

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

3 JUNE 2014

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

Apologies:

01: MEMBERSHIP AND TERMS OF REFERENCE

Councillor Howells informed the Committee that at the Full Council meeting of 29 May 2014 he was appointed as Chairperson of the Committee. At that meeting Councillors Hunt, Knight, Lloyd, McGarry, Murphy, Robson and Walker were appointed as Members of the Committee.

The Chair thanked Councillor Marshall for her work on the Committee during the previous municipal year.

The Chair reminded the Committee of its Terms of Reference, which are as follows:

- To scrutinise, monitor and review the overall operation of the Cardiff Programme for Improvement and the effectiveness of the general implementation of the Council's policies, aims and objectives.
- To scrutinise, monitor and review the effectiveness of the Council's systems of financial control and administration and use of human resources.
- To assess the impact of partnerships with and resources and services provided by external organisations including the Welsh Government, joint local government services, Welsh Government Sponsored Public Bodies and quasi-departmental non governmental bodies on the effectiveness of Council service delivery.
- To report to an appropriate Cabinet or Council meeting on its findings and to make recommendations on measures which may enhance Council performance and service delivery in this area.

02: 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.

03: MINUTES OF LAST MEETING

The minutes of the meetings of 1 April 2014 were agreed and signed by the Chairperson.

04: DELIVERY AND PERFORMANCE REPORT 2013-14 QUARTER 4

The Chairperson welcomed Councillor Phil Bale, Leader of the Council and Cabinet Member for Economic Development & Partnerships, Councillor Graham Hinchey, Cabinet Member for Corporate Services & Performance, Paul Orders, Chief Executive and Martin Hamilton, Assistant Director, Sport, Leisure and Culture.

The purpose of this report was to present the Council's performance report for Quarter 4 prior to its consideration by the Cabinet on 12 June 2014.

The Chairperson invited the Leader and Councillor Hinchey to make statements.

Councillor Hinchey informed the Committee that there is now more clarity about which areas of performance should be focussed on. Monthly reports indicate that there have been improvements in some areas but not in others. The Leader has asked that challenge sessions be held with some Cabinet Members and Directors.

The Chief Executive informed the Committee that the performance report will evolve and that further enhancements are to be made to it. Organisational development work needs to be captured more strongly in the report. Sickness absence is high but the trend is positive. The target is now nine days per Full Time Equivalent (FTE) post. Work to improve compliance on Personal Performance and Development Reviews (PPDRs) is

still in progress but it is anticipated that there will be a significant improvement. It is expected that there will be continuing stresses on budgets, especially in the Health & Social Care and the Environment Directorates.

The Chairperson invited the Committee to ask questions.

On PPDRs, the Committee felt that the performance figures for smaller service areas, which have fewer staff, should be better than they are. The Committee also asked how the quality of PPDRs can be ensured. The Committee was advised that PPDR compliance forms part of the challenge sessions that are being held between the Cabinet and the Senior Management Team (SMT) and that there is no excuse for low levels of PPDR compliance for smaller service areas. However, there are some circumstances that should be taken into account, such as times of the year when workloads are particularly high, for Finance at the year end, for example. Also, re-organisation means that members of staff are moving around more. There is an awareness that there are some managerial issues that need to be tackled to improve PPDR compliance but there are some good figures, in Communities, for example. The PPDR process is being simplified. Quality of PPDRs will be ensured by sampling, by talking to staff and managers to ensure that the conversations that have been had about performance have been robust. It is expected that about 70% of staff will have acceptable PPDR outcomes. The report provides PPDR data on core staff and teachers are not included. It is expected that the final position will show a significant improvement on the figures given in the report. The intention is to have compliance across the organisation and sustained attention will be given to PPDRs.

