

## POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

9 JULY 2013

Present: Councillor Howells (Chairperson);  
Councillors Bale, Hunt, Knight, Murphy, Robson and  
Walker

### 7 : MINUTES

The minutes of the meetings held on 5 June 2013 and 18 June 2013 were approved by the Committee as a correct record and were signed by the Chairperson.

### 8 : DELIVERY AND PERFORMANCE REPORT QUARTER 4, 2012/13

The Committee received the Corporate Performance Management Report for Quarter 4, 2012/13, which had previously been considered by the Cabinet at its meeting of 19 June 2013. The Committee had agreed to receive reports for Quarters 2 and 4 for detailed consideration as part of its work programme for 2012/13. The Quarter 4 Delivery and Performance Report is set out according to Cabinet Member portfolios and reports on the progress made in delivering the priorities published in 'Leading Cardiff – Building Communities' and the Corporate Plan 2012/14.

Members were advised that, of the Cabinet's Year One commitments set out in 'Leading Cardiff – Building Communities', 39 were rated as 'green' (on target) and two were rated as 'amber' (action required). Of the actions included in the Corporate Plan 2012/14, 178 are rated as 'green' and 14 were rated as 'amber'. It was noted that the performance report contained a preface highlighting overall sickness levels, including sickness levels by service area. A breakdown of corporate complaints received, Freedom of Information requests and corporate risks was also provided.

The Committee was asked to consider the performance information within the Committee's remit, in particular:

- Year 1 Commitments in equalities and energy efficiency
- Corporate Plan 2012-14 Actions – produce a five-year plan to transform the Council's services and provide the resources to meet out targets

- Performance Indicators
  - CFH/007 Council Tax Collection
  - CFH/006 Undisputed invoices paid in 30 days
  - KP102 Percentage of regular payments made by BACS

The Leader of the Council and the Head of Service – Scrutiny, Performance and Improvement have, during previous discussions, offered to provide a bespoke performance report to the Policy Performance and Review Scrutiny Committee. Previously, Committee Members have expressed an interest in receiving performance information in those service areas which fall within the remit of the Committee, as these were largely not addressed by the Cabinet’s Delivery and Performance Report. A list of those indicators falling within the remit of the Committee was attached to the report. Members were asked to consider whether they may wish to receive this additional performance information or whether they wish to consider the development of wider-ranging corporate performance indicators to accompany Cabinet reports during 2013/14.

The Chairperson welcomed Councillor Joyce, Leader of the Council; Mike Davies, Head of Service – Scrutiny, Performance and Improvement; and James Turvey, Principal Improvement and Delivery Manager. Councillor Joyce made a brief statement recognising the importance of effective performance management in times of increasing demand and reducing resources. Councillor Joyce was pleased with the progress made on the priorities set out in ‘Leading Cardiff – Building Communities’ and noted the vital role Scrutiny Committees had to play in performance management.

Mike Davies advised the Committee that the Welsh Local Government Association Independent Peer Review process had commenced. Information would be circulated shortly to key Members and stakeholders. One week of intensive discussions was to take place prior to the full report being received in five weeks time.

In September the Cabinet will receive a performance report in a new format. Members were again offered the opportunity of receiving future performance monitoring reports specifically tailored to the requirements of the Policy Review and Performance Scrutiny Committee.

Officers were currently holding discussions with the Welsh Government with a view to benchmarking with authorities outside Wales. A review of information captured by the Council but not recorded on the Cardiff Improvement System was underway and would be completed by

September 2013. It was anticipated that some key indicators would be benchmarked with English and Scottish authorities in the future.

The Chairperson thanked the Leader and the Officers for presenting the report to the Committee. Members were invited to comment or ask questions on the information provided. Members made the following observations:

- The Committee discussed the green/amber/red classification of indicators. Members stated that at a previous meeting the Committee requested information regarding the objective criteria used to identify indicators as green/amber/red. Members were anticipating receiving further guidance. It was considered that the Committee would feel more engaged if the criteria used to classify indicators were transparent.

