
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 have now been removed from the document where no actions are left outstanding. Where new information has been added since the Committee last considered a correspondence report, this information is highlighted in **bold**. Attached to this report are copies of recent correspondence, as follows:

15 October 2013 meeting

3. At its 15 October 2013, the Committee considered the results of the Welsh Local Government Association's Peer Review of the Council. A copy of the Chair's letter to the Leader is attached at **Appendix B**. A copy of the Leader's response is attached at **Appendix C**.

4. It also scrutinised the Wales Audit Office's Improvement Report and Improvement Letter. A copy of the Chair's letter to the Deputy Leader is attached at **Appendix D**. A copy of his response is attached at **Appendix E**.

29 October 2013 meeting

5. At its 29 October 2013, the Committee considered 2013/14 Month 3 Budget Monitoring report. A copy of the Chair's letter to the Cabinet Member for Finance and Local Economy is attached at **Appendix F**.
6. The Committee also considered Proposals for the Procurement of the Advice Package, under the review of the Grants which the Council gives to external bodies. A copy of the Chair's letter to the Cabinet Member for Community & Neighbourhood Regeneration and Social Justice is attached at **Appendix G**.

Legal Implications

7. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct 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

8. 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.

MARIE ROSENTHAL

County Clerk and Monitoring Officer (Democratic Services)

20 November 2013

**Policy Review Performance Scrutiny Committee
Correspondence**

Committee date	Committee item	Comments/Information requested	Response	Further Action
06/03/2013	Information Management	<p>Committee:</p> <ul style="list-style-type: none"> - 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 	<p>Response:</p> <ul style="list-style-type: none"> - 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 	<p>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.</p>
17/04/2013	Non-Operational Property	<p>Committee:</p> <ul style="list-style-type: none"> - 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. 	<p>Response:</p> <ul style="list-style-type: none"> - 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 	<p>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</p> <p>UPDATE 12/08/2013 Officers have confirmed that the report will not be ready for September Cabinet. Date has yet to be confirmed.</p> <p>UPDATE 20/09/2013 This may be ready for 29th October Committee meeting.</p> <p>UPDATE 09/10/2013 Asset management has been raised as a pressing issue which the Council must address, by both the WLGA Peer Review and the WAO Improvement Report.</p>
05/06/2013	Engagement with Scrutiny	<p>Committee:</p> <ul style="list-style-type: none"> - 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 	<p>Not yet received</p>	<p>UPDATE 09/10/2013 The Scrutiny Chairs and the Cabinet met on 7 October to discuss future relations</p>

**Policy Review Performance Scrutiny Committee
Correspondence**

Committee date	Committee item	Comments/Information requested	Response	Further Action
09/07/2013	Budget Outturn 2012/13	<p>Committee:</p> <ul style="list-style-type: none"> - Was concerned by capital slippage and urge Finance to work with service areas to profile spend more effectively - Noted the cost of SAP licenses and that this is not expected to increase - Requested a subjective breakdown be included in future monitoring reports - Requested information regarding payments to Northampton Council regarding Penalty Charge Notices - Requested the spend profile in relation to the Section 106 payments in Parks - Requested a breakdown of the Corporate Initiatives spend - Requested further information on the '5 year plan' to transform Council services'. 	<ul style="list-style-type: none"> - No comment regarding capital slippage, SAP licenses or the subjective breakdown - The 'payments to Northampton Council' should have referred to Northampton 'Court'. No further information given - Breakdown of the spend profile for S106 Parks monies attached - Breakdown of Corporate Initiatives spend in 2012/13 attached - Regarding the five year plan referred to information included in the Budget Strategy 2014/15 report 	<p>Subjective breakdown has not been included with Month 3 report, although a breakdown of specific savings projections is. Committee may like to query this when it considers monitoring reports.</p>
12/09/2013	Budget Strategy 2014/15	<p>Committee:</p> <ul style="list-style-type: none"> - Requested to be kept informed regarding plans for policy-led and business-process led savings as plans develop - Discussed 'nice to have' versus necessary services and wish to continue to engage with the Cabinet as these ideas develop - Will consider Grants proposals at its next meeting - Raised the issue of affordability of borrowing. <p>Committee also made a number of comments about the budget process.</p> <p>Members:</p> <ul style="list-style-type: none"> - Welcomed the offer of directorate briefings - Requested to know when the Budget Proposals would be released into the public domain - Hope that the proposals' narrative will reflect the needs of various audiences - Asked that all options presented for consultation are pursued, but asked that thought is given to those who prefer not to access web-based surveys - Request that the full results of consultation are available to scrutiny committees and that a full review is carried out afterwards to judge the effectiveness of consultation. 	<p>Not yet received</p>	