The Committee noted that several service areas failed to stay within their budgets and asked what pressure can be applied to deter overspending. The Committee was advised that budgets are now fixed and that the Cabinet expects managers to keep their budgets in check. In situations where there is overspend, Cabinet Members will be expected to give valid reasons for it. The savings programme is a long term plan to avoid in-year overspends. If there is overspend by one service area it can lead to budget pressures for other service areas. The Committee also noted that the overspend in Children's Services, on services for Looked After Children (LAC), had changed very little over the years. It was suggested that there are some problems that are beyond the control of the local authority and the level of demand for services to protect and provide for vulnerable children may be one of those areas. There are very significant

risks if those services are not provided and so there has to be some budget flexibility.

The Committee asked what the structure for Performance Management now looks like and was advised that there is now a clear framework; the Corporate Plan and the What Matters strategy inform the directorate delivery plans which ultimately inform the PPDRs for individual members of staff. There is one SMT meeting per month that is devoted to Performance. There has been a step change in the extent to which performance data is being scrutinised.

The Chairperson thanked Councillors Bale and Hinchey, and the Chief Executive and Assistant Director for attending the meeting, for their presentation and for answering questions from Members.

AGREED - That the Chairperson, on behalf of the Committee, writes to the Leader and to Councillor Hinchey highlighting the following issues:

- In terms of the report presented, the Committee is pleased to note that its structure and substance has been updated and that an improved corporate overview has been developed.
- Members have for some time urged the customer point of view to be taken into account and are glad to see complaints and Member enquiry data contained within the report. However, Members feel that the latter does not necessarily capture the whole gamut of enquiries with which Members deal on a regular basis; the Committee hopes that the report can be amended to include a more rounded picture or an explanation setting out any gaps in the information. The Committee also considered the Communities, Housing and Customer Services Directorate Delivery Plan and discussed call data from Connect to Cardiff. The Committee recommends that officers explore how this data (with a suitable narrative) can be usefully included in the report as it would seem to have the potential to highlight changes in the service delivery experienced by our customers.
- The Committee was interested to hear that a version of the report is being developed which will be more suitable for engaging members of the public. Members would like to have the opportunity to consider this once it comes to fruition. This may be a very useful tool in communicating with Cardiff citizens and

managing expectations of service delivery in the future, something which the Committee believes is vital.

- Members discussed Directorates' compliance with the Personal Performance and Development Review process, observing the regrettably low rates achieved by some of the smaller Directorates. Members felt that it may be understandable that larger Directorates with more frontline staff find it difficult to finish the process on time, but it is less so in small Directorates. Members explored with the Cabinet Members and officers how compliance rates could be raised and were interested in Councillor Hinchey's comments that areas with significant fixed deadlines at the close of the year – for example Finance – may benefit from a staggered completion date compared to the rest of the Council. The Committee recommends that this is explored further. The Committee does however stress that the quality of objective-setting and performance reviews must not be forgotten. This is an issue to which the Committee may return as part of its 2014/15 work programme.
- Members also discussed an issue which has been of concern to them for some time, in terms of the way in which Directorates manage their budgets in year. Given the seriousness of the financial challenge facing us, the Committee hopes that any predicted overspends will be vigorously challenged as part of the performance process. The Committee has previously commented that the Cabinet should return to publishing the position against individual savings targets with budget monitoring reports and hopes that the Cabinet Members will consider doing so in order to ensure that issues are highlighted appropriately.
- The Committee noted the Leader's comments that the relationship between Cabinet and Directorate portfolios will be considered as part of the Organisational Development programme, and that the Council's structures 'from top to bottom' will also be addressed to ensure that they are fit for purpose. Having taken a keen interest in our senior management structure in the past, the Committee would like to be involved as any proposals develop. A number of other issues were discussed during the meeting which the Committee may choose to explore as part of its 2014/15 work programme. These include the

management development work mentioned by the Chief Executive.

