
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:

26 November 2013 meeting

3. At this meeting, the Committee received a briefing regarding the County Clerk and Monitoring Officer's budget. On behalf of Councillor Cook, the Leader provided a response. The Chair's letter to the Deputy Leader is attached at **Appendix B** and a copy of the Leader's response on his behalf is attached at **Appendix C**.

7 January 2014 meeting

4. The new Chief Executive appeared at this Committee meeting to provide an introductory statement. A copy of the Chair's letter is attached at **Appendix D** and a copy of the Chief Executive's response at **Appendix E**.
5. The Committee heard from the Leader regarding the Cabinet's response to the Welsh Local Government Association's Peer Review at this meeting. The Leader also represented the Deputy Leader regarding Quarter 2 performance at the meeting. A copy of the Chair's letter to the Leader is attached at **Appendix F** and a copy of her response at **Appendix G**.
6. The meeting also considered the Council's Facilities Management and Central Transport Services. A copy of the Chair's letter is attached at **Appendix H**. A response has not yet been received.

13 February 2014

7. In February, the Committee considered the draft Corporate Plan 2014-17 and the draft Budget Proposals. Copies of the Chair's letters are attached at **Appendix I and J**. Responses have not yet been received.

Legal 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 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 on 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

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 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
26 February 2014

Policy Review Performance Scrutiny Committee
Correspondence

Committee date	Committee item	Recipient	Comments/Information requested	Response date	Response	Further Action
17/04/2013	Non-Operational Property	Cllr Russell Goodway	<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. 	17/05/2013	<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</p> <p>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</p> <p>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</p> <p>This may be ready for 29th October Committee meeting.</p> <p>UPDATE 09/10/2013</p> <p>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> <p>UPDATE 27/11/2013</p> <p>The Economic Development Director indicated that a paving asset management report would go to Cabinet in January 2014, followed by a more detailed report in March 2014. The Committee indicated that they would like to consider the detailed report in March.</p> <p>UPDATE 26/02/2014</p> <p>The Asset Management report is currently on the Cabinet forward plan for March, but the Director has indicated that it will not be ready.</p>
12/09/2013	Budget Strategy 2014/15	Cllr Goodway	<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. 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. 		Not yet received	
01/10/2013	Budget Strategy 2013/14 Proposals for a review of Council Grant Funding	Cllr Thorne	<p>Committee:</p> <ul style="list-style-type: none"> - 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. 	19/11/2013	<ul style="list-style-type: none"> - Appreciated the welcome for the longer consultation time - Confirmed that workshops will be held with providers - Advised that the process will not incur additional costs as the grants management staff will be supported by the Commissioning and Procurement team - Set out details of the operation of the neighbourhood fund - Noted the point regarding the 'reserve' and will make sure that this is communicated - Gave further details regarding the transfer of the Advice to Industry and Audience Wales Grants 	None

Policy Review Performance Scrutiny Committee
Correspondence

Committee date	Committee item	Recipient	Comments/Information requested	Response date	Response	Further Action
15/10/2013	WLG Peer Review	Leader	<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. 	31/10/2013	<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 	None
15/10/2013	WAO Improvement report & letter	Cllr Cook	<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. 	05/11/2013	<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. 	- Improvement Planning guidance to be forwarded once available.
29/10/2013	Budget Monitoring 2013/14 M3	Cllr Goodway	<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	Cllr Thorne	<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. 	18/12/2013	<ul style="list-style-type: none"> - Details of the Advice workshop were sent to the Principal Scrutiny Officer (Cllr Marshall attended on the Committee's behalf) - Noted comments regarding contract monitoring and would be happy to brief the Committee further - Noted concerns about the vagueness of the Corporate Plan milestones and looks forward to briefing the Committee further in February. 	None

Policy Review Performance Scrutiny Committee
Correspondence

Committee date	Committee item	Recipient	Comments/Information requested	Response date	Response	Further Action
29/10/2013	Communities Directorate Budget briefing	Cllr Thorne	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.	N/A	N/A	None
26/11/2013	Redeployment policy	Cllr Cook	Committee: - Noted the shift to external signposting; - Recommended looking wider for external redeployment opportunities - Recommended that time spent in training should be discounted from the redeployment period, and that training opportunities should be proactively identified - Shared concerns about the capacity of the Redeployment team to handle increasing numbers in future, and recommended this should be addressed through the budget or allocation of tasks within Human Resources - Queried the implications linked to moving into alternative delivery mechanisms and asked for further information - Highlighted issues of corporate memory and workforce planning; - Requested a number of pieces of further information, around number of staff to be affected by the proposed changes.	12/12/2013	- The report was to be presented to Cabinet on 16th December and a copy of the Chair's letter attached to it. - The further information requested would be sent to follow by officers.	- Further information to be received
26/11/2013	Budget Strategy / Directorate Budget briefings	Cllr Goodway	On the budget strategy, the Committee: - Hoped that the Council is looking towards English Councils for examples of how to deal with the economic situation, and wished to receive further details of work that is ongoing; - Noted comments that Council Tax may have to be raised next year, and would support moves to establish with the Minister the exact nature of any cap on such a raise; Noted that it could not be confirmed that a rise in council tax would result in lower savings targets for directorates. On the Resources Directorate Budget Briefing, the Committee: - Noted the various sources of savings under consideration; - Requested a copy of the KPMG commissioning and procurement report. On the Corporate Management Budget Briefing, the Committee: - Queried the different approaches taken to filling or deleting the Corporate Director Operations and the Head of Cabinet Office posts; - Requested a breakdown of the Corporate Initiatives spend this year and confirmation that this has been topped up via reserves; - Requested a breakdown of the Precepts, Levies and Contributions budget. On the Economic Development Directorate Budget briefing, the Committee: - Noted the savings drivers; - Commented that the transfer of strategic estates to the Directorate would appear to be subsidising the area in making savings; - Recommended pursuing sponsorship opportunities; - Would like to consider the full asset management report in March 2014. Committee also asked for replies to any outstanding correspondence.		Not yet received	
26/11/2013	Directorate Budget briefings	Cllr Cook	Committee: - Noted the 38% savings target which the County Clerk and Monitoring Officer is working towards; - Raised the comment of the Cabinet Member for Finance and Economic Development during last year's budget process that the financial pressure approved for Scrutiny Services would not be chipped away in future years; - Would like to be kept informed regarding the Communications review; - Requested a breakdown of the Members' expenses budget to aid budget scrutiny.	27/01/2014	On behalf of Cllr cook, the Leader responded: - Noting the Committee's comments regarding the Scrutiny budget; - Providing details of Members' allowances; - Stating that the Communications review should report in March and offered to inform the Committee of the outcome	Schedule consideration of Communications & Media Review

