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SUPPLEMENTARY PAPERS

Committee	POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE
Date and Time of Meeting	WEDNESDAY, 11 JULY 2018, 4.30 PM
Venue	COMMITTEE ROOM 2 - COUNTY HALL
Membership	Councillor Walker (Chair) Councillors Berman, Bowen-Thomson, Boyle, Cunnah, Hudson, Lister, Mackie and Murphy

The following papers were marked 'to follow' on the agenda circulated previously

Item 4 Cardiff's Digital Ambition - to follow (*Pages 3 - 46*)

Item 5 21st Century Schools Band B Programme: Capacity & Governance - to follow (*Pages 47 - 98*)

Davina Fiore

Director Governance & Legal Services

Date: Thursday, 5 July 2018

Contact: Kate Rees, 029 2087 2427, kate.rees@cardiff.gov.uk

This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg

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**CYNGOR CAERDYDD
CARDIFF COUNCIL**

**POLICY REVIEW & PERFORMANCE
SCRUTINY COMMITTEE**

11 July 2018

Cardiff's Digital Ambition

Reasons for the Report

1. To provide the Committee with:
 - a. a progress update on the Council's Digital Ambition,
 - b. an opportunity to consider the Council's proposed new Digital Strategy,
 - c. Information for consideration in its 2018/19 work programming discussions.

Background

2. The Committee's Terms of Reference confer responsibility for scrutiny of the overall operation of the Council's programme for improvement, including Organisational Development, and Information and Communication Technology.
3. In July 2017, the Council agreed a policy programme and associated delivery commitments entitled '*Capital Ambition*', establishing the Cabinet's key priorities for the municipal term. A programme of action to continue to drive the city economy forward, whilst ensuring that all residents feel the benefits of success.
4. In November 2017, the Cabinet agreed a four year *Capital Ambition Delivery Programme* with corresponding corporate governance and performance management arrangements to support the priorities outlined in Capital Ambition.
5. The Council faces severe financial pressures, service demand pressures, and a Welsh Government emphasis on collaboration to deliver its programme of local government reform. Therefore the Administration's refresh of priorities clearly

sets out the principles that will underpin how the Council develops in the coming years, which are: *getting the basics right; digital first; putting communities front and centre; joining-up of frontline services; purposeful partnerships; and a new deal with citizens*

6. A four-year *Capital Ambition Delivery Programme* was established, replacing the Organisational Development Programme (ODP). The Programme focuses on two components: *Modernisation*: The transformation of corporate systems and processes that support service delivery; and *Resilient Services*: The transformation of front-line services.
7. Within the Modernisation component, there is a programme that addresses the *Digital First* agenda, proposing that the Council should pursue a comprehensive programme of digital transformation of frontline services and back office automation.
8. The report attached at **Appendix A** seeks Cabinet's approval for the new Digital Strategy that breathes life into the Capital Ambition commitment to adopt a 'Digital First' approach, making the best use of new technologies to run the Council's services, particularly its transactional services, as efficiently and effectively as possible. It also seeks approval for the overall framework and governance of the Digital vision.

Issues

9. This report to Cabinet makes clear that embracing the digital agenda with new effective technologies, will maximise efficiencies and customer services whilst assisting the Council to meet the requirement for £14.3m savings in 2018/19. (*paragraphs 11-15*).
10. The Council's proposed New Digital Strategy is underpinned by a set of five key principles (*paragraph 18*) :
 - a. The customer experience comes first;
 - b. Digital interactions will become the first choice for our customers;
 - c. Modern, fit-for-purpose technology will be used to ensure efficiency;

- d. Technology solutions will be re-used, purchased and developed responsibly;
 - e. Digital services will support collaborative working to improve outcomes for our customers; and
 - f. Digital services will be continually monitored, assessed and improved.
11. If approved, the ambitious long-term Strategy will be followed by an Action Plan executed under the Digital First Programme, led by the Chief Digital Officer. This Programme sits within the Modernisation portfolio of the Capital Ambition Delivery Programme.
12. Details of the Governance of the Digital programme can be found at *paragraphs 21-25*.
13. Projects that currently form part of the Digital First Programme of the Council include Hybrid Mail, Sharepoint, Skype for Business, Microsoft Office 365, Cardiff GOV Mobile app, The Virtual Assistant Citizen Bot, Electronic Signatures, Fleet Management Service, Waste Service Improvements, and Information Management and Data Analytics. Full details of each of these projects can be found at **Appendix 2 of Appendix A** .