- At the meeting, the Committee had the opportunity to consider a number of draft Directorate Delivery Plans, an exercise which was useful for setting the scene for the Committee's 2014/15 work programming. While the Committee was largely positive about their contents, Members are concerned that the challenge process around some of the targets contained in the Plans may have been insufficient. For example, many targets were static over several future years. While this may be appropriate in some cases, given decreasing budgets, the Committee is not satisfied that it is appropriate to all. We hope that this is something which the Cabinet Members will keep in mind during future planning and challenge processes.
- Finally, Members of the Committee are keen to play an integral part in the new performance challenge arrangements which are now in place. Having largely concentrated on the overall performance management framework in the recent past, Members would like to explore how they can play their part in raising the Council's performance levels in the coming year. Subject to formal agreement of the Committee's work programme, the Committee proposes to establish a standing panel which can scrutinise particular services' performance in depth throughout 2014/15. Given the Leader's comments at the end of the meeting, the Committee hopes that this is something of which he and the Cabinet Member will be supportive and that the Cabinet Members will ask their officers to facilitate this process. The Committee would welcome the opportunity to explore this with the Cabinet Members further.

05: CORPORATE RESOURCES DIRECTORATE DELIVERY PLAN

The Chairperson Councillor Graham Hinchey, Cabinet Member for Corporate Services & Performance and Christine Salter, Corporate Director, Resources.

The purpose of this report was to enable Members to gain an overview of the Corporate Resources Directorate, to enable scrutiny of the Directorate's key achievements during 2013-14, of its contribution to delivering the Council's Corporate Plan 2014-17 and the Organisational Development Programme, and of the challenges the Directorate faces.

The Chairperson invited Councillor Hinchey to make a statement but he preferred to proceed with the presentation.

The Director gave a presentation in which the following were included:

- Directorate Responsibilities
- Key Corporate Indicators
- Achievements
- Key Context and Challenges
- How the Plan supports the Corporate Plan and the Organisational Development Programme

The Chairperson invited the Committee to ask questions.

The Committee asked about Council Tax recovery and was concerned that there may have been more evictions because of changes to speed up the recovery process. The Committee was advised that that has not happened. The Council Tax Reduction Scheme is being continued by the Welsh Government. When the recovering debt the council operates an informal hierarchy of debt where housing rent arrears and Council Tax are treated most sensitively.

The Committee asked about the plans to reduce sickness absence and was advised that all elements of the sickness absence policy will be complied with, including referrals to Occupational Health and the requirement for managers to make home visits to members of staff who are on long-term sick leave.

Regarding Central Transport Services, the Committee was advised that the Directorate is working on a significant number of initiatives to decrease costs. A service review is currently being undertaken which will amongst other things will consider alternative methods of service delivery.

The Committee noted that the report indicates that 54% of the Directorate's workforce is over the age of 45 and suggested that a reason for this was that the local authority is not recruiting, is not replacing staff who leave. The Committee asked how the Directorate will manage an increasingly ageing workforce, with perhaps more members of staff wanting to move to part-time working and with staff becoming more susceptible to illness due to their age. The Committee was advised that there are a number of approaches to this. It is important to make sure that work is rewarding for staff, and reviewing processes in order to take out the parts of them that are unnecessary and wasteful should help to

maintain morale. Also, flexible retirement is something that can be used quite effectively. Budget reductions do cause problems and increase stress on members of staff, and managers are aware of this. Another approach is to increase the use of traineeships as a way of bringing new people into the organisation. In ICT some posts have been redesigned so that new workers can be brought in to fill those posts and be trained in-house. The local authority is also looking at employing a number of young people of working age who have previously been Looked After Children and are moving towards their independence.

The Committee noted that there are 58 people working within the Directorate on temporary contracts and asked if these contracts are likely to be renewed. The Committee was advised that some will be renewed and some may not be, but where necessary these temporary posts should be converted in to permanent ones.

The Committee asked about the Council's financial support for schools, enquiring whether schools that are in difficulty properly appreciate their situation. The Committee was advised that there are a variety of levels of engagement from schools although each is supported by a named individual from Finance. The Council has protected school budgets over many years, although changes in pupil numbers do affect those budgets. Generally, schools do understand their budget situation and, where necessary, recovery plans are put in place for up to four years. However, it is the case that some secondary schools do not always want to engage with the Council to resolve their budget difficulties.