Policy Review Performance Scrutiny Committee
Correspondence

Committee date	Committee item	Recipient	Comments/Information requested	Response date	Response	Further Action
07/01/2014	Chief Executive introduction	Chief Executive	Committee: - Thanked Paul for his introductory remarks and were pleased with the importance the Chief Executive had placed on strong Scrutiny. - Requested to have a breakdown of the external roles which the CEx would be carrying out (similar to that which was provided for Jon House)	06/02/2014	Listed those roles which the Chief Executive is currently undertaking.	None
07/01/2014	Central Transport Services, Facilities Management, Month 6 budget monitoring, Public Sector Asset Management report	Cllr Goodway	Committee: - Was concerned that a number of savings for these areas were deemed to be unachievable so soon into the year, having relied on achievability assessments with budget proposals to be accurate - Was disappointed by these difficulties, but positive about the way in which CTS is planning for the future - Noted that buy-in across the Council is vital in changing driver behaviour - Discussed the proposal to explore creating a CTS trading company, and was concerned about the viability of competing with the private sector - Requested a breakdown of savings for CTS and FM for 11/12 and 12/13 - Requested an assessment of the costs of pool cars vs the cost of officer mileage - Welcomed the work taken to develop a longer term strategy for FM, but was concerned about its ability to plan without a stated position on the future of the Council's estate - Asked for the full breakdown of savings projections to be re-instated for the Month 8 budget monitoring report - Commended the PSAM report to the Cabinet Member.		Not yet received	
07/01/2014	WLGA Peer Review Cabinet response Qtr 2 Performance & Delivery report	Leader (for Cllr Cook for Performance)	Committee - Appreciated the Leader's engagement regarding the Peer Review and noted that the CEx is planning to bring together a holistic response to the points raised in developing a new operating model for the Council - but stressed the need for urgent response - discussed the need to engage staff as changes are developed - Was pleased that the Chief Executive is re-addressing the management structure - highlighted the need for qualitative data in performance reporting.	23/01/2014	Noted the Committee comments and has passed on comments to relevant Cabinet Members to deal with	
13/02/2014	Corporate Plan 2014-17	Leader	Committee: - felt that although some issues raised by the Committee and the Auditor General with regards to last year's Plan had been addressed, many had not; - was disappointed that the draft Corporate Plan had not been ready to go out with all Committees' papers and that the Technical Document provided to PRAP had not been available for all Committees; - recommended bringing forward the Corporate and Budget planning process next year; - was not convinced that the draft met the needs of all of the Plan's audiences; - felt that the Plan should more clearly address the years after 2014/15; - was not in a position to judge the alignment of the Plan and other strategic documents given the lateness with which the Technical Document was received;		Not yet received	

Policy Review Performance Scrutiny Committee
Correspondence

Committee date	Committee item	Recipient	Comments/Information requested	Response date	Response	Further Action
			<ul style="list-style-type: none"> - requested a firm date for the availability of Directorate Plans; - recommended that the Plan give more prominence to addressing issues with the Council as a corporate body; - is concerned that the Council's performance framework has not been addressed with the urgency required and wishes to receive a clear outline of activity from the AD Sport, Leisure and Culture at its March meeting; - was not convinced by many of the measurements contained within the Plan; - noted some areas which should be amended - the alignment of the Environment section, the anticipated budget gap and the slant of the Finance and Economic Development section. 			
13/02/2014	Draft Budget Proposals	Cllr Goodway	<p>Committee:</p> <ul style="list-style-type: none"> - recommended that further steps should be taken to provide full information to scrutiny committees to enable their consideration of the budget proposals; - recommended that the process be brought forward to ensure full scrutiny and public engagement; - recommended amendments to the budget consultation process; - expressed concern about the achievability of savings; - recommended that savings proposals should more clearly set out the risk/benefits of implementation to allow proper scrutiny and Member decision; - expressed concern about the capital programme and level of proposed borrowing; - referred Invest to Save to the Audit Committee; - expressed disappointment that the Workforce Agreement had not been subject to pre-decision scrutiny and recommended that timely engagement must be put in place in future; - recommended that the Council's workforce planning be addressed urgently, expressing concern about the loss of capacity and knowledge from the organisation; - declined the Cabinet Member's request to make a comment about Council Tax levels; - recommended that the CardiffWorks operating model be considered further; - requested details of the Communications review; - reiterated that the Council's asset management be addressed urgently; - noted concern regarding the consultation on the Grants proposals; - accepted the offer of monthly budget monitoring information. 		Not yet received	

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

Date: 4 December 2013



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Neuadd y Sir
Caerdydd,
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Councillor Ralph Cook,
Deputy Leader
Cardiff Council, County Hall
Cardiff
CF10 4UW

Dear Councillor Cook,

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 26 November 2013 Budget briefings

On behalf of the Committee, please accept my thanks to you and your officers for the budget briefing sessions which you gave the Committee in order to help prepare for scrutiny of the 2014/15 budget proposals. Members noted that there were some inconsistencies in the information available for each directorate, but overall have found the briefings very useful in gaining a deeper understanding of the context in which the proposals are being developed. We hope that this is something that we can continue to receive in future years and welcome the approach that has been taken to supporting the Committees in their budget scrutiny.

