Committee also feel that as a capital city it is fitting for Cardiff to have its own dedicated Chief Executive. Members were however surprised that no discussions had been held to explore this option with other local authorities, feeling that Cabinet have not gathered sufficient evidence in this regard.

We therefore remain unconvinced by the evidence base to support the creation of a City Director role or to pursue a shared role, and recommend recruitment to a Chief Executive role should proceed as soon as possible. If the Cabinet wishes the role to concentrate on internal matters, this would remain within its control. However, continuing with the established role of Chief Executive role would prevent an unnecessary lack of clarity and loss of status within the organisation at a time of considerable flux. The Committee noted the desire to achieve budget savings by creating a City Director role. We would therefore encourage the Employment Conditions Committee to investigate whether a replacement Chief Executive can be recruited on a spot salary at the lower end of the current scale. The Committee further notes the Cabinet's intention to undertake a further review of senior management structures to deliver additional savings and would like to consider this at an appropriate point in its work programme. Please ensure that officers work with Scrutiny Services to schedule this.

Finally, the Committee would like to formally thank Jon House for his work as Chief Executive and to wish him well in his new role.

Yours sincerely,

COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Jon House, Chief Executive
Steve Thomas, Welsh Local Government Association
Representatives of Unison, GMB and Unite Trade Unions
Councillor Cerys Furlong, Chair, Employment Conditions Committee
Cabinet Office
Members of the Policy Review & Performance Scrutiny Committee

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