The Committee asked how the Council is going to achieve £50 million in savings this year when previously it has been difficult to achieve much less than that. The Committee was advised that Finance has worked well with other service areas and had already raised areas of budget concern to the attention of management and cabinet members.

The Committee asked about the use of management accounting and was advised that the local authority has a mixture of management and financial accountants linked to the various directorates. The authority does not have the resources to set up a pure management accounting function.

The Committee pointed out that some schools have been using up their reserves and asked what can be done about this. The Committee was advised that some schools are using their reserves to manage budget reductions and the concern is that this can only be a quick fix and a more

fundamental review of spending is sometimes required. An issue is that governing bodies are independent and although there is a team of advisors and schools value their advice, they do not have to take it. The Chairperson thanked Councillor Hinchey and the Director for attending the meeting, for their presentation and for answering questions from Members.

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

- Members found the process of scrutinising the Directorate Plans which fall under the Committee's remit very useful in raising issues for the Committee's 2014/15 Work Programme. Most notable were the management development agenda, workforce planning, agency staffing and training and apprenticeship activity, all of which the Committee will consider for inclusion in its future work.
- Members noted the comment from the Corporate Director for Resources that the 2013/14 financial year will be the first time she has had to report an overspend at the outturn, largely because of the difficulties in Central Transport Services and Facilities Management. The Corporate Director mentioned at the meeting that proposals as to how these services can be delivered in future are under development as part of the Infrastructure project. The Committee is interested in scrutinising these developments and will work with the Environmental Scrutiny Committee to arrange a joint inquiry.
- The Committee also discussed issues around Schools budgets with the Corporate Director, having heard that the number of schools with negative balances has increased. The Committee was reassured that Finance is working with Schools to help manage these negative balances down over time, but would like to recommend to the Children and Young People Scrutiny Committee that this may be something which could be considered as part of its 2014/15 work programme and this recommendation will be passed on to the Chairperson of that Committee.
- In common with the other Directorate Delivery Plans which the Committee considered at the meeting, Members had some concerns about the targets which had been included within the

Plan in terms of how they have been derived. The Committee recognised that in some areas improvement on current performance will be unlikely in future, given increasing financial constraints. However Members were unconvinced that this was the explanation for all static targets contained within the Plan. The Committee was grateful for the Corporate Director's assurance that she would review target-setting with her team, but feels that the challenge process possibly should have touched upon this.

- Although the points above do not require a formal response, the Committee would be grateful if the Cabinet Member would respond on two specific points. The Committee has asked previously for the Cabinet Member's confirmation that monthly budget monitoring reports will be made available to the Committee to aid its timely scrutiny of the budget. Similarly, the Committee hopes that the Cabinet Member will be receptive to working with Scrutiny in order to facilitate an early consideration of the Budget Proposals.

06: ECONOMIC DEVELOPMENT DIRECTORATE DELIVERY PLAN

The Chairperson welcomed Councillor Phil Bale, Leader of the Council and Cabinet Member for Economic Development & Partnerships, Councillor Graham Hinchey, Cabinet Member for Corporate Services & Performance and Neil Hanratty, Corporate Director, Economic Development.

To enable Members to gain an overview of those sections of the Economic Development Directorate that fall under the remit of the Committee and to enable scrutiny of the Directorate's key achievements during 2013/14, of its contribution to delivering the Council's Corporate Plan 2014-17 and the Organisational Development Programme, and of the challenges the Directorate faces.

The Chairperson invited Councillors Bale and Hinchey to make statements but they preferred to proceed with the presentation.

The Director gave a presentation in which the following were included:

- Directorate Responsibilities
- Key Corporate Indicators

- Achievements
- The Draft Delivery Plan

The Chairperson invited the Committee to ask questions.

The Committee asked what responsibilities have been passed to the Economic Development Directorate from the Resources Directorate. The Director informed the Committee that Strategic Estates has been passed to the Directorate, along with the rationalisation programme. It is better that these are now under one operation. It is a massive portfolio of land ownership, especially of parks and school plots.