County Clerk and Monitoring Officer Directorate

In terms of the County Clerk and Monitoring Officer's directorate, the Committee noted that she has been asked to develop savings proposal totalling 38% of her budget and that in particular income opportunities are being explored for Scrutiny Services. Members also queried at the meeting whether the additional budget given to Scrutiny Services in last year's budget round is likely to form a savings proposal this year. Members emphasised that the Cabinet Member for Finance and Economic Development stated last year that this budget would not be 'chipped away' in future years.

Members also noted that the Communications review is currently being commissioned. The Committee would like to engage in this process, so would be grateful to be kept informed as it progresses.

The Committee also requested a breakdown of the Members' expenses expenditure section, to identify expenses vs. allowances, and the Member training budget. I would be grateful if this could be provided in time to aid the budget scrutiny.



Thank you again for attending the meeting.

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
Marie Rosenthal, Monitoring Officer
Marcia Sinfield, Interim Section 151 Officer
Cabinet Office
Members of the Policy Review & Performance Scrutiny Committee

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



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My Ref / Fy Nghyf: CM26474
Date / Dyddiad: 27th January 2014

Councillor Nigel Howells
Chair, Policy Review and Performance
Scrutiny Committee
Cardiff Council
Atlantic Wharf
Cardiff
CF10 4UW

Dear / Annwyl Nigel,

**POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE
26th November 2013 Budget Briefings**

Thank you for your recent letter addressed to Councillor Ralph Cook, dated 4th December 2013.

As you will be aware, Councillor Cook has regrettably had to take some leave from office, due to health issues and in the interim, I am dealing with matters in his portfolio and meeting with the County Clerk & Monitoring Officer, in relation to her directorate.

I note your concerns in relation to the Scrutiny Services budget. We will be carefully considering your Committee's comments in formulating Cabinet proposals.

The communications review is now under way, and due to report in March. I will be very happy to inform you of the outcome of the review in due course.

I enclose as requested, a breakdown of the Members expenditure in relation to allowances and member training budget.

Yours sincerely,
Yn gywir,

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

PLEASE REPLY TO / ATEBWCH I:

Leader's Office, Room 525, County Hall, Atlantic Wharf, Cardiff CF10 4UW
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Members Expenses

2013/14

Budget

Training & Conference Exps	13,000
Members & Lord Mayor Allowances	1,504,040
Members Expenses	102,090
Office Accomodation	201,590

1,820,720

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

Date: 15 January 2014



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Neuadd y Sir
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Paul Orders
Chief Executive
Cardiff Council, County Hall
Cardiff
CF10 4UW

Dear Paul,

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE - 7 JANUARY 2014

On behalf of the Committee, thank you for attending the Policy Review and Performance Scrutiny Committee meeting on 7 January 2014 and welcome back to Cardiff Council. Members of the Committee found your introductory remarks very interesting. We were pleased to hear your comments about the integral role which Scrutiny Committees play in developing and challenging Council policy and look forward to working with you in future.

When the Committee last met your predecessor, Jon House, during a discussion of proposals for replacing his post with that of a more internally facing 'City Manager', the Committee queried what external duties he carried out on behalf of the Council. The response, given by his office after he had left post was that he sat on the following groups:

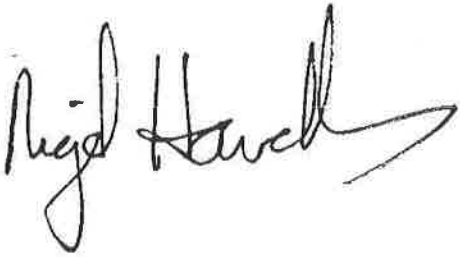
Great Western Partnership
Director of Millennium Stadium
National Procurement Service Board
Integrating Health & Social Care Programme Board
Organisational Development and Simpson Implementation
Public Service Leadership Group
Gateway Review National Procurement Service
Welsh Local Government Association South East Wales Regional Partnership
City Region Task & Finish Group.

The Committee has asked if you would be able to provide a similar list of the external roles which you are planning on undertaking.



I hope that this is the start of a very positive relationship.

Yours sincerely,

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

COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Councillor Heather Joyce, Leader, Cardiff Council
Cabinet Office
Members of the Policy Review & Performance Scrutiny Committee



My ref: PO/RJ

6 February 2014

Councillor Nigel Howells
Chair
Policy Review and Performance Scrutiny Committee

Paul Orders
Chief Executive
Prif Weithredwr

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Thank you for your letter of 15 January – I welcomed the opportunity to discuss with members of the Policy Review and Performance Committee various matters relating to the future of the Council.

You enquired about the external roles I was planning to undertake as Chief Executive. To date, I have been appointed to serve as a non-executive director of Millennium Stadium plc and as the Chair of the Cardiff Partnership Board. I have also participated in the Integrating Health and Social Care Programme Board and have attended my first meeting of the WLGA South East Wales Regional Partnership Board. As I am sure you will appreciate, such a list of formal external roles provides only a partial guide to the externally facing role of a Chief Executive.