Way Forward

14. To support this scrutiny, in attendance will be Councillor Chris Weaver, Cabinet Member Finance, Modernisation & Performance; and Isabelle Bignall, Chief Digital Officer.
15. At the meeting, Members will receive a presentation by the Chief Digital Officer, covering the progress to date and future ambitions for introducing a digital culture across the Council, following which they will be invited to ask questions.

Legal Implications

17. 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

18. 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.

Recommendations

19. The Committee is recommended to:
- i. Note the progress on the Council's Digital Ambition;
 - ii. Consider the proposals for the new Digital Strategy;
 - iii. Consider whether it wishes to offer comments, observations, or recommendations for Cabinet consideration.
 - iv. Consider how it wishes to take forward monitoring of the Digital Strategy on its 2018/19 work programme.

DAVINA FIORE
Director of Governance and Legal Services
5 July 2018

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CABINET MEETING: 12 JULY 2018

CARDIFF COUNCIL'S DIGITAL AMBITION

**FINANCE, MODERNISATION AND PERFORMANCE (COUNCILLOR
CHRISTOPHER WEAVER)**

AGENDA ITEM: 4

Reason for this Report

1. To note the progress that has been made to-date on the Council's Digital agenda;
2. To approve the Council's proposed new Digital Strategy, as included at Appendix 1; and
3. To approve the overall framework and governance for delivering the Digital Strategy as set out in this report, and note the ongoing development of action plans to support the implementation of the Council's digital agenda.

Background

4. It is widely acknowledged that embracing the full potential of digital technologies and ways of working is now a necessity for any organisation to be successful.
5. This is recognised within Capital Ambition, which makes a commitment to *"adopting a 'Digital First' approach, making the best use of new technologies to run our services, particularly our more transactional services, as efficiently and effectively as possible, and providing digital access which is indistinguishable from that available to citizens in every other aspect of their lives"*.
6. The Delivering Capital Ambition report, approved by Cabinet in December 2017, expands on this commitment, stating that "digital technologies have successfully delivered efficiencies" in the Council, while acknowledging that the work done to that date represented "only a partial adoption of technology and new ways of working" and that "too few [Council] services have achieved thoroughgoing end-to-end digitisation". The Delivering Capital Ambition report stated that "a focus will also be placed on streamlining and automating business processes".
7. This approach will be especially important in light of the substantial savings targets the Council has for the next three years.

8. This report provides an update on the work that was in progress at the time of Delivering Capital Ambition report, work that has started since, and includes the proposed new Digital Strategy for Cabinet's consideration and approval. Taken as whole this report sets out the framework for the Council's approach to Digital and the delivery of the new strategy. The appointment of the Chief Digital Officer has accelerated the development of this work and further detailed action plans are being finalised for Cabinet's consideration in the autumn.
9. While the Council has a key role in leading the wider digital agenda across the city, the initial priority is to set out how the Council will use digital technologies and new ways of working to improve its interactions with citizens and the services it provides, while making its own operations as efficient as possible. Therefore, this report and the Digital Strategy both focus primarily on these topics.
10. Cardiff is projected to be the fastest growing major British city outside London over the next 20 years. In fact, it is set to grow more than every other part of Wales combined. More people will mean more houses, more traffic and more waste and will place significant additional demand pressures on public services and city infrastructures. Developing the city's technology infrastructure and an associated 'smart cities' agenda can help the Council, public and private sector partners and local communities, to manage the impact of population growth in a more sustainable way. A specific report will follow in the autumn outlining the Council's approach to the development of the "Smart Cities" agenda. This will focus on infrastructure, current and on-going projects in this area and future ambitions.

The Operating Context

11. The Council continues to face significant financial challenges, which, allied to rapidly increasing demand for Council services, has resulted in the Council projecting a £91m budget gap over the next 3 years. This comes on top of £145m in savings we have found over the past five years.
12. The budget challenges the Council faces mean staying the same is not an option, and the way services are delivered will need to change, as the Council becomes a more a streamlined, agile, customer-focused organisation.
13. Embracing the Digital agenda in a coherent and agile way will therefore be critical to meeting the challenges that lie ahead. New ways of working will be used to deliver services differently, and new technologies will be deployed to meet the needs of our residents and service users 'downstream', thereby managing demand and achieving better outcomes.
14. Furthermore, through the Council's Service Review programme, there will be a strong focus on making end-to-end processes as efficient and customer-focused as possible. Wherever possible, the Council will look to automate

processes to ensure the best use of scarce resources, and a consistent, accessible approach for our customers.