**Policy Review Performance Scrutiny Committee
Correspondence**

Committee date	Committee item	Comments/Information requested	Response	Further Action
01/10/2013	Budget Strategy 2013/14 Proposals for a review of Council Grant Funding	Committee: - Welcomed the longer time allowed for consultation - Requested full scrutiny engagement with the commissioning approach for the three proposed packages - Wishes to understand the implementation costs of the new approach - Recommends that the neighbourhood fund is as transparent as possible. Members wish to consider the allocation process/criteria for applications, and recommends regular Scrutiny monitoring of grants made under the fund. Committee also wants details of the support which will be given to organisations in applying for the grant - Requested details of the consultation results prior to consideration of the final budget proposals - Recommended that the use of the word 'reserve' (with reference to the Advice package) should make clear that this is not funding which is easily accessible and is very much a contingency - Wishes to understand the rationale for the full transfer of the Advice to Industry grant and the Audience Wales grant without their being subject to a 10% cut.	Not yet received	

**Policy Review Performance Scrutiny Committee
Correspondence**

Committee date	Committee item	Comments/Information requested	Response	Further Action
15/10/2013	WLGAs Peer Review	<p>Committee:</p> <ul style="list-style-type: none"> - Recommended that the Peer Review Action Plan is debated at Full Council - Wishes to consider the Action Plan earlier than 26 Nov if possible - Were concerned that the Action Plan should be a Member-led document - Recommended that the Action Plan should contain clearly measurable actions and milestones and demonstrate outcomes for citizens - Will invite Trade Union colleagues to the scrutiny of the Action Plan - Endorses comments made about the current Corporate Plan, and the need for better alignment between financial, corporate and directorate business planning - Wishes to consider the results of the Communications & Media review - Urges progress on asset management - Requested further details regarding Personal Performance and Development Review completions - May schedule further items coming from the Action Plan in future meetings - Wishes to have an update to Month 5 information with M3 budget monitoring on 29 Oct. 	<ul style="list-style-type: none"> - Expressed concern about some of the language used in the letter, in particular 'issues uncovered by the review' and 'grave concern'. - States that a 'high level response' to the Review will be brought to Cabinet on 7 November followed by an overarching Delivery Plan addressing the challenges facing the Authority in a cohesive and prioritised way, to be considered in early 2014. The Leader suggests that this would be more appropriate for Scrutiny consideration than the high level response. - States that the Leader is minded to put the 'high level response' to Full Council in November to be noted and to allow a wider debate - Refutes the opinion that the impetus for the development of the Action Plan has come from officers rather than Cabinet Members - Has referred some of the more specific issues raised to the relevant Cabinet Member 	<ul style="list-style-type: none"> - Response regarding more specific issues (asset management, PPDR information, economic development resources, Communications review)
15/10/2013	WAO Improvement report & letter	<p>Committee:</p> <ul style="list-style-type: none"> - Recommends that methods of making the Council's Annual Improvement report more accessible discussed at the meeting are implemented; - Urges action to address the content of the Corporate Plan Delivery Plan - Requested clarification regarding WG improvement advice that was not made available to the Cabinet - Notes that a further review of performance reporting is underway and therefore postpones its request for a bespoke report - Will investigate a comparative performance research project with the Scrutiny Research team - Urges action on asset management. 	<ul style="list-style-type: none"> - Issues of the accessibility of the Report are being addressed; - The refresh of the Corporate Plan in February 2014 will provide an opportunity to address issues with the measurability of the Corporate Plan; - Offers the revised and clarified guidance regarding improvement planning once available, to ensure the Committee has the most up to date guidance; - Notes the decision to postpone the development of a bespoke report, although the Team remains happy to assist; - Suggests the Scrutiny Research team works with the Improvement Team with regards to comparative data; - Comments regarding Asset management will be passed to the relevant Cabinet Member. 	<ul style="list-style-type: none"> - Improvement Planning guidance to be forwarded once available; - Scrutiny Research team is currently working with the Improvement Team to draw up a research proposal regarding comparative performance data; - Committee may like to consider the bespoke performance report at a later date.

Policy Review Performance Scrutiny Committee
Correspondence

Committee date	Committee item	Comments/Information requested	Response	Further Action
29/10/2013	Budget Monitoring 2013/14 M3	<p>Committee:</p> <ul style="list-style-type: none"> - Noted the seriousness of the Council's financial position and thanked the Cabinet Member for the verbal update regarding the position as at Month 5 - Was concerned about the Council's financial forecasting given the speed with which an overspend of £3.9 million was predicted after the budget was set - Emphasised the need for scrutiny of in-year management action and savings activity where these result in changes to service delivery or policy - Recommended consideration of a public monthly monitoring report to Cabinet - Highlighted ongoing issues with Capital Slippage - Noted issues with Facilities Management and Central Transport Services savings and will consider in more depth in January. Members would like sight of the Resources directorate's action plan to reduce its overspend at that meeting - Would like to consider the Budget Strategy update on 26 November and requested a response to this letter and its letter regarding the original Budget Strategy report before that date, if possible. 	Not yet received	
29/10/2013	Advice Procurement Package	<p>Committee:</p> <ul style="list-style-type: none"> - Welcomed the opportunity to consider the proposals at an early stage - Requested further details of the supplier workshop at the end of the month with a view to Members attending if possible - Noted the funding envelope has been set at £500k and that any increase would necessitate a financial pressures bid - Noted the importance of contract monitoring to ensure outcomes are delivered and will consider this issue in more depth at its April meeting - Noted that the contract will be reviewed after two years and that the service may come back in-house. Some Members were concerned that this may be the case - Reiterated the request to see the results of the Grants review consultation prior to consideration of 2014/15 budget proposals. 	Not yet received	