The reality is that the role needs to reflect the agenda of the Council. To date, I have also supported the Leader and Cabinet Members in relation to the Dumballs Road Regeneration initiative, the redevelopment of Callaghan Square, discussions around the Williams Commission Report, and various other issues that have strong external elements.

My role will, of course, continue to evolve and I will take up formal external roles when and if they serve the purposes of the Council and after consultation with the Leader and Cabinet.

Paul Orders
Chief Executive

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

Date: 15 January 2014



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

Dear Councillor Joyce,

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 7 January 2014

Thank you for attending the Policy Review and Performance Scrutiny Committee to discuss the Cabinet's high level response to the Welsh Local Government Association's Peer Review of the Council. Members would also like to thank you for attending in the place of the Deputy Leader for the Committee's consideration of the Quarter 2 performance report. We hope that Councillor Cook makes a speedy recovery.

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

Welsh Local Government Association Peer Review – Cabinet Response

The Committee appreciates your ongoing engagement on this subject, although it recognises that the issues highlighted by the review are only a fraction of the matters with which the Council needs to deal in the short and medium term. Members note that the Review's recommendations will be addressed within wider activity, including a refresh of the Corporate Plan, the development of a new operating model for the Council, improved service planning and a series of service reviews. We noted the Chief Executive's comment that he is aiming to bring these strands together to develop a route map for the Council for the next three years and would like to have further information and a more detailed timeline for this activity confirmed, feeling that this is as yet a little unclear. We anticipate that we will be able to engage with the Cabinet positively as this activity progresses.

Members commented that they felt that the need for urgency, emphasised by the Peer Review, should not be lost in this more holistic approach. There is an imperative to communicate the Council's direction to both staff and the wider public as soon as possible, given the Council's budget pressures. The Committee was therefore grateful to the Chief Executive for confirming that a more streamlined Corporate Plan would be available at our February meeting to enable scrutiny of the 2014/15 budget proposals. We hope that this will be a significant step forward in communicating the vision of the Council's future course.

Members discussed the need to engage staff appropriately as changes are developed. While we understand that the staff survey has recently been completed and will be interested to see the findings, Members emphasise the need to take a



more comprehensive approach, rather than relying on this snapshot of opinion. In particular, the Committee stressed that managers should be able to gauge on a day to day basis the issues which employees are facing. We noted the Chief Executive's comments that at managerial level officers need more than technical experience where their roles involve significant levels of people management. As he stated, leadership is vital and managers must take ownership of changes put in place and communicate effectively with staff and service users.

Committee members were glad to hear that the Chief Executive is re-addressing the Council's management structure to investigate opportunities for streamlining. We noted that this review will include not only the very top management tiers, but will be more holistic in its approach. Members hope that this is something in which you will continue to engage the Committee.

Delivery and Performance Report Quarter 2 2013/14

As you will be aware this Committee has a longstanding interest in the improvement of the Council's performance management arrangements. Members were therefore pleased that the Chief Executive has made it a priority to address the Council's overall performance framework. However in terms of performance reporting more specifically, the Committee highlighted the need to focus not simply on quantitative data or the delivery of the Corporate Plan. Members would also stress that performance reporting should focus more on outcomes for citizens rather than outputs; it should take into account more qualitative information, such as customer feedback. Members were glad that the Chief Executive was very receptive to this, mentioning the potential of citizens to become involved in the design of services in the future. We also hope that as further improvements to the performance framework are made, it will integrate more fully with budget and risk monitoring to give a more accurate assessment of our overall performance.

In terms of the Quarter 2 report itself, the Committee queried some particular points such as sickness absence levels, which we will scrutinise further during our March 2014 meeting. Members also mentioned that some issues are potentially 'hidden' within the performance data, citing improvements in library PC usage in the face of reduced library opening hours during this financial year.

Thank you again for attending the meeting and I look forward to your response.

Yours sincerely,



COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Councillor Ralph Cook, Deputy Leader
Paul Orders, Chief Executive
Mike Davies
Cabinet Office
Members of the Policy Review & Performance Scrutiny Committee

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

My Ref / Fy Nghyf: CM26415

Your Ref / Eich Cyf:

Date / Dyddiad: 23rd January 2014

Councillor Nigel Howells
Chair of Policy, Review & Performance Scrutiny Committee
Cardiff County Council
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Dear / Annwyl Nigel

Prap Scrutiny Committee 7 January 2014

Thank you for your letter dated 15th January 2014.

Firstly, I was happy to attend in the place of the Deputy Leader and have passed on your best wishes to him for a speedy recovery.

With reference to the Committee's helpful comments regarding the Cabinet response to the WLGA Peer Review, I was pleased to note that we appear to be in agreement that, however useful the Peer Review report and recommendations have been, the exercise now needs to be considered as one factor in a more holistic approach. However, I do note the Committee's comments and concerns regarding urgency; staff engagement; and the Council's management structure and will of course be happy to discuss these matters with the Committee at future meetings, as appropriate.

With regard to the Delivery and Performance report for Quarter Two 2013/14, I am well aware that the Committee has had a long standing interest in this important area and am therefore pleased that the Committee, the Chief Executive and I all broadly share the same vision for the way forward. With regard to your specific points of detail set out in the penultimate paragraph of your letter, I have passed these on to the appropriate Cabinet Members and Directors for their information and/or response.

Yours sincerely,
Yn gywir,

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

PLEASE REPLY TO / ATEBWCH I:

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

Date: 15 January 2014



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Councillor Russell Goodway
Cabinet Member Finance & Economic Development
Cardiff Council, County Hall
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Dear Councillor Goodway,

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE - 7 JANUARY 2014 Central Transport Services and Facilities Management

On behalf of the Committee, please accept my condolences on your recent bereavement and please pass on my thanks to the officers who attended the PRAP Scrutiny Committee meeting on 7 January 2014 to discuss Central Transport Services (CTS) and Facilities Management (FM) in the context of the Month 6 budget monitoring position. The Committee found this scrutiny a useful way to consider specific areas of the Council's budget in more depth and had chosen FM and CTS given the difficulties which they are experiencing in meeting their 2013/14 budget savings targets.