Officers advised that the Cardiff Improvement System (CIS) set out the milestones for performance indicators in each quarter. This information had previously been included in the quarterly performance reports to Committee which resulted in a large amount of information being presented. This amount of detail was not helpful. However, if required, such a level of detail can be provided should the Committee wish to investigate further the suggested offer of a bespoke performance report.

- Members felt the presentation of sickness absence data by service area was helpful and informative.
- The Delivery of Efficiencies Programme had achieved £7.6 million savings, under-recovering by £2.9 million against its target for 2012/13. The Committee questioned why £2.339 million was needed to deliver the portfolio; why the programme had not recovered the anticipated savings; whether consultants were being used; and whether it would be possible to achieve the £25 million per annum savings that it is reported the authority needs to achieve in future.

Officers advised that the £25 million per annum savings is a cumulative figure and the Efficiencies Programme is only part of that figure. Once the new management structure is in place the use of consultants would be diminished.

The Committee requested from officers a breakdown and further detail

concerning the efficiencies which were not being achieved.

- Members requested that future reports include a 'trend analysis' in terms of a comparison between the performance indicators results achieved; the results for those same indicators in previous years; and the results for those indicators in other local authorities. Officers gave a commitment that this information would be included in the Quarter 1 report for 2013/14.
- The Committee requested a breakdown of the sources for FOI requests and those service areas which information is requested from. Officers confirmed that those statistics were available. It was suggested that they be reported to the Committee on an annual basis.

The Committee also expressed the view that there were potential benefits to be gained from publishing data which was already being collected. Officers agreed and stated that, whilst the benefits of transparency were recognised, the priority, in terms of FOI, was to release information being requested at present. Improvements in data management were currently being piloted which could potentially reduce the cost of responding to FOI requests.

The Committee considered that the percentage figure of 61% for responding to FOI requests within the required timescales was disappointing. Officers stated that this result was higher in the past, but had resulted in a high number of appeals to the FOI Commissioner. Whilst this result could clearly be improved upon, the number of FOI appeals was now miniscule by comparison.

The Chairperson thanked the Leader and the officers for addressing the Committee.

It was AGREED that the Chairperson, on behalf of the Committee, write to the Leader of the Council, Councillor Heather Joyce highlighting the following issues:

- The Committee were pleased that previous comments have been taken into account and the service area breakdown for sickness absence has now been included in the Delivery and Performance report;
- Members were also pleased to note the further detail included in the report regarding Freedom of Information requests received by

the Council. Members requested that a service area breakdown be included in the report in future;

- The Committee noted that an improvement in compliance with the relevant response timescales for Information requests is anticipated in the first quarter of 2013/14;
- Members were concerned that some of the targets included in the report are ineffective, e.g. STS/007 (fly-tipping enforcement activity), where the target was greater than 10%, but the outturn for 2011/12 was almost 48% and for 2012/13 was 56%. The Committee asked that the Performance team works with service areas to ensure challenging targets are in place in the future;
- During the meeting, Members queried the objective under the portfolio of the Cabinet Member for Finance, Business and the Local Economy to 'Produce a five year plan to transform the Council's services and provide the resources to meet our targets'. The Committee was concerned that the Leader had not seen the plan and that no further detail regarding this plan was available. The Committee would write separately to the Cabinet Member requesting further details, as this activity remained lacking in clarity after over a year of operation for the Corporate Plan;
- Members thanked the Head of Service for Scrutiny, Performance and Improvement for his update regarding the ongoing Peer Review and had received the details of the Panel members. Members looked forward to seeing the full results of the review in due course and would like confirmation of the timing of the publication of the report.

## 9 : BUDGET OUTTURN REPORT 2012/13

The Committee received a report on the final budget outturn position for 2012/13. Members were asked to consider whether the information presented could inform its work programming decisions for 2013/14.

The Council's final revenue position showed a surplus of £187,000 against the Council's overall net budget of £546 million. A number of service areas had identified ongoing financial pressures, including Children's Services, City Services and Education. This was confirmed in their outturn positions, as Children's Services reported an overspend of £1.992 million; City Services an overspend of £859,000; and Education an overspend of £167,000.