The Director explained to the Committee the ideas behind the property strategy, which are as follows:

- A rationalisation of the property estate
- Putting rigour into the analysis and review of the investment estate
- Collaboration – collecting intelligence to arrive at a strategy for working in partnership

The Committee was advised that the intention is to put in place property planners for the various service areas. It is hoped that by July 2014 there will have been a comprehensive and detailed review of properties, and that there will be some ideas on what should be done with them. There is also a need to balance the social and environmental aspects of the property portfolio, to take a more holistic view of it and to have a sustainable strategy for the investment portfolio.

The Committee pointed out that due to the budget savings that are required there will be a significant reduction in staff numbers and asked whether the Directorate will have the resources that are needed to carry out the work that has been outlined. The Committee was advised that this year the reductions in staff numbers are manageable but that next year things could be more difficult.

The Committee asked about city networks and whether any work has been done to assess the value to Cardiff in belonging to them, in order to make sure that membership of the networks serves Cardiff's interests. The Committee was advised that membership of some of the networks is important as it is a means by which Cardiff can secure European funding. Cardiff has pulled back on some twinned city relationships but other cities can offer some skills that are not available locally or regionally.

The Committee urged that there is proper engagement with the community if there are to be significant changes regarding property and land in local neighbourhoods. The Committee was advised that this will happen. Some local shopping centres around the city are very run down. The strategy is to make sure that the organisations that are running them can do so in the long term, otherwise they will just return to being part of the Council's operation.

The Committee noted that the report stated that during the financial year 2013-14 Strategic Estates secured an increase in rent of circa £130,000 from rent reviews, lease renewals and new lettings. The Committee was advised that there is a good occupancy rate for Council-owned property.

The Chairperson thanked Councillors Bale and Hinchey and the Director for attending the meeting, for their presentation and for answering questions from Members.

AGREED - That the Chairperson, on behalf of the Committee, writes to the Leader and to Councillor Hinchey highlighting the following issues:

- Following discussions at the meeting, the Committee is looking forward to considering the Property Paving report at its next meeting on 1 July 2014, followed by the full Property Strategy in September or October 2014. The Leader will be well aware from his own time on the Committee that this is an area which Members feel must be addressed as a matter of urgency. In particular, Members are concerned that a vision should be established for the Portfolio, which takes account not only the potential financial benefits which our assets can bring (either in terms of income or capital receipts), but also the community and social benefits which they can create. The Committee must also stress that as changes to the portfolio progress, local Members must be fully involved in a timely manner. The Committee recommends that this is firmly set out as part of the Property Strategy.
- The Committee was particularly interested to hear from the Leader in terms of his work in increasing the Council's involvement in national and international city networks, and may schedule a further scrutiny of the outcomes of that work.

07: COMMUNITIES, HOUSING AND CUSTOMER SERVICES DIRECTORATE DELIVERY PLAN

The Chairperson welcomed Councillor Sue Lent, Deputy Leader of the Council, Councillor Peter Bradbury, Cabinet Member for Community Development, Co-operatives & Social Enterprise, Isabelle Bignall, Assistant Director, Customer Services & Communities and Rachel Jones, Operational Manager, Partnerships & Citizen Focus.

The purpose of this report was to enable Members to gain an overview of those sections of the Communities, Housing & Customer Services Directorate that fall under the remit of the Committee and to enable scrutiny of the Directorate's key achievements during 2013/14, of its contribution to delivering the Council's Corporate Plan 2014-17 and the Organisational Development Programme, and of the challenges the Directorate faces

The Chairperson invited Councillors Lent and Bradbury to make statements. Councillor Lent informed the Committee that the plan is ambitious and sets out the Directorate's vision at a time of increasing demand and decreasing resources. Councillor Bradbury informed the Committee that the Directorate has made good progress in lots of areas but there are many challenges and difficult decisions that lie ahead.