15. There are pockets of good practice across the public sector in taking forward the Digital Agenda. The Government Digital Service has set new standards for online service design and has steadily improved the accessibility to UK central government services by employing a relentlessly customer-focused design model. Additionally, several local authorities in the UK have made strides in specific areas of their business, including delivering at pace using agile project techniques, automated customer assistance, user-centred design, and the emerging use of predictive analytics techniques. However, even in these areas of good practice, significant challenges remain, and no one local authority has gained exemplar status. Furthermore, the local context in each council area means that customised solutions are often needed. Therefore, the Council needs to articulate a vision for its own digital future that takes transferrable best practice and incorporates it within solutions that work best for Cardiff.

The Council's New Digital Strategy

16. The Digital Strategy provides a focused account of what Digital will mean for the Council and how this will be taken forward by all parts of the organisation, with a clear emphasis on designing digital services that deliver the best outcomes for customers. The Council's existing digital strategy was signed off by Cabinet in May 2016. While there are elements of this strategy that are still applicable and will be taken forward, the pace of change means it would not be fit for the purpose of delivering the digital agenda set out in Capital Ambition.
17. The overarching vision of the new Digital Strategy is for Cardiff to be “*a connected city in which new technologies empower citizens to get the best from services that matter to them*”.
18. Underpinning this vision are a set of key principles. These principles ensure that 'Digital' is understood as an approach that the entire organisation needs to embrace in order to meet the Council's current and future challenges. These principles are set out in figure 1 below.

Principle	Description
<p style="text-align: center;">The customer experience comes first</p>	<ul style="list-style-type: none"> • Delivering exceptional experience to our citizens and staff remains our primary focus. • No Digital project will ever have a negative impact on the customer experience. Whether we are delivering changes to customer-facing processes or behind-the-scenes we will ensure that the current standard of customer experience is maintained or, wherever possible, improved.

Principle	Description
	<ul style="list-style-type: none"> We will ensure that the same range of services and customer experience is available to our customers, regardless of the channel by which they contact us.
<p>Digital interactions will become the first choice for our customers</p>	<ul style="list-style-type: none"> We will deliver simple, efficient and attractive Digital services that customers will choose to use instead of the traditional contact channels. We refer to this as making our services ‘Digital First’. Over time we will aim to make appropriate services ‘Digital by Default’, meaning that they will primarily be available digitally. We recognise that not every citizen will be able to use digital services so we will always ensure that there is an accessible route for them to interact with us. However, this will become the exception rather than the norm. We will also work to improve levels of digital inclusion across Cardiff.
<p>Modern, fit-for-purpose technology will be used to ensure efficiency</p>	<ul style="list-style-type: none"> We aim to use Cloud-based solutions wherever we can in order to reduce reliance on physical hardware that must be maintained, repaired and replaced. We will ensure that our technology platforms can be rapidly scaled up or down to ensure that the associated costs directly relate to service demand. We should only pay for services that we use. We will seek to make the most of emerging technologies; delivering enhanced customer service through the use of smart devices, virtual assistants and social media platforms
<p>Technology solutions will be re-used, purchased and developed responsibly</p>	<ul style="list-style-type: none"> Our default approach to the procurement of technology solutions is to re-use before we buy, and to buy before we develop something new. <ul style="list-style-type: none"> We will re-use existing technology where it is fit-for-purpose If our existing technology is not fit-for-purpose we will seek to procure an existing

Principle	Description
	<p>solution that is the best fit for our requirements</p> <ul style="list-style-type: none"> ○ If no solution exists that can fulfil our requirements we will seek to develop a solution <ul style="list-style-type: none"> ● When buying or developing a technology solution we will ensure that we identify the best fit option to meet our current and future requirements, and to provide value for money. ● We will ensure that existing technology platforms are fully supported, that solutions are developed to a corporate standard, and that our ICT Service team has the required training, knowledge and support to ensure ongoing maintenance and support can be delivered.
<p>Digital services will support collaborative working to improve outcomes for our customers</p>	<ul style="list-style-type: none"> ● Digital solutions will be implemented across service areas and external suppliers to improve collaborative working. The adoption of Cloud-based solutions will increase accessibility and agility. ● Cardiff Council will prioritise analysis of the service data that we gather so that we can make better decisions, handle and forecast customer demand, and improve collaborative working. ● Where appropriate we will share data across areas in support of improved service delivery and to improve outcomes for citizens. Security controls will be proportionate, to protect data and services, but not impede user accessibility.
<p>Digital services will be continually monitored, assessed and improved</p>	<ul style="list-style-type: none"> ● We will always test Digital services thoroughly before releasing them for general use. This will include piloting them to assess the customer experience and completing detailed technical testing to check that they fulfil requirements. ● Digital services will be monitored to assess the user experience and levels of engagement. We will use the data that we gather to make continual improvements to services.