Members were requested to note the following variances, which fell within the remit of the Committee, and consider scrutinising these areas as part of the 2013/14 budget monitoring:

*Within an overall underspend of £161,000 in the Corporate Services budget:*

- an overspend of £159,000 in the Scrutiny, Performance and Improvement budget due to a savings shortfall of £155,000 in the Performance and Information Management Transformation project; an overspend of £22,000 in Legal and Democratic Services due to a shortfall in income.
- Capital Financing was overspent by £372,000

*Within an overall overspend of £64,000 in the Shared Services Budget:*

- An overspend of £580,000 against the Facilities Management budget, including a deficit of £261,000 in Building Services; Facilities Management of buildings reported a significant overspend of £265,000 largely due to a shortfall of £625,000 in Transformation/Efficiency savings which were not achieved.
- An overspend of £264,000 against the Centralised Transport Services budget, due to a shortfall of £446,000 against its £1.082 million target for Transformation/Efficiency savings; this included a shortfall of £372,000 against Fleet Management category management. An additional savings target of £507,000 had been set for category management fleet spend in the 2013/14 budget; as well as £240,000 savings from control of the Council's short-term vehicle hire and grey fleet; and £409,000 savings from various passenger transport savings initiatives.
- Partly off setting these overspends, the ICT budget reported a £143,000 saving, mainly due to reduced expenditure on hardware and software.

Members were further requested to note that the former Transformation or Efficiency Portfolio reported a shortfall of £2.893 million against its overall £10.9 million 2012/13 savings target, further detail of which was appended to the report. A breakdown of the expenditure to support each programme within the portfolio was also provided. An overall saving of £1 million was reported against this expenditure line.

In relation to the Capital Programme, the Committee was requested to note:

- The outturn for the General Fund Capital Programme showed capital expenditure of £88.1 million, a variance of £40.1 million. This was made up of slippage of £37 million, and a net underspend of £3.1 million.
- The Council funded the General Fund Capital Programme from a number of sources, including grants, borrowing, revenue sources, capital grants and external contributions. In 2012/13 £10.4 million came from Welsh Government supported borrowing; £8.9 million from Invest to Save unsupported borrowing and £11 million from additional unsupported borrowing.
- The Central Transport Service Vehicle Maintenance Depot, which opened in April 2013 was delivered at an increased cost due to the technical nature of the works; changes required in the design to support heavy vehicles; a requirement to relocate a fuel store; and parking changes. This was managed within from existing capital resources and an increased Invest to Save loan.
- Future options are still under consideration in relation to the current County Hall site. Significant expenditure is required to address the maintenance backlog and the office accommodation rationalisation scheme has been deferred.
- The Business Process Improvements budget (Enterprise Architecture) £5.540 million has reported slippage of £2.493 million.

The Chairperson welcomed Councillor Goodway, Cabinet Member for Finance and Economic Development; Marcia Sinfield, Interim Section 151 Officer and Allan Evans, OM Service Accountancy to the meeting. Marcia Sinfield advised the Committee that the Statement of Accounts were signed off by the Section 151 Office in June 2013. The accounts were unaudited and placed on deposit. The Welsh Audit Office (WAO) would audit the accounts over the summer and the final Statement of Accounts would be produced in September.

Members were invited to comment or ask questions on the information provided. Members made the following observations:

- Members queried the overspend of payments to Northampton Council in respect of unpaid Penalty Charge Notices and sought clarification of what Northampton Council were doing on the authority's behalf. Officers gave an undertaking to investigate further and report back to the Committee.
- The Committee noted the spend profile in relation to Section 106 payments in the Parks Service. Members expressed concern that the

community benefits of Section 106 monies were not being realised. Members felt that some form of forward planning, in respect of Section 106, may be required, as many Section 106 payments received from developers were close to expiring. Further concern was expressed that, as a result, officers may be pressurised into spending these monies on routine maintenance.