**Policy Review Performance Scrutiny Committee
Correspondence**

Committee date	Committee item	Comments/Information requested	Response	Further Action
29/10/2013	Communities Directorate Budget briefing	Committee was grateful for the briefing but highlighted a few points during the meeting - The need to address capital slippage - The vagueness of many of the milestones and actions contained within the Corporate Plan Delivery Plan - The Committee's intention to commission research into comparative performance data.		

Date: 22 October 2013



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

Dear Councillor Joyce,

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 15 October 2013 Welsh Local Government Association Peer Review

Thank you for attending the Policy Review and Performance Scrutiny Committee to discuss the findings of the Welsh Local Government Association's Peer Review of the Council. The Committee was glad to have the opportunity to scrutinise the findings of the Review prior to the development of the responding Action Plan. The issues uncovered by the Review, in addition to those raised by the Wales Audit Office's Improvement letter which the Committee also considered during this meeting, are of grave concern. Early scrutiny engagement is therefore vital.

Members had a number of comments and recommendations which I have summed up below.

Peer Review Process

- The Committee strongly recommends that the Peer Review Action Plan should be presented to Full Council for debate. Although the Peer Review and Action Plan were clearly commissioned by the Cabinet, we believe that this is the best way to ensure shared ownership to drive through the necessary changes to the Council's culture.
- The Committee has agreed that it wishes to scrutinise the Action Plan in detail during its 26 November 2013 meeting. During discussions at the meeting, it seemed that there may be the possibility that a draft of the Action Plan will be available for the Committee to consider it in pre-decision at its meeting on 29 October 2013. We would be grateful if you would confirm whether this will be feasible.
- Members noted your comment that you would see the first draft of the Peer Review Action Plan this week, once Directors had prepared their responses. The Committee was left with the impression that the impetus for the Action Plan was coming from senior officers rather than from Cabinet Members. While Members hope that we use the skills and knowledge of our directors to best advantage, it is vital that is a Member-led process.
- Following discussion at the meeting about the need for the Council's Corporate Plan to be clear in setting out measurable actions and milestones,



and most importantly that the Plan should demonstrate intended outcomes for citizens, the Committee recommends that the Action Plan is also drafted to meet these criteria.

- The Committee heard that Trade Union colleagues had not participated in the Review, partly due to the short timescales involved in its planning. Given the vital importance which Trade Unions will play in ensuring the success of future actions, we will invite Trade Union representatives to comment on the Action Plan when it is put before the Committee.

Issues highlighted by the Peer Review

- Members noted the Peer Review's finding that the Corporate Plan should be distilled into a shorter, crisper vision which can be clearly communicated internally and externally. Given this Committee's comments on the draft Plan in February this year, and the comments of the Auditor General in his Improvement Letter, we very much endorse this point of view.
- The Committee would also support the need for better alignment between corporate, financial and directorate business planning and for improved performance management arrangements.
- The Committee would like to consider the results of the Communications and Media review. In relation to this, Members are concerned that it has been some years since a staff survey has been carried out and urge you to ensure that this is rectified. Internal communication channels are fundamental if we are to work with staff to deliver the culture changes which the organisation needs in future. This Committee is intending to undertake a task and finish inquiry to look at the Council's public engagement later in this municipal year, so will look to the result of the Communications Review to inform its scope.
- Members wish to highlight the Peer Review's recommendation that there should be an urgent review of the resources devoted to Economic Development. We strongly endorse the view that there should be a reduction in internal resources and that external funds should be sought in their place. We will look to see this reflected in the Action Plan.
- The issue of asset management should also be pursued with urgency. This Committee has a long-standing interest in this subject, having pushed for a full review of non-operational property to be brought to the Committee and the Cabinet. The Committee is concerned that this and the Corporate Asset Management Plan have featured on the Cabinet's Forward Plan for several months without being brought forward for decision. We urge you to address this with your Cabinet as soon as possible.
- Members noted the Review's comments regarding the lack of training available to Cabinet Members and wish to have further details on what will be developed to rectify this. It may be that much of this training would also be useful to Scrutiny Members.
- The Committee were very concerned to hear about the issues which exist with Personal Performance Development Reviews. Members heard at the meeting

that this situation has now improved as compared to the point at which the WLGA undertook its review. However they were informed that across the Council only 65% compliance has been achieved in terms of officers' reviews having reached the stage they should. In the light of this, Members ask that Human Resources officers work with Scrutiny Service to provide the Committee with a briefing paper setting out:

- The stages of the PPDR process;
- Number and percentage of officer PPDRs currently at each stage of the Review process, broken down by grade and directorate;
- Similar detailed data to be provided for previous years to allow an assessment of any improvement or fall in compliance;
- Confirmation of how many and what percentage of staff are using the Digigov facility to record PPDRs;
- Confirmation of number and percentage of officers who are using the monthly review option on the Digigov system;
- Any sanctions for managers who do not carry out reviews.

Committee Members are also concerned that the Council should not simply pursue compliance with the Review process, but more importantly make the process a meaningful one which enables good performance to be rewarded and unsatisfactory performance to be rectified. We would therefore like to understand how many managers have completed training in the PPDR process. Once we have this information, and sight of the Peer Review Action Plan, we may schedule a further scrutiny of this issue.

- There were a number of issues contained within the Review that are of specific interest to this Committee, such as the Council's workforce planning. Once the Committee has reviewed the contents of the Action Plan, we may schedule further items into our work programme.

Financial matters

- Members of the Committee are concerned to understand the Council's current monitoring position. Given the delay in presenting the Month 3 monitoring report to the Committee, Members would as a minimum like to receive further details of the position as at Month 5 when the deferred item returns to Committee on 29 October 2013.
- The Committee was informed that the Cabinet Member for Finance & Economic Development has commenced budget clinics as recommended by the Review. The Committee would also like to hear about the results of these discussions when it considers the Month 3 monitoring position.
- Members noted the Interim Head of Paid Service's comment that Welsh Government has ruled out the capitalisation of voluntary severance costs. We hope that the Council will continue to lobby to change this decision given the potential impact of associated costs and the previous support made available in relation to the costs of Single Status.
- In relation to budget planning, Members questioned at the meeting what actions are being put in place to manage projected overspends for 2013/14. There was concern among Members that those directorates which have

worked to meet their savings targets may be penalised by having to find additional savings to balance projected overspends in other directorates.

- The Committee would like to repeat its congratulations to the Interim Head of Paid Service with regards to the comments made in the review about Treasury Management and Finance overall. It noted comments regarding longer-term financial planning and would lend its support to any moves to press Welsh Government to make this feasible.

Given the importance of the issues covered in the Review, this Committee hope that the other Scrutiny Committees will cover issues falling more specifically under their remits as time allows. I am therefore copying this letter to the other Scrutiny Chairs for information. In particular, following your comments which did not entirely rule out the introduction of a congestion charge, the Environmental Scrutiny Committee may wish to consider this issue.

Yours sincerely,



COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Councillor Ralph Cook, Deputy Leader
Councillor Russell Goodway, Cabinet Member Finance & Economic Development
Christine Salter, Interim Head of Paid Service
Mike Davies, Head of Service, Performance and Improvement
Vivienne Pearson, Operational Manager, Information & Improvement
Neil Hanratty, Director Economic Development
Marie Rosenthal, County Clerk and Monitoring Officer
Steve Barry, Wales Audit Office
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Members of the Policy Review & Performance Scrutiny Committee

**LEADER'S OFFICE
SWYDDFA'R ARWEINYDD**



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My Ref / Fy Nghyf: CM25805

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Date / Dyddiad: 31st October 2013

Councillor Nigel Howells
Chair, Polacey Review & Performance SScrutiny Committee
Cardiff County Council
Atlantic Wharf
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Dear / Annwyl Nigel,

**RE: Policy Review & Performance Scrutiny Committee 15 October 2013 -
Welsh Local Government Association Peer Review**

Thank you for your letter dated 22nd October 2013

Before responding to the various matters you raise in your letter, I would wish to comment on the language used in your opening paragraph. Firstly, I note that you refer to "*issues uncovered by the Review*". As I have stated on a number of occasions, whilst the Peer Review Team did highlight the scale of challenge facing the Authority and the extent to which business processes needed to be improved, by and large, the Report validated the concerns we had when we came to office.

Whilst in Opposition, we were particularly concerned regarding the managerial capacity within the Authority and the Peer Review refers to this "void" throughout their report. I believe that this lack of management capacity must have played a part in the culture of non-compliance, particularly in terms of PPDRs, that was highlighted by the Peer Review. With the exception of the scale of this non-compliance – which I mentioned myself at your meeting – I do not believe that it is helpful to give the impression that the report "*uncovered*" issues that we were unaware of, it would be more accurate to state that the scale of those issues already of concern to us were more clearly defined.