The Assistant Director gave a presentation in which the following were included:

- Directorate Responsibilities
- Key Corporate Indicators
- Achievements
- Key Context and Challenges

The Chair invited questions from the Committee.

The Committee asked about the Neighbourhood Partnership Fund. In some Wards the number of bids will exceed the funds that are available and the Committee asked how expectations will be managed. The Committee was advised that there has been a lot of interest in the Fund but some disappointing bids. A lot of the same organisations are making bids but there are some bids from new organisations as well. There will be some money left for the second round. The Committee suggested that difficulties could arise when funded activities cross Ward boundaries, making it difficult for Councillors to comment when they originate in

Wards other than their own. The Committee was advised that Councillors are being kept informed about the bids that are made. The Committee asked how customer service will be managed at a time of budget cuts, cuts which are likely to continue over a number of years. The Committee was advised that it will be important to make sure that people realise that if they use other channels of communication, using, for example, the contact facilities of the Council's website rather than just making contact by telephone, it will be less costly for the Council and the service they will receive will be as just as good. The Committee suggested that online or telephone contact is not always the best means by which complex problems can be resolved. Sometimes, face-to-face contact is required, and this is why things like community hubs will continue to serve an important function. It was agreed that the hubs are a success story, rationalising the local authority's buildings and saving money. It is important that people are able to talk to someone and get help if they need it, especially now when, for example, central government expects welfare claims to be made online. Some people are not used to using computers and the internet and will need help with this.

The Committee asked about Connect to Cardiff (C2C), the Council's call centre, and pointed out that it has been found that C2C receives a lot of repeat calls, calls about problems that have already been reported once. The Committee asked how calls to C2C are monitored to determine how successfully problems have been resolved, so that people do not have to make numerous calls about the same thing. The Assistant Director agreed that it is not acceptable to have a high number of repeat calls being made to C2C. It is important to look at workflow and this has already been started. On receiving a call, the call handler will have on-screen information on how many times a person has called about a particular matter and about what has been done so far to resolve the issue.

The Chairperson thanked Councillors Bradbury and Lent, and the Assistant Director and the Operational Manager for attending the meeting, for their presentation and for answering questions from Members.

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

- Members have appreciated the Cabinet's approach in bringing the draft Delivery Plans to Scrutiny for consideration as it has been very helpful in developing ideas for our work programme for the coming year. The implementation of SAP Customer

Relationship Management in particular is something to which we are likely to return, as well as the overall Customer & Community Focus programme under Organisational Development.

- Earlier in the meeting, the Committee considered the draft Quarter 4 Performance Report. Following discussions with the Assistant Director regarding Connect to Cardiff call data and what it can reveal about the customer experience of Council services, we have recommended to the Leader and Councillor Hinchey that consideration is given to how this data can be included in quarterly performance reports in order to highlight any deterioration in services.
- Members discussed the Neighbourhood Fund during the meeting in terms of the importance of the Council's relationship with Third Sector groups and welcomed the responses given by the Cabinet Members. The Committee agrees that that Ward Member engagement is vital in this area. Members went on to discuss the importance of managing customers' expectations, and feel that an honest reporting of performance, as well as clear corporate and directorate planning will help to do this. The Committee also hopes that the Cardiff Debate will enable this conversation to continue. A Member noted during the meeting that the Cardiff Debate had not been mentioned in the Delivery Plan. The Committee recognises that this is an oversight given the timescales necessary in bringing the document to Scrutiny and welcomed officers' assurances that this would be rectified.

08: POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE ANNUAL REPORT 2013-14

The purpose of this report was to seek the Committee's approval for the draft Annual Report 2013-14 prior to its consideration by Full Council.

AGREED - That the Annual Report be commended to the Full Council

09: WORK PROGRAMMING

The purpose of this report was to brief Members on potential approaches to developing the Committee's work programme for 2014-15.

AGREED - That the report be noted.

10: CORRESPONDENCE – INFORMATION REPORT

AGREED - That the report be noted.

11: 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.

The meeting closed at 8pm.