

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

6 MAY 2014

Present: Councillor Howells (Chairperson);
Councillors Hunt, Knight, Lloyd, Marshall McGarry,
Murphy, Robson and Walker.

82: DECLARATIONS OF INTEREST

The Chairperson reminded Members of their responsibility under Part III of the Members' Code of Conduct, to notify any interests in general terms and complete personal interest forms at the start of the meeting and then prior to commencement of discussion of the item in question, specify whether it is a personal or prejudicial interest. If the interest is prejudicial, Members would be asked to leave the meeting and if the interest is personal, Members would be invited to stay, speak and vote.

83: ESTABLISHING A PROGRAMME OF ORGANISATIONAL CHANGE FOR THE CITY OF CARDIFF COUNCIL – DRAFT CABINET REPORT

The Chairperson welcomed Councillor Bale to the meeting Leader of the Council, Councillor Graham Hinchey, Cabinet Member, Cabinet Member for Corporate Services, Paul Orders Chief Executive and Martin Hamilton, Assistant Director, Sport Leisure and Culture.

The Chairperson advised the Committee this was an opportunity to consider the proposals to establish a three year programme for organisational change.

The Chairperson invited the Leader to give a statement.

The Leader thanked the Committee especially for the time he spent sitting on the Committee with its broad remit. The Leader emphasised that this piece of work was essential in order to raise overall performance of the Council's workforce. Governance was vital and Members needed to take ownership in this area.

The Committee received a presentation on Meeting the Challenges: An Organisational Development Programme from the Chief Executive which outlined the following:

Outline Steps

- *Reviewing the current shape and scope of the organisation and the way in which services were currently delivered to meet demand.*
- *Reducing duplication of effort and resources.*

Critical Challenges had been identified:

- *Rapid fiscal consolidation*
- *Increased demand on services*
- *The need for continuous improvement*
- *Accelerating Cardiff's development as a European Capital City*
- *Reorganising local government*

Rapid fiscal consolidation

Increased demand on services

The Need for Continuous Improvement

Accelerating Cardiff's development as a European Capital City

Reorganisation of local government.

The Committee was advised that it was essential to raise the profile of performance management.

Service Performance Challenges

- *Need to provide assurance on quality services*

The Leader was keen to embrace a Co-operative Council model:

- *Working with partners,*
- *Developing and delivering services.*
- *Reviewing the way in which services were delivered.*

Delivering a New Organisational Model

- *Creating Services with people*
- *Working beyond our boundaries*

The Committee was provided with an overview on the Strategic Commissioning Style:

Service Reviews

- *Ensuring services were capable of meeting current and future demands and expectations*

Reshaping Services to Meet the Challenges

- *Working with communities to identify the outcomes we need to achieve*

Organisational Development Programme Workstreams

- *Strategic Commissioning*
- *Engagement & Improvement*
- *Assets & Infrastructure*
- *Customer & Community Focus*
- *Governance and Member participation*

The Committee was provided with the Key Outcomes:

Next Steps

- *Establish Peer Challenge Group*
- *Cardiff Debate on local service delivery*
- *Employee Roadshows*

The Chairperson thanked the Leader and Officers for the information provided and invited the Committee Members to ask questions.

Members of the Committee asked for information on the faults that may exist in current performance management arrangements. In response the Chief Executive explained that the performance management arrangements in place to date had lacked a degree of challenge. Levels of accountability had to be addressed with areas of inadequate benchmarking being identified. This was also an opportunity to look at other local authorities to identify and adopt more valuable benchmarking tools.

The Leader explained to the Committee that a robust performance management plan was being developed at Cardiff to enable stronger working practices. It was recognised that in the past the organisation had suffered from the lack of performance strategies and therefore new practices were being developed to build on performance and recognise achievements for both staff and residents.

Martin Hamilton drew attention to some of the challenges the Council was facing. As a result of this performance management was essential to drive forward delivery but it was acknowledged that the development of these processes took time to deliver.

The Committee asked for further information on co-operative councils and how this method may have an impact on the overall management of the Council.