Secondly, your opening paragraph refers to issues raised by the Wales Audit Office as being "*of grave concern*". As Mr Barry himself has indicated on more than one occasion, the main proposal for improvement included in the Auditor General's letter and report -the establishment of clear improvement priorities - has already been addressed by Cabinet. The remaining proposals for improvement, which all relate to

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performance management and reporting arrangements, are being addressed by the Deputy Leader and the Cabinet as we seek to make further improvements in these areas. I am therefore concerned that the use of the words - "*of grave concern*" - are unnecessarily inflammatory. Whilst we are grateful for, and are positively responding to, both the recommendations of the Peer Review and the proposals for improvement from the Wales Audit Office, I believe it is important to put both of those documents in the context of our own concerns on taking office in May 2012.

I will now address the individual matters set out in your letter.

Peer Review Process

I note your recommendation that the Peer Review Action Plan should be presented to Full Council for debate. It is my strong belief that the recommendations of the Peer Review only represent a part of the overall challenge facing the Council. In many respects, the actions already taken by the Cabinet, or planned initiatives, are broader and more fundamental than the specific actions required to address the precise recommendations of the Peer Review Report. I therefore intend to bring forward a high level response to the themes highlighted in the Peer Review to the next Cabinet meeting, on 7 November, with an overarching Delivery Plan addressing the challenges facing the Authority in a cohesive and prioritised way - and informing the refresh of the Corporate Plan - to be considered early in 2014.

I am minded to refer this Cabinet response to the Peer Review to Council in November to allow a wider debate on these important matters but would need to emphasise that the response will be approved by Cabinet and would, therefore, be for noting by Council.

With regard to your suggestion that the impetus for the development of a response to the Peer Review was coming from officers rather than the Cabinet, I have to say that this is an extremely disappointing view to be received from members of this Council. As ever, the strategic direction regarding a potential response was provided by myself and Cabinet. However, it was critical that the new Directors Team, brought in to fill the "void" identified by the Peer Review Team, should have the opportunity to use their knowledge and expertise to suggest potential ways forward for the Authority to address the various challenges that we now face.

It is a matter for yourselves as to what matters you wish to consider as part of your ongoing work programme, but I would envisage that the over-arching Delivery Plan would be a more appropriate document for your future consideration rather than the Cabinet response to the Peer Review.

Issues Highlighted by the Peer Review

I note your comments relating to the development of the Corporate Plan and the need for better alignment between financial and performance planning as part of improved performance management arrangements. I have previously discussed these matters with the Deputy Leader who is working with officers to address such issues over the coming weeks and months.

With regard to your comments and queries relating to Communications, Economic Development, Asset Management and the Council's PPDR process, I have asked the relevant Cabinet Members (who were copied into your letter) to reflect on your comments as we address the relevant issues raised in the Peer Review report. With

regard to the lack of training made available to Cabinet Members when we came into office in May 2012, this is a matter that I have raised with the County Clerk and Monitoring Officer and I will request that you be kept informed of any future development opportunities that may be of relevance to members of Scrutiny Committees.

Financial Matters

These matters are better dealt with by my Cabinet colleague, Councillor Goodway, and I understand that many of these points will have been addressed at your meeting on 29th October 2013.

Finally, I would stress that I value very highly the contribution that Scrutiny Committees have made and, am sure will continue to make, to the Council's decision-making and governance arrangements. I have stated on many occasions how much I welcome the opportunity to work with Scrutiny Committees as we seek solutions to the huge challenges we face as an Authority. However, I think it is critical, as we move forward, that we work together in a constructive manner and I have to express my disappointment with regard to the tone and language used in your letter. I would be happy to discuss these principles at our next meeting between Cabinet Members and Scrutiny Chairs

Yours sincerely,
Yn gywir,



**COUNCILLOR / CYNGHORYDD HEATHER JOYCE
LEADER OF CARDIFF COUNCIL
ARWEINYDD CYNGOR CAERDYDD**

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

Date: 22 October 2013



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Councillor Ralph Cook,
Deputy Leader
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Dear Councillor Cook,

**POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 15 October 2013
Wales Audit Office Improvement Report and Letter**

Thank you for attending the Policy Review and Performance Scrutiny Committee to discuss the Wales Audit Office's Improvement Report and Letter. Members had a number of comments and recommendations which I have summed up below.

- The Committee urges you to consider the recommendations discussed at the meeting in terms of making the Council's Improvement Report more accessible. For example, producing an 'easy read' summary, linking to more detailed data behind it, for example; provision in other community languages; or targeted distribution to particular stakeholder groups.
- While the Auditor General commented positively on the Corporate Plan's structuring around Cabinet Portfolios, we urge you to address issues he identified with the Delivery Plan in terms of ensuring that there are clear measurable targets in place. This Committee made similar comments when it considered the draft Plan in February, as it was concerned that it would be difficult to judge ongoing success in its delivery. We furthermore urge you to ensure that outcomes for citizens in particular can be clearly assessed.
- When discussing the WLGA Peer Review with the Leader at the same meeting, she indicated that key guidance from Welsh Government had not been passed on to the Cabinet in order to aid the development of the Plan. Members were concerned by this statement and would like to have clarification of the matter. The guidance should also be forwarded on to Scrutiny Committee Members to aid their future consideration of improvement planning.
- Members noted comments that the Council's performance reports are undergoing a further review. Some improvements have been put in place in the Quarter 1 report and more work will be carried out to develop them for the next quarter. In light of this, the Committee will wait to see what the format and content of the report is before it considers the development of its own bespoke report.