General comments

The Committee is concerned that that some savings proposals have been deemed to be entirely unachievable so soon into the financial year. Several proposals – for example improving driver behaviour savings in CTS and security savings in FM - had been assessed as 'Amber/Green' in terms of their achievability. We would therefore have expected the likelihood of their being delivered would have been relatively high. As Scrutiny Members we rely on the assessments provided with the budget proposals in order to allow us to make informed recommendations, so this was a matter of some concern. We were reassured by the Corporate Director – Resources that lessons have been learned from this and that the 2014/15 budget process will include an assessment of the planning status of savings proposals (although we recognise that inevitably not all savings would have a detailed delivery plan in place by the time that the budget is agreed). We would like to have access to those that are in place in February to aid our consideration of the budget. The Committee would be grateful if officers could arrange for them to be available upon request, as discussed at the meeting.

Central Transport Services

Whilst disappointed with the difficulties in achieving savings targets, Members were positive about the work which CTS is undertaking to plan for the future, for example



in terms of Service Improvement activity, and commend the officers involved. The Committee noted that one of the outcomes will be the flattening out of working patterns through the week which should reduce the service's reliance on overtime.

The Committee heard that buy-in across the Council is vital in terms of changing driver behaviour to drive out future savings. We were pleased that the service is aiming to take a strong stance with directorates through the Vehicle Usage Policy, once developed, for example in requiring a demonstrable business case before vehicles are allowed to be driven to officers' homes overnight.

The Committee discussed the Cabinet decision to investigate the viability of CTS becoming a Trading Company. While the Committee understands the basis on which this decision has been made, in that it may allow the service to generate more income, the Committee had some concerns as to whether this is an area in which the Council should seek to compete with the private sector.

Members also discussed the service's recent move to the new Coleridge Road facility on an invest to save basis and whether this investment would still pay off should CTS move in a new direction. We hope that, as stated by the Corporate Director Resources, lessons will be learned and that future Invest to Save schemes will be subject to increasingly robust testing in future.

There were two points of further information which the officers agreed to send the Committee:

- a breakdown of savings targets for both CTS and FM for the 2011/12, 2012/13 and 2013/14 financial years;
- an assessment of the costs of officers using pooled cars while travelling on Council business versus the cost of mileage.

Facilities Management

The Committee welcomed the work being undertaken by the Operational Manager to develop a strategy to take the service forward, including potential collaborative opportunities, as well as efforts to improve the service's relationship with Schools. Members raised the difficulties faced by the service in a rapidly changing and increasingly competitive marketplace. The Committee queried how easy it would be for the service to plan without having a publically stated position with regards to the future of the Council's operational estate. We received a brief update from the Corporate Director – Resources regarding the former OurSpace programme which has now developed into an 'OurSpace lite' project. We noted that there is still uncertainty over the future of County Hall, which has stopped previously planned refurbishment work and hope that the position will be clarified in the very near future. The Committee also discussed with some concern the maintenance backlog which is facing the Council, and questioned whether unnecessary spend can be effectively avoided without a public position regarding the Council's estate.

2013/14 Month 6 Budget Monitoring report

Members discussed the presentation of budget monitoring information more generally during the meeting. The Month 3 monitoring report included a full breakdown of savings projections against each of the budget proposals, which Members found useful in understanding where issues are arising across the Council.

As this information was not made available with the Month 6 report, we recommend that it is reinstated with the Month 8 report.

With regards to the transfer of the Strategic Estates services from the Resources Directorate the Committee reiterated points it made during the Economic Development directorate budget briefing that where services are transferred between directorates, this should be made more visible to Members in future. This is particularly important given the bearing which this can have on directorates' overall budget position and Scrutiny Committees' ability to monitor this.

Public Sector Asset Management

Finally, the Committee considered the Cardiff Partnership Board Scrutiny Panel's report regarding Public Sector Asset Management at the same meeting. As this area falls within the remit of your Portfolio, the Committee would like to commend the report to you, and I have therefore attached a copy.

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, Corporate Director
Lesley Ironfield, OM Facilities Management
Steve Robinson, Head of Commissioning and Procurement
Graham Craven, Head of Service
Cabinet Office
Members of the Policy Review & Performance Scrutiny Committee

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

Date: 17 February 2014



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

Dear Councillor Joyce,

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 13 February 2014

Please accept my thanks on behalf of the Committee for attending the Policy Review and Performance Scrutiny Committee to discuss the Draft 2014-17 Corporate Plan. Please also pass our thanks to the officers who supported our scrutiny.

You will recall that when the Committee considered the 2013-17 Corporate Plan at its meeting in February 2013, Members had a number of concerns which it asked to be addressed. These included the linkages between the Plan and other key documents; the suitability of the milestones contained within it and the opportunity they would afford for monitoring the delivery of the Plan; and the extent to which the Plan took into account the results of public consultation. Many of these concerns were later supported by the comments made by the Auditor General in his Improvement Letter. Although we felt that some of these issues have been taken into consideration in the drafting of this year's document, we believe that others have not. I have therefore summed up the concerns and recommendations of the Committee below.