The Chief Executive drew attention to some of the working practices already in place in the Council, the Families First tendering process for example, where young people and service users had been involved in service design. Overall practices would be looked at along with redesign of the service and most importantly ensuring to involve and consult service users.

The Leader advised the Committee that Employee Roadshows were scheduled to take place and these were designed to give staff an opportunity to meet the senior management team and provide feedback. He stressed that good practice should be shared within the Council.

Members of the Committee drew attention to the importance of benchmarking. The draft Cabinet report was discussed drawing on the silo-based approach to service delivery. The Committee also made reference to the repositioning of Cardiff as a Co-operative Council.

Members of the Committee drew attention to the new senior management team in place and asked what procedures were in place if officers resisted change.

The Chief Executive explained to the Committee that the new senior management team had engaged with staff and were being encouraged to embrace change. The overall change process was being addressed along with managing this transition. Managerial development was critical to ensure a smooth transition including workforce and employee development.

The Leader made reference to the current Welsh Government performance tables where Cardiff not well placed and that more robust benchmarking procedures were required. KPIs were addressed and were cross referenced with the reduction in capacity of staff over the years. It was recognised that pressure on staff needed to be reduced and provide initiatives to ensure staff were motivated. Staff were an essential tool to providing solutions and would contribute to the quality to the service.

The Peer Challenge group was discussed and the benefit that would come from this board. Members of the Committee queried whether the Group should be chaired by the Leader or by someone independent of the Council. The Leader answered that he felt that he needed to take responsibility for driving the agenda forward.

The Chief Executive explained that across the organisation a strong focus was being placed on organisational development. Development in Children Services was also discussed; a potential Improvement Partner for Cardiff was being identified through the Core Cities group.

Councillor Hinchey gave an overview of the review in place to manage change. It was recognised that a degree of silo working had developed in the organisation and therefore change initiatives were being developed to address this issue. The process was challenging but the end result would make a difference. Savings had to be found and overall working practices throughout the organisation would be assessed. There were development opportunities open to learn from other organisations.

This was recognised as a challenge for the Council and the Cabinet were happy to challenge the officers in order to get back on track. Communities would also be involved in this process, along with Third Sector partners.

Members of the Committee were advised that in order for these significant changes to take place Personal Performance Development Reviews must be completed to enable staff to have objectives and goals to make this change process succeed.

The Committee noted the emphasis on a Strategic Commissioning approach contained in the report and asked that these proposals be developed with the relevant Scrutiny Committees.

Councillor Hinchey made reference to Asset transfers, advising that cuts in certain directorates would continue. Leisure provision would be addressed with the encouragement of young people to take ownership of their respective sporting activities. The possibility of people running their own youth clubs and sports clubs was also being considered.

Members of the Committee were advised that it was crucial to share best practice methods in order to achieve the desired outcome. Broader policy objectives would be looked at and considered.

The Committee asked for further information on engagement and how to involve hard to reach groups in these processes, to ensure people felt part of the process.

The Leader acknowledged that working practices needed to change to reflect the changing climate. A Cardiff Debate was being established

along with a new Leader's blog which was attracting some attention. These decisions were being made as a result of the Cabinet taking on board suggestions through the Scrutiny process and listening to service users and stakeholders. Open and transparent government was essential for development, especially reflecting on how decisions were made and how people could access this data.

Members of the Committee discussed e - petitions with the hope of encouraging citizen participation in more aspects of Council processes.

The Leader explained to the Committee that the Council had re-joined Eurocities to establish networks outside of the UK.

The Committee was advised of community participation, with the intention to develop further links in the community and involve service users in certain aspects of service delivery. Practices at Oldham Council were referred to along with community participation and engagement through grassroots organisations. The Cardiff Partnership was currently in place involving third sector participation and partnership working needed further development.

Members of the Committee were advised of some of the current partnerships schemes in place which involved communities and partnership links. These working practices needed precise co-ordination to develop and deliver on alternative delivery methods, with a wide range of groups being involved.

Members commented that communities required support to develop and co-ordination was essential, suggesting that a central team leading on initiatives to develop community capacity would be useful. It was noted that a number of private organisations received credit and recognition for development in communities and this was an opportunity for the public sector to be engaged with.