- The Committee noted that the Auditor General recommends that the Council provides comparative information in future performance reports. The Committee has questioned on many occasions the availability of comparative performance data and which cities (European as well as Welsh) are appropriate to evaluate our performance against. We have heard from officers on several occasions that it is a very difficult area. Subject to capacity, we will therefore work with our Scrutiny Research team to undertake a review of comparative performance data in order to progress this issue.
- We welcomed your comment that you have asked that Directors ensure that the narrative contained in performance reports sets out an unambiguous assessment of performance.
- The Auditor General and the WLGA Peer Review both highlighted the need to address Council asset management. I have separately written to the Leader on this issue, as it is something in which this Committee has a long-standing interest. We have pushed for a full review of non-operational property to be brought to the Committee and the Cabinet. We have been concerned that this Review and the Corporate Asset Management Plan have featured on the Cabinet's Forward Plan for several months without being brought forward for decision. We urge the Cabinet to address this as soon as possible.

I would be grateful for your response to the matters raised above.

Yours sincerely,



COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Councillor Heather Joyce, Leader Cardiff Council
 Councillor Russell Goodway, Cabinet Member Finance & Economic Development
 Christine Salter, Interim Head of Paid Service
 Mike Davies, Head of Service, Performance and Improvement
 Vivienne Pearson, Operational Manager, Information & Improvement
 Neil Hanratty, Director Economic Development
 Steve Barry, Wales Audit Office
 Cabinet Office
 Members of the Policy Review & Performance Scrutiny Committee

DEPUTY LEADER'S OFFICE

My Ref: CM25903

Your Ref:

Date: 5 November 2013

Cllr Nigel Howells
Chair, Policy Review & Performance Scrutiny Committee
Cardiff County Council
Atlantic Wharf
Cardiff
CF10 4UW



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Neuadd y Sir
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Dear Nigel

RE: Policy Review & Performance Scrutiny Committee 15 October 2013 - Wales Audit Office Improvement Report and Letter

Thank you for your letter dated 22nd October 2013 and may I say how much I am looking forward to working with the Members of the Policy, Review and Performance Committee on the many issues of mutual interest emerging from the Peer Review and reports of our regulators.

For ease of reference, I have responded to your bullet points on an individual basis, below.

WAO Recommendations Re: Accessibility

I can confirm that we are already working on a summary document which, in accordance with Welsh Government guidance, will be published within four weeks of the publication of our Annual Improvement Report. This document will be made available on request in other languages as appropriate. The report itself will appear on the front page of the Council's Website in English and Welsh. In accordance with the recommendations of the Wales Audit Office (WAO) the publication will be signposted using various avenues including our twitter feed, Capital Times and communications displayed at various Council owned buildings around the City.

Corporate Plan – Measurable Outcomes

As the Leader has previously stated, the “refresh” of the Corporate Plan in February will provide us with the opportunity to incorporate more measurable outcomes relating to our priority objectives set out in that Plan.



Guidance

Firstly, the comment attributed to the Leader regarding Welsh Government guidance was actually mine. The comment was made in the context of points made at the previous Cabinet meeting by Mr Barry of the WAO in which he referred to Welsh Government guidance being open to various interpretations. Mr Barry went on to say that Welsh Government, the Welsh Local Government Association and the WAO were redrafting the existing guidance to ensure clarity and prevent ambiguity. I was particularly pleased to hear this having spoken about this problem at a recent meeting of the WLGA and received some support from WLGA colleagues.

The point I made at the Committee meeting was that whilst the Cabinet had previously received very high level briefings on the requirements of the Local Government Measure in relation to the development of the Corporate Plan and the Annual Improvement Report, we were not aware of, nor had we seen, the guidance document itself. This is not particularly unusual, however, as it is obviously for officers to advise on such matters. Indeed, I understand that the detailed guidance had not been shared with previous Executives/Cabinets during the development of their Corporate Plans. The issues raised in the WAO letter were, therefore, largely around matters that are by all accounts open to interpretation and ones which we have already stated we would address or had already corrected.

With regard to your request for a copy of the relevant guidance, I am happy to arrange for the current guidance to be forwarded to the Committee but as you wish this to aid your future consideration of Improvement Planning, it seems to me that it may be more useful for the Committee to receive the revised and clarified guidance once it is available.