- Members requested further detail of the drawdown from reserves required to meet the Corporate Initiatives undertaken during the year.
- The Committee noted an increase in insurance costs. Officers advised that it had been necessary to drawdown £700k from the insurance reserve during the year in order to mitigate increased risk to the authority. Members requested further detail regarding all areas where increased risk had been identified and, in particular, the risks requiring a drawdown from reserves. Officers agreed to provide the Committee with further detail.
- Officers agreed to provide a detailed breakdown of movements between the Housing Revenue Account and the General Fund. The Committee was advised that the Welsh Government was seeking to end the Housing Revenue Account subsidy system. Further details of these proposals were awaited.
- Members requested a breakdown of the efficiency savings realised across portfolios.
- Members further requested subjective breakdown of headline costs to be included within future budget monitoring reports.
- In relation to the Corporate Plan Objective 'To produce a five-year plan to transform the Council's Service and provide the resources to meet our targets', the Committee requested further details of activity undertaken towards the production of a five-year plan.
- The Committee discussed the £1.6 million expenditure made purchasing licences for SAP licences and the further £400,000 revenue costs associated. Members noted that these costs were for named user-licence agreements. It was not anticipated that these costs would rise in the future. Members were advised that the authority should be 'future proofed' in the area as a result of this expenditure.
- The Committee noted the potential liability regarding Junction 30 of the M4. Members were advised that there were no other potential contingent liabilities.

It was AGREED that the Chairperson, on behalf of the Committee, write to the Cabinet Member for Finance and Economic Development, Councillor Russell Goodway, highlighting the following issues:



- The Committee noted the ongoing level of Capital slippage, albeit that the level of slippage has decreased since 2011/12. Members hoped that service areas would be strongly urged to ensure the timely delivery of capital schemes going forward. The Committee was discussing its work programme for the rest of the year and may look to schedule a deeper consideration of the Council's Capital programmes;
- Members queried the cost of SAP licenses and noted that these would cost £1.6 million with a further revenue cost of £400,000 per annum. The Committee further noted that although these are named-user licenses it was not anticipated that this cost would rise and that the Council should be future-proofed in this area;
- The Committee would be interested to see a functional/subjective breakdown of spend included within the future budget monitoring reports to highlight, for example, spend on agency staff or consultants across directorates;
- Members noted the potential liability with regards to Junction 30 of the M4 and that, at the moment, officers were not aware of any other liabilities in the pipeline.

There were a number of points about which the Committee requested further information:

- The payments to Northampton Council regarding the transfer of unpaid Penalty Charge Notices to the bailiff service;
- The spend profile in relation to Section 106 payments in the Parks service, as Members were concerned that community benefits are not being realised quickly enough;
- A breakdown of the Corporate Initiatives spend, given that it was necessary to draw down from the relevant reserve in order to fund initiatives undertaken during the year.

## 10 : POTENTIAL JOINT SCRUTINY ARRANGEMENTS FOR THE PRE-DECISION SCRUTINY OF CITIZENS HUBS IN ELY/CAERAU AND SPLOTT/TREMORFA

The Committee received a report and were asked to approve the establishment of a Sub Committee to meeting alongside similar Sub Committee of other relevant Scrutiny Committees in order to provide efficient and effective pre-decision scrutiny of plans to establish two new

‘Citizens Hubs’ in Caerau/Ely and Splott/Tremorfa. The Committee was asked to nominate Members to sit on the Sub Committees.

Members were advised that as citizens hubs are at the front line of customer management this issue fell within the remit of the Committee. The issue would also be of interest to the Economy and Culture Scrutiny Committee and the Community and Adult Services Scrutiny Committee. In order to avoid each Scrutiny Committee considering these items in isolation, and potentially making conflicting recommendations, six potential options for inclusive, effective scrutiny were set out in the report.

AGREED – That:

- (1) the Committee establish a Sub Committee to meet in joint session with the Sub Committees of other Scrutiny Committees interested in scrutinising the Citizens Hubs proposals;
- (2) delegate to the Sub Committee for the purpose of scrutinising the Citizens Hubs proposals in Ely/Caerau and Splott/Tremorfa, all scrutiny powers and duties which are delegated to the Policy Review and Performance Scrutiny Committee;
- (3) appoint five members, including the Chairperson, to sit on the Sub Committee;
- (4) instructs the Sub Committee to report back for information on the discharge of its powers and duties to a future meeting of the PRAP Scrutiny Committee.

## 11 : CORRESPONDENCE

The Committee received copies of correspondence sent and received in relation to matters previously scrutinised by this Committee.

AGREED – That the correspondence report and attached documentation be noted.