The Chief Executive explained that the philosophy of Employee Roadshows was a two way discussion with staff to gather feedback for inclusion into the change programme. Conversations would be based on the shape of the organisation and how staff saw the face of the Council in ten years time. Staff were the Council's highest asset and this must be recognised through engagement and communication with staff.

Members of the Committee drew attention to the Cardiff Debate and asked what the process was to reach all groups.

The Leader explained that consultation was essential to reach and engage with people who didn't have access to internet. Community engagement was vital and people need to make their voices heard. The Debate was an opportunity to capture the views citizens and how this could have an impact on future decisions.

The Committee supported the establishment of a Cardiff Debate, emphasising the need for effective citizen engagement. Members were clear that effective community engagement must involve a feedback mechanism to demonstrate where engagement has resulted in change.

The Committee was advised that there was no alternative than to face the challenges ahead. It was essential that all staff engage in the change process to meet the financial challenges. All options had been considered and with an increase in demand on services alternative working practices had to be considered.

Councillor Hinchey explained that it was time to change and challenge the budget problems and organisational change was essential in order to achieve this. Joint working was crucial and partners were already on board to support service delivery in parts of the organisation.

The Committee was assured that the new Senior Management Team had the ability to drive forward change and improve organisational performance with the ability to engage staff in the process.

RESOLVED: The Committee **AGREED** to write to the Councillor Phil Bale, Leader of the Council, to thank him for attending the Policy Review and Performance Scrutiny Committee to enable pre-decision scrutiny of the draft Cabinet Member for Corporate Services and Performance. The Committee made highlighted the following issues:

- There was an evident recognition, shared by this Committee, that the Council needs to change, partly in response to external pressures, but also in order to address its internal challenges. The draft report sets out a frank opinion that Cardiff Council is currently characterised by a 'top down, silo-based approach to service delivery', an assessment which several Committee members recognised. The Committee therefore welcomed the proposal to implement an Organisational Development programme. However, we will look to see its outcomes and potential cashable savings more clearly set out as the scope of the workstreams and

projects is defined, given that a considerable fund of £1.7 million has been set aside for this work.

- There were – as highlighted during the meeting – a number of areas that will be tackled by the Programme to which this Committee has drawn attention in the past. Among others, these include employee and public engagement; workforce planning; asset management; performance management; web and customer management. The Committee looked forward to scrutinising those workstreams, service reviews and projects which fall under its remit in more depth, to provide support and challenge as the Programme progresses. We will start on our Committee work programming after Annual Council, so will look to schedule items at appropriate points. I'm confident that you will agree that Scrutiny engagement will be crucial to the Programme's development and implementation.
- Members queried whether there was still an appetite for change within the Council particularly below Operational Manager level. We hope that the Employee Engagement project will provide a sustained mechanism to make the most of the valuable experience and knowledge of Council staff, as well as to gauge staff opinion and morale. As highlighted by one Member, staff should be part of a team identifying and taking ownership of issues and helping to develop solutions. We would like to consider the results of forthcoming engagement activity as relevant as we consider Organisational Development projects in more depth.
- The Committee noted the emphasis on a Strategic Commissioning approach contained in the report and recommend that as proposals develop you engage fully with relevant Scrutiny Committees. Members further recommend that a strong 'feedback' mechanism is built into the Commissioning cycle. Communities need to know that we have taken ideas on board and acted as appropriate, once we have analysed their needs. However, the Committee welcomes the overall focus on engaging communities in the design, and potentially the delivery, of services. We recommend that the Cabinet considers bringing together a team within the Council to enable and support communities in developing alternative delivery method proposals. This could draw upon expertise already within the Council, for example Finance, Legal, Procurement, and Grants officers, as well as Learning, Training & Enterprise and Neighbourhood officers. Such a team could assist in identifying

and developing suitable models for the delivery of a particular service, give advice on accessing funding and information, and act as a central contact point. We would hope that such a team could be a valuable resource in building links with communities, developing community capacity and ensuring a smooth transition of services where necessary.