Bespoke Performance Report for the Policy Review & Performance Scrutiny Committee

I note the Committee's intention to await further improvements to Cabinet's performance reporting methodology before the consideration of the development of our own bespoke report. Whilst this is obviously a matter for your Committee, I understand that the original offer to provide such a bespoke report was to ensure the Committee received the range of information it felt it needed, rather than restricting its considerations to those measures the Cabinet considered most appropriate to report. I am aware that officers from the Improvement Team would be very happy to assist in the development of such a bespoke report, but if you wish to delay consideration of this until you have seen the next iteration of "our" report that is perfectly acceptable to me.

Comparative Data

You are correct in identifying that it has long been the intention to use Comparative Data from outside Wales as it is considered such information might reflect more relevant information to this Council being a major urban area with particular issues and pressures not shared by many, if any of the other Councils in Wales.

However, the issue which our own officers and, indeed the Local Government Data Unit, have been wrestling with is that the Improvement frameworks in England, Scotland and Wales are increasingly divergent. Whilst we are still trying to find an appropriate solution, the Committee's offer is very much welcomed and I suggest officers from the Improvement Team could meet with colleagues from the Scrutiny Research Team to ensure that existing research that has been undertaken and the outcomes of discussions on the issue with the Local Government Data Unit can be shared.

Unambiguous Assessment of Performance

I note your comment and can assure you that this is an issue that I will be pursuing and monitoring over the coming reporting periods.

Asset Management

This is not an area for which I have responsibility but will pass on your comments to the Leader and the relevant Cabinet Member.

I hope that the information set out above satisfactorily addresses the issues you set out in your letter.

Yours sincerely



Councillor Ralph Cook
DEPUTY LEADER

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

Date: 5 November 2013



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Councillor Russell Goodway
Cabinet Member Finance & Economic Development
Cardiff Council, County Hall
Cardiff
CF10 4UW

Dear Councillor Goodway,

**POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE
29 October 2013 – Budget Monitoring 2013/14 Month 3**

Thank you for attending the meeting of the Policy Review and Performance Scrutiny Committee which considered the Council's budget position projected as at Month 3 of 2013/14. Given the need to defer the item from the Committee's 1 October 2013 meeting, Members also appreciated the more up to date Month 5 information given by the Interim Head of Paid Service.

Committee Members had a number of comments that they have asked me to relay, as set out below.

The Committee recognises that the Council is facing an extremely serious financial situation, which is not likely to improve in the medium term. The Committee noted that there has been an improvement in the Council's projected position at Month 5, with an overspend of £2.6 million anticipated, as opposed to the £3.9 million overspend projected at Month 3. Members noted that some directorates have started to take steps to improve their position, while others, such as Health & Social Care are facing increasing service pressures. Members expressed concern that the Council's budget forecasting could be improved, given the speed with which the overspend came to be projected after the budget was set in February.

The Committee noted the management actions which the Cabinet approved as part of the Month 3 report. We understand the need to take strong action to address potential overspends in-year. However, Members are concerned that where major changes to service delivery or policy are introduced in-year, outside the budget-setting process, the level of engagement with Scrutiny committees has been limited. The Interim Head of Paid Service informed the Committee that discussions are undertaken between Directors and their Cabinet Members when such changes are proposed, but we feel that more effort should be made to engage and inform Scrutiny Members. This will become even more important as the impact of savings year on year is felt.



Members noted when they considered the WLGA Peer Review that a move to monthly financial reporting was recommended. While we are aware that Cabinet Members and senior managers receive monitoring information on a monthly basis already, we feel there would be real merit in putting this information in the public domain. It has been commented that Cardiff citizens and Council officers should be made more aware of the difficult decisions which the Council may have to make about service delivery levels in the future. A public monthly monitoring report may be one way to achieve this. It could also provide a vehicle to ensure a more public debate of in-year remedial actions that could have an impact on service delivery.

Members highlighted the issue of Capital Slippage at the meeting and hope that Directors are being pushed to ensure that Capital Programmes are more accurately profiled in next year's budget. The Business Improvement programme, which is showing slippage, will be discussed at our 6 May 2014 meeting, so we will consider that in more depth then.

We noted the Interim Head of Paid Service's comments regarding 2013/14 savings proposals in the Facilities Management and Central Transport areas. She stated that when it became clear what was intended through those budget savings, it also became clear that more time would be needed to realise them. While we were pleased to hear that as part of the 2014/15 budget setting process Directors are being asked to provide detailed delivery plans for savings proposals, this issue still raises many concerns about the budget assessment and challenge process. We have programmed an in-depth consideration of the Facilities Management and Central Transport Services at Month 6 for our 7 January 2014 meeting, so will bear this in mind then. We would also like to receive an update on the Resources Directorate's action plan to reduce its overspend at that point.