The Committee was disappointed that the draft Corporate Plan arrived too late to be sent with other Scrutiny Committees' papers; this had a clear impact on Scrutiny Members' ability to perform their role. This Committee, while it received an initial draft in good time, was provided with amendments on the day of the meeting. In addition, the absence of the supporting document which would ostensibly set out much of the necessary background detail meant that we were left unable to form a proper judgement on some of the issues under consideration. In our letter to the Cabinet Member for Finance & Economic Development, we have made recommendations that the entire budget process, including scrutiny consideration, is brought forward next year. We recommend that the drafting of the Corporate Plan is also done at an earlier point.

The Committee is not convinced that the current draft suits the needs of the various audiences for the Plan. The public need to understand the Council's vision for the city, as do partners; regulatory bodies should be able to clearly see what the Council will deliver on in order to measure our performance; staff should be able to recognise how their contribution fits in to the Council's aims and objectives.

Members felt that the draft Corporate Plan should set out a clearer vision for the Council beyond 2014/15. The Council must ensure that it prepares communities for the difficult choices that will have to be made. Although the Plan makes reference to



the need to focus on a small number of key issues, we do not believe that the reality of probable service cuts is clearly communicated in the Plan. While we understand the difficulty of budget planning beyond the next financial year, an indication of direction of travel, of the Council's aspirations or likely mitigating actions should our financial situation worsen, could be established. The Committee feels that it is important to emphasise the trend towards greater multi-year budgets within English local government and the draft Corporate Plan would benefit from the inclusion of an improved budget planning framework. We therefore recommend that the draft Plan is amended to reflect these comments.

The Committee appreciates that a background document setting out some of the linkages between the Corporate Plan, the budget, 'What Matters' and the Council's Priorities for Improvement is under production. However, as a working draft was only circulated to the Committee less than twenty-four hours prior to the meeting, Members felt unable to judge whether it provides the necessary 'golden thread' linking the Council's community, corporate, directorate and individual planning. In the short time available to the Committee to consider the document, Members were left feeling sceptical as to whether it does.

The Committee was told that much of the detail behind the Plan will be included in Directorate Plans, but were not given a firm date for their production. We would like this date confirmed and ask that they are readied for scrutiny as a matter of urgency.

Members feel that some aspects were also lacking in the Corporate Plan itself. The Plan does not address the need to make improvements within the Council as a corporate entity, tackling issues such as sickness absence. Internal change will be vital to support inevitable external service changes and is only mentioned in reference to the development of an Organisational Development Plan. In common with the Directorate plans, the Committee would like a firm date for the production of this Plan to be set.

The Committee remains concerned that the Council's performance management framework has not been addressed with the urgency required. In January 2013, the Committee was assured that a more consistent approach to performance management would be in place within twelve months. The Committee has considered quarterly performance reports since that date and has been told on each occasion that their structure is under development. The Assistant Director for Sports, Leisure and Culture has offered to brief the Committee in terms of his review of performance. The need for urgency is clear; we hope that he and the Chief Executive will be able to demonstrate a focused, time-bound plan for changing Cardiff's performance regime. Both the Wales Audit Office and the WLGA Peer Review have stressed the need for urgency in this regard.

While the Committee is content that this year's draft Corporate Plan represents a significant step forward, Members feel that there is still quite some way to go. Improvements have been made in terms of the measures set out in the Plan, but these have not yet gone far enough. There are still too many 'outcomes' which are outputs that fail to demonstrate clear benefits for citizens; several measures are not clearly defined; and some are not the whole responsibility of the Council to deliver against. Furthermore, the idea of a basket of indicators which would allow a consistent view of the Council's performance and delivery of time has been lost.

Finally, there were some issues of accuracy and alignment which Members noticed when considering the Plan:

- The Environment directorate section does not show a clear alignment between the 'issues', 'priorities' and the 'what we will do' sections, focussing on energy management in the former and waste management in the latter. Care should be taken throughout the Plan to ensure these sections align;
- The Finance and Economic Development portfolio is heavily skewed towards the latter and does not give enough focus to the crucial issues of financial management and planning;
- The Leader's introduction refers to a further £50 million savings gap in 2015/16 – 2016/17, a figure at odds with the Medium Term Financial Plan predictions presented by the Cabinet Member for Finance and Economic Development.

Thank you again for attending the meeting. I would ask you to take these recommendations and comments into account when the Cabinet considers its proposals to Council and I look forward to your response.

Yours sincerely,



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

cc Councillor Ralph Cook, Deputy Leader
Paul Orders, Chief Executive
Mike Davies
Cabinet Office
Christine Salter, Corporate Director, Resources
Ian Allwood, OM, Accountancy (Advice & Budgetary Control)
Members of the Policy Review & Performance Scrutiny Committee



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Councillor Russell Goodway
Cabinet Member Finance & Economic Development
Cardiff Council, County Hall
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Dear Councillor Goodway,

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 13 February 2014 DRAFT BUDGET PROPOSALS

Please accept my thanks on behalf of the Committee for attending the Policy Review and Performance Scrutiny Committee to discuss the Cabinet's draft Budget Proposals. Please also pass our thanks on to your Cabinet colleagues and officers who supported the scrutiny. The Committee had a number of comments and recommendations as set out below.

Availability of information

Last year the Committee requested to have parity of information with the Cabinet when considering the draft Budget Proposals. There have been several steps forward in terms of the information available and we thank your Finance Officers for their efforts, particularly in terms of helping us to understand the overall directorate context of the savings proposals. Parity has not been achieved, however. On numerous occasions during our meeting, you and the Corporate Director – Resources referred to further information which would be made available with the full Budget Report. This included details of the discounted financial pressures, of the Medium Term Financial Plan; and a full profile of the borrowing and payments necessary to support voluntary severance payments. It is very difficult to conduct an informed scrutiny of the budget proposals in this situation.