- The Committee further supported the establishment of a ‘Cardiff Debate’, having as you will recall, emphasised the need for effective citizen engagement on many occasions when you sat on the Committee. As stated above, Members are clear that effective community engagement must involve a feedback mechanism to demonstrate where engagement has resulted in change. We also hope that the Debate will aim to hear from a wide-range of citizens and communities, and not just the ‘usual suspects’.
- In terms of the resourcing of the Programme, the Committee would like more clarity, in order to determine the potential impact on the delivery of other services, given that capacity is already stretched in some Directorates. We would also like to have greater understanding of the Earmarked Reserve which has been established and what is meant by ‘technical, professional and specialist support’.
- In terms of the Peer Challenge Group, the Committee recommended that its Terms of Reference are further refined. If its remit is to provide ‘advice’, ‘challenge’, ‘critical friendship’ and signposting to good practice, then, as Members commented at the meeting, the Committee feels that an external Chair should be appointed to ensure that the Group provides an independent voice. Members also recommend that a formalised reporting mechanism should be established to both formal Cabinet business meetings and this Committee, so that there is wider corporate and public visibility and opportunity for shared learning from the Group’s advice. Finally, the Committee felt that the frequency of meetings should be formally set out, rather than left to be scheduled ‘as required’ to ensure that the Group’s momentum is kept up.
- There were several recommendations and requests for further information included in this letter, so I would be grateful for your response. Thank you again for attending the Committee meeting and I look forward to working with you in future as these initiatives develop further.

84: SOCIAL INCLUSION

The Chairperson welcomed Councillor Peter Bradbury, Cabinet Member for Community Development, Cooperatives and Social Enterprise, Sarah McGill, Director, Communities, Housing & Customer Services, Jane Thomas, Assistant Director, Housing and Communities, Rachel Jones, Operational Manager, Partnerships and Citizen Focus, Thomas Foreman, Scrutiny Research Assistant and Paul Keeping, Operational Manager Scrutiny Services.

The Committee was advised that as part of the Committee's work programme, Members agreed to schedule a consideration of social inclusion and commissioned a report from the Scrutiny Research Team regarding current good practice across Europe.

The Committee would be hearing from the Scrutiny Research Team regarding the findings of the research and would then have a chance to discuss relevant work within Cardiff Council with the Cabinet Member and officers from the Communities directorate. As this was a wide-ranging topic, the Committee may like to schedule further scrutiny of specific areas at a later date.

The Committee were provided with a presentation on Social Inclusion Current Practice which outlined the following:

- ***Overview***
 - *Social Exclusion*
 - *Social Inclusion*

- ***Key Features of Programmes***
 - *Community Involvement*
 - *Information Monitoring*
 - *Cost savings*
 - *Partnership Working*
 - *Return on Investment*

- ***Community Involvement***

- *Blaenau Gwent-Access for All Forum*
- ***Information Monitoring***
 - *London Borough of Hackney – Profile of People and Place*
- ***Return on Investment***
 - *Barcelona-Social Return on Investment*
- ***Cost Savings***
 - *Bologna-Social Clauses*
- ***Partnership Working***
 - *Birmingham Arts Champion Scheme*

Members of the Committee welcomed the report and were pleased to note that a wide range of best practice benchmarking mechanisms had been developed. However, some of the practices did have limitations and it was essential that Cardiff develop its own models to be successful.

Councillor Bradbury was pleased with the development of the report especially considering the size of the topic. Best practice tools had been gathered from a wide range of sources and these were being developed to match solutions that Cardiff required. Partnership working in this area was vital for success, along with the development of shared information and resources. Joint working with the NHS was being encouraged in order to share information and develop more streamlined working practices.

Members of the Committee drew attention to a Welsh Local Government scheme that was set up in the 1990's to deal with poverty issues. It was recognised that poverty existed in most areas of Cardiff including the affluent ones, where some elderly people experienced social exclusion.

The Committee welcomed the Birmingham Arts Champion scheme and were of the view that Councils could be in a position, when adopting the right tools, to support persons who experienced poverty. The north south divide in Cardiff was still apparent, along with the high number of unemployment levels in some parts of the city.

Councillor Peter Bradbury drew attention to the Hub projects being developed throughout Cardiff, where support was being made available to people at a local and community level. The Hub project would ensure

that most services were provided from that one advice centre including support with benefit advice.