Members raised the issue of Welsh Government grants at the meeting, in terms of the difficulties which the Council faces in planning activity when the level of grant funding is not confirmed until part way through the financial year. We would support any lobbying of the Welsh Government by the Council or Welsh Local Government Association in this regard.

Finally we note that an updated budget strategy is programmed for decision at the Cabinet's 7 November 2013 meeting; the Committee will scrutinise this at its 26 November meeting. We would be grateful for your reply to this letter and to the Committee's letter dated 18 September 2013 regarding the original Budget Strategy report before that meeting if possible, in order to inform discussions.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nigel Howells', with a stylized flourish at the end.

**COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc Christine Salter, Interim Head of Paid Service
Marcia Sinfield, Interim Section 151 Officer
Allan Evans, Operational Manager, Service Accountancy
Cabinet Office
Members of the Policy Review & Performance Scrutiny Committee



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

Date: 5 November 2013



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Councillor Lynda Thorne,
Cabinet Member Community & Neighbourhood Regeneration and Social Justice
Cardiff Council, County Hall
Cardiff
CF10 4UW

Dear Councillor Thorne,

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE
29 October 2013

Thank you for attending the Policy Review and Performance Scrutiny Committee to discuss the proposed procurement process for the Advice Package and to set the context under which Communities Directorate is developing its budget proposals for 2014/15. The Committee had a number of comments, as set out below.

Review of Council Grant Funding – Procurement of Advice Package

Firstly, the Committee would like to thank you for providing the opportunity to consider the proposals for the procurement process at an early stage. Members welcome this open approach and that suppliers will be involved in the process in the very near future. Members were interested in attending the supplier workshop which has been tentatively set for 27 November 2013 and would be grateful if further details could be forwarded to the Principal Scrutiny Officer.

The Committee noted that the funding envelope for the Advice Service, subject to agreement during the budget-setting process, will be fixed at £500,000, with a small contingency which is only to be used to meet unforeseen need. Officers informed the Committee that strict minimum requirements for service levels will be set out in the Contract Notice. We further noted that if it became clear that additional service pressures would require further funding, this would necessitate a financial pressure bid through the usual budget setting process.

The Committee was informed that a one supplier approach is being pursued, with the aim of ensuring a more consistent advice service across the city; a more coherent customer journey into the advice system; and to better monitor the delivery of outcomes for customers. Members highlighted during the meeting the issues around sub-contracting within a single contract and recommend that our contract requirements very strongly set out our expectation to be informed where sub-contractors are to be used, or where several suppliers form one entity to bid for the contract.



It was obvious to Members from the discussions that the ongoing monitoring of the contract will be vital in ensuring that the advice services meet the needs of Cardiff citizens. The selection of appropriate performance indicators, to monitor delivery of outcomes, the potential penalties which could be put in place and the project management advice which the Council can call upon are all fundamental in this. The Committee intends to consider the Council's approach to contract compliance and monitoring at its 1 April 2014 meeting so will explore these general issues in more depth then.

Members discussed the need for advice to be provided as an independent service to ensure the quality of advice in future. Some Members were concerned by your comments that following the two year contract period, the potential to bring these services in-house may be explored.

When we considered the original Proposals for the Review of Council grants, we requested to receive an update once the consultation process with suppliers had taken place, prior to considering the final budget proposals. We remain particularly interested in the effects of the overall, and of these specific, proposals on small suppliers, so reiterate this request now. We would ask that this update includes further information on the response to the Advice contract preparation process from small suppliers in particular.

Communities Directorate – Budget briefing Procurement of Advice Package

Again, the Committee would like to express its thanks for your attendance at the meeting. We welcomed the opportunity to consider the context around those parts of your portfolio which fall under the Committee's remit in preparation for considering the Budget Proposals themselves. The information presented was very useful and we welcome this shift in the budget scrutiny process.

Although this was largely a briefing session, Members highlighted a couple of points during the meeting:

- There is a need for all directorates to address capital slippage as well as their profiling of capital spend to ensure it is as accurate as possible;
- We would re-emphasise the vagueness of many of the milestones and actions contained within the Corporate Plan. This issue was clearly underlined by the Wales Audit Office's recent Improvement Report and was something which this Committee commented on when it considered the draft Plan in February this year. We hope that all Portfolio-holders will work with directors to address this in next year's Plan;
- Members commented on some of the comparative data contained within the briefing pack, feeling that Welsh comparators are often not that helpful. The Committee is aiming to commission research into appropriate comparative performance data and will consider the results in due course.

I would be grateful if you could respond as appropriate to the comments above.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nigel Howells', with a long, sweeping flourish extending to the right.

COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Sarah McGill, Director – Communities, Housing and Customer Service
Jane Thomas, Operational Manager, Benefits, Finance and Tenants Services
Bethan Jones, Category Manager, Commissioning and Procurement
Marcia Sinfield, Interim Section 151 Officer
Cabinet Office
Members of the Policy Review & Performance Scrutiny Committee