Scrutiny and public engagement

You mentioned that draft proposals to fill the £33 million gap had largely been finalised last autumn, before the Welsh Government released the final settlement. Scrutiny Members could and should have been engaged at that point, even with the proviso that the financial situation might change. Other local authorities have moved towards this phased practice and so should we. The Committee recommends that the budget process in terms of both public and Scrutiny engagement is brought forward much earlier in the year. We noted your comment that Portfolio-holders had been asked to bring forward any proposals needing a longer-lead in time late last year. Whilst a first step, these were not always subject to full scrutiny. We recommend a move towards a more evolutionary development of the budget, including a first look at early proposals in September or October; public consultation



regarding full draft proposals in December; and consideration on final proposals in February.

While improvements have been made to the Council's budget consultation, these have not gone far enough. We are glad that more effort has been made to engage communities directly through consultation events last December, but these concentrated on general priorities, not detailed proposals. A two-week consultation period on a limited number of budget savings proposals, immediately before Budget Council, and one which is solely web-based, is not fit for the purpose of involving communities in the decisions that will have a direct impact on their lives. It excludes the views of those who find it harder to mobilise themselves to campaign, as well as those who prefer not to use the web, and does not leave sufficient time for adjustment to the Budget Proposals following analysis of the results. Members of the Committee have been contacted by citizens who found it hard to respond to the consultation, not only because of lack of online access, but also because they found it hard to understand the consultation proposals. Many in the community are more than ably equipped to articulate their views verbally, but find written responses anathema. We recommend that the consultation process is brought forward next year and places a greater emphasis on using non web-based methods.

Achievability of savings

The Committee is well-aware of the scale of the financial challenge and the pressing need to make difficult choices in terms of sustainable service delivery in future. Members were however in agreement that this is a high risk budget in terms of achievability. Despite the contingency which has been built into budget planning, Members were dubious about the deliverability of some of the savings proposals. During our January meeting when we considered Central Transport Services and Facilities Management, the Committee was concerned that the achievability assessments set out for Members in the 2013/14 budget proposals were not necessarily reliable. We have not seen sufficient evidence that this has improved in the development of the 2014/15 proposals. Members had asked for access to the detailed delivery plans in place at this point to aid their scrutiny and were not provided with them.

Members felt that many savings proposals did not provide enough detail to allow us to come to an informed opinion as to their validity. We discussed this with the Monitoring Officer in relation to her savings proposals and understood her comments around the need to safeguard the privacy of officers who may be personally affected. However where restructures, for example, are proposed, these could and should detail the likely benefits and risks. As Scrutiny Members we are in the fortunate position of being able to question Directors directly on the savings they propose. Other backbench Members do not have this option and may feel that they are unable to take an informed view when voting on the Proposals at Council.

We felt that there is a strong risk of an unfavourable monitoring position forcing additional in-year savings to be made in 2014/15. Members of the Committee are clear that should this occur, these should not only be subject to pre-decision scrutiny, but also to unambiguous line-by-line monitoring and reporting. This should make clear where additional savings are made and their anticipated impact on services.

Capital Programme

With regards to the Capital Programme, the Committee is concerned about the level of borrowing which the Council is proposing over the next five years, feeling it poses a risk to the Council's revenue position. We heard from the Corporate Director - Resources that the level of revenue funding devoted to capital interest and loan repayments will continue to increase by a significant amount in the coming years. We note the Corporate Director – Resources' comments that further financial profiling will be available with Cabinet papers. We are disappointed that this was not available for the Committee to consider and would like to have detailed projections and any assumptions attached to them forwarded to us.

Members also heard that the project appraisals which used to be applied to capital schemes have been discontinued. We feel this process should be reviewed and reinstated as a matter of urgency in order to ensure that the schemes will provide a real return on investment to the city and minimise risk to the Council. We have noted during previous scrutinies that some schemes have failed to deliver the anticipated benefits (for example the Central Transport Services depot). In this context, we would like to refer the subject of Invest to Save to the Audit Committee for consideration.

Workforce Agreement

You asked the Committee to comment on the imposition of the Workforce Agreement. The Committee is disappointed that the opportunity for full pre-decision scrutiny was not afforded to it when the proposal was first developed. In the days before the Committee met, several additional proposals were brought forward following the failure to reach a collective agreement with Trade Unions. These included the proposals to impose the Agreement and to delete the Cardiff Academy budget. These had not been communicated to Trade Unions colleagues by you or your officers prior to their discussion at other Scrutiny Committee budget meetings. Members are very concerned that these budget proposals have been developed in a hasty manner and without proper forethought, risking relations with Trade Unions and staff more generally. Our comment is that should the Budget Proposals include imposition of the Workforce Agreement, and should similar changes be posited in future, you must fully engage with Scrutiny and with Trade Unions in a timely manner.

More specifically on the proposal to cut the Academy budget, you told Members that other funding options are being explored for staff development. We noted that this alternative provision has not in any way been secured. Members remain concerned about the removal of staff development opportunities during a critical time, particularly when many more members of staff are coming to rely on re-training when in the redeployment pool.

Workforce Planning

The Committee is strongly of the opinion that the Council's workforce planning must be reviewed as a matter of urgency, as highlighted by the WLGA Peer Review. Members recommend that a stronger review process should be put in place to appraise the necessity of vacant posts put up as savings. While trust may be placed in Directors to determine whether or not posts are needed, it could be seen as an easy option to delete a vacant post and achieve an immediate saving, even if this does not fit with a longer-term plan for the Council. The Committee also discussed the Council's agency spend at some length and recommends that much stronger controls are put in place to force Directorates to justify the need for this expenditure.