Members of the Committee drew attention to the longevity of people living in highly deprived areas of the UK compared to those living abroad. Education played a key role in this process with provision being made for careers advice and job fares.

The Committee was advised that some councils benefited from a wide range of Government funding to support poverty driven issues. Certain areas in Cardiff had been identified as deprived and therefore levels of investment were directed towards mobilising those neighbourhoods. Engaging children and young people in community and sporting activities was essential to develop their skills and develop social skills.

The Committee welcomed the news that Cardiff was already developing and promoting these types of practices it was simply branded differently. Cardiff had collected a wealth of knowledge and this was being directed towards developing joint working methods and changing the way people approached these issues. Partnership working was crucial for this development along with grant funding. Equality Impacts Assessments were being carried out and these were factored into the process.

Cardiff benefited from a sound Esol Strategy which targeted the hard to reach groups and this was all part of the “One Council” outlook. Youth Centres were also engaged and being encouraged to be included in community development.

Members of the Committee were concerned that in some areas language barriers still existed. In response it was advised that present day facilities had improved over the past ten years and provision for support in these areas were being adapted.

The Committee discussed the social return on investment model, emphasising the importance of looking at larger joint projects to develop neighbourhood partnerships with additional funding. Community development and involvement in social enterprise schemes was essential for progression and would equip local people with skills and knowledge about their local neighbourhoods.

Members of the Committee acknowledged that procurement rules were changing for these community schemes and this would enable development of service provision. Work was currently on-going with

Health and Third Sector to fully develop communities with a key priority being directed at maintaining older person dependence with reduction of isolation. A range of projects had been identified and the key issue was how the work could be sustained. New ways of working were being established and mainstream budgets were being assessed.

The Committee recognised that in some instances certain communities were too proud to ask for support and therefore communication and engagement was vital to mobilise communities into new ways of working. Communities First projects were tools to get people active in the community and build on services that already existed, the Dusty Forge for example.

Members of the Committee were advised that a metro transport system was still being considered for Cardiff. The Council had a transport policy and this would link into the deposited LDP.

The Committee drew attention to the health and obesity impact side of social exclusion. Incentives to eat properly should be encouraged through these networks and this could be developed through partnerships with health. In response Members were assured that neighbourhood walking clubs and healthy living events were being established in communities, along with promoting healthy cooking events. The promotion of these events was critical and communication factors were being developed.

RESOLVED:

AGREED - That the Chairperson, on behalf of the Committee, writes to the Cabinet Member highlighting the following issues:

- Members were very positive about the results of the research, which the Committee requested in order to explore current policy surrounding social inclusion as well as best practice activity across Europe. We were informed that the recent trend has seen local authorities moving away from putting in place overarching social inclusion strategies and instead identifying and addressing specific inclusion issues.
- The report highlighted several examples in which the Committee was particularly interested and hoped that you and your officers will be open to exploring them further. These included Birmingham's Arts Champion Scheme, Bologna's use of social clauses in procurement and Barcelona's exploration of Social Return on Investment. In particular the Committee hope that the

latter projects could influence the development of the Strategic Commissioning approach being developed as part of the Council's Organisational Development programme. Longer term there may also be opportunities to build Social Return on Investment in particular into our budget assessment processes.

- The Committee agreed that this is a potentially vast area, The Committee recognised from discussions with you and your officers that the Council was already undertaking considerable work which can be said to be addressing exclusion issues, such as the Community Hubs. We welcomed the offer from the Operational Manager for Partnerships to provide a baseline report of the overall Council activity in addressing social inclusion. We are about to start our work programming for 2014/15, following Annual Council, and will aim to fit this in.
- Committee would be grateful for your cooperation in arranging the further briefing mentioned above.

86: CORRESPONDENCE INFORMATION REPORT

The Committee noted the responses contained in the report.

87: AUDIT COMMITTEE MINUTES – INFORMATION REPORT

The Committee noted the Audit Committee Minutes

88: DATE OF NEXT MEETING

It was noted that the next Committee meeting will be held on 1 July 2014 in Committee Room 4, County Hall.