Succession planning and knowledge management were themes that came through strongly in our scrutiny. While we were pleased to hear from ICT that they are making use of flexible retirement in order to pass on relevant skills, this was one small instance. Only 2 FTEs are noted in the employee summary as making use of flexible retirement. Similarly, Legal Services is putting in place measures to develop more junior staff, but again this would seem to be a limited initiative.

Another key issue is the capacity of the organisation to cope with the staff loss stemming from these budget proposals. The Committee is very concerned that the Council will not be able to cope and that there is as yet an unclear plan to manage following the reduction in workforce. This issue recurs in our comments regarding specific Directorate Proposals..

Council Tax

On another note, you asked the Committee to provide a view regarding the level of Council Tax. We feel that there are more appropriate forums for this discussion so will not provide a comment here.

Directorate Comments

There were a number of areas where we believe Directorates are not being forced to take full accountability, for example the use of the grey fleet and in energy management, because savings are situated within a single Directorate budget. In common with remarks about the draft Corporate Plan, there is a need for a strong drive from the corporate centre to direct internal change.

The Committee considered each of the areas under its remit in turn and had these specific comments to make:

Corporate Management

The Committee noted that the Corporate Initiatives budget has been subject to a sizeable cut, but that a cushion is in place in the form of an earmarked reserve.

Resources Directorate

The Committee has considerable concerns about the loss of capacity within this Directorate, particularly within ICT, Finance and Legal Services. I have already discussed the Academy proposals; we were similarly concerned by the plan to remove the ICT training budget. We heard that a One Council organisational plan is under development. Will our corporate centre have the capacity and flexibility to support the organisation through the changes required in future?

We urge you to consider the future of CardiffWorks in more detail; there may be opportunities to extend into provision of non-clerical staff and provide services to additional public sector bodies. The service may also be an appropriate area to consider for the development of a trading company.

We noted that the Audit programme will have to be adjusted in order to cope with a reduction in Audit staff. We hope that this is communicated to the Audit Committee as soon as possible and believe they should have the opportunity to comment on such proposals in next year's budget process.

County Clerk and Monitoring Officer

Many thanks for representing the Deputy Leader for this item.

While the Committee understands the need to make savings across the Council, we are concerned that appropriate levels of support for Members in carrying out their duties must be maintained. Members were concerned that the loss of committee budgets would decrease our ability to learn from best practice elsewhere. Members discussed the issue of reducing the number of Scrutiny Committee and Full Council meetings and had some concerns that a reduction would simply lead to more extraordinary meetings called at short notice, which could involve additional costs and pressures on the directorate.

We also note that the Members' ICT project has not been included within the Proposals.

In terms of Communications and Media savings, Members remind you that last year the proposal to cut the number of Capital Times issues from four-weekly to monthly (losing one issue per annum) was discounted as it was felt to pose a risk to advertising revenue. We are not convinced that the business case for this year's savings proposal has been fully established. Members also discussed the Communications income target with the Monitoring Officer and feel that there was an unacceptable level of uncertainty around the achievability of this saving. We wish to see the business plan being produced by APSE, and also the results of the overall Communications and Media review as soon as they are available.

Economic Development – Strategic Estates

Members reiterate the urgency with which an asset management strategy should be implemented in order to fully exploit our operational and non-operational estate for the benefit of the city. We noted your comments about the difficulty you have found in getting a Cabinet slot for this item. We urge you to ensure this is considered at the earliest opportunity. The Committee has previously asked to consider the full substantive report regarding non-operational property in pre-decision and were glad to have your agreement to this at the meeting.

Communities, Housing & Customer Services

The Committee welcomed the offer from the Communities Director to bring the Customer Management Strategy to Committee and will consider an appropriate slot for this.

In terms of the Grants proposals, the Committee has already scrutinised this area in some depth and welcomed the early consideration provided. It is clear that the process has improved compared to the last budget round. However, Members of the Committee have been approached by several organisations which have commented that the process has not been transparent and fair, in terms of the development of Equality Impact Assessments. We understand that this may be an issue of perception. However, we were clear that there is a need for ongoing support and contact with affected organisations. Communication should be stepped up in order to help them mitigate the effects of cuts to their funding and to help them find alternative funding streams.

Finally we discussed the need for strong financial monitoring in some depth, in terms of the necessity for Directorates to take greater responsibility in controlling overspends. We welcomed your offer to come to our Committee on a monthly basis to discuss the monitoring reports which Cabinet receives. As this may place an undue imposition on your time, we feel that it would be more appropriate for the Committee to receive the reports for noting and to follow-up on an exception basis. We would be grateful if you would ensure that officers provide us with the reports.

As there are several recommendations contained within this letter, we would be grateful for your speedy response.

Yours sincerely,



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

cc Councillor Heather Joyce, Leader
Councillor Ralph Cook, Deputy Leader
Councillor Lynda Thorne, Cabinet Member, Community & Neighbourhood
Regeneration and Social Justice
Paul Orders, Chief Executive
Representatives of GMB, Unite and Unison
Christine Salter, Corporate Director Resources
Sarah McGill, Director, Communities, Housing and Customer Services
Philip Lenz, Chief HR Officer
Shaun Jamieson, County Solicitor
Ian Allwood, OM, Accountancy (Advice & Budgetary Control)
Marcia Sinfield, projects and Technical Accountant
Allan Evans, OM Service Accountancy
Phil Bear, ICT Service Manager
Marie Rosenthal, County Clerk and Monitoring Officer
Neil Hanratty, Director, Economic Development
Charles Coats, Strategic Manager
Rob Ellis, Business Manager, Economic Development
Sir Jon Shortridge, Chair Audit Committee
Derek King, OM Risk and Audit
Cabinet Office
Members of the Policy Review & Performance Scrutiny Committee