Principle	Description
	<ul style="list-style-type: none"> We will document the lessons we have learn as we expand the number of Digital services we offer and will seek advice and guidance from organisations that have experience in Digital transformation to avoid reinventing the wheel or making the same mistakes that they have made.

Figure 1: Digital Strategy Principles

19. The strategy is a focused document that provides a strategic statement of intent for the organisation. A series of action plans are being developed that will underpin the Digital Strategy; these will ensure the strategy is effectively delivered, achieving tangible outcomes for the Council and the city. The action plans, which will be finalised in the autumn, will be structured around the Connected Cardiff vision, with specific plans for each of its components; for example, ‘connected citizens’.
20. Once the action plans are in place, the Cabinet Member for Finance, Modernisation and Performance will have oversight of the delivery of the programme. The Cabinet will receive regular updates on the progress being made to deliver the plans, including details of when milestones will be met, any issues that may affect delivery, and opportunities for new improvements and initiatives.

The Digital First Programme and Governance Arrangements

21. The Council’s Digital Vision is far-reaching and will ultimately run through all the work the organisation does, including in partnership with others. As such, the achievement of the Digital Strategy and the forthcoming action plan will require a long-term approach, which tackles issues and rolls out technology in a way that is sequenced to capitalise on opportunities and make the best use of available resources.
22. To oversee operational delivery a Digital Cardiff Board has been established as part of the Capital Ambition Delivery Programme governance arrangements, thus ensuring that the Council’s Cabinet and Senior Management Team have overall accountability for delivery of the Digital agenda.
23. The Digital Cardiff Board provides corporate oversight over the progress of digital initiatives that are both corporate and service-specific, thus ensuring a coherent approach to digital, enabling synergies between similar types of activity to be properly exploited, and holding officers to account for the progress of projects while offering challenge or support where required.

24. The appointment of the Chief Digital Officer will provide strategic leadership to the digital agenda, and the governance structures described above will drive through the key aspects of the Digital First programme.
25. However, for Digital to be successfully embedded in the organisation, all services will have to recognise and own the opportunities a Digital approach and new technologies offer for their lines of business. This will also require a continuing development of the organisation's culture, and a recognition of skills gaps, to ensure the Council has the capacity to respond to the challenges ahead and that staff have the capability to bring digital into their work. Ultimately, delivering the digital ambition set out in this report must be the responsibility of all managers and members of staff leading, over time, to digital technologies and ways of working being seen as 'business-as-usual' in the Council.

The Digital First Programme – Current Projects

26. The Council is building on a strong foundation of progress, particularly in relation to managing the interface with citizens via digital platforms, including:
 - 69.4% of parking permits are now applied for online;
 - 75.7% of recycling bags and waste caddies are requested online;
 - 90% of school applications are made online (an increase of 20%);
 - 150% increase (from 32,000 to 78,000) in Twitter followers over the last two years, and the establishment of a presence on Facebook which has grown to over 11,000 followers.
27. Furthermore, the Council's website continues to develop and is consistently recognised as being of the highest quality. Most recently, the website received a Four Star rating from SOCITM for accessibility and usage, a rating that only 9% of local authority websites in the UK achieved, and which no other council website in Wales achieved.
28. Over the last two years, the Council has proactively increased its social media presence, communicating directly with residents and service users through platforms such as Facebook and Twitter, enabling real-time communication in a way that customers are used to from other aspects of their lives. Industry analysis suggests that Cardiff Council is now the best performing Council in Wales in terms of social media engagement across a range of measures.
29. Additionally, digital technologies have successfully delivered efficiencies, both in staff time and accommodation costs. For example, through the implementation of mobile working and scheduling, agile working and process redesign, front-line staff in housing maintenance (approximately 250 staff) and social care (approximately 650 staff) are able to spend more time with service users, with savings released in office accommodation.
30. There are now a range of projects underway that will help build on this progress, with more projects due to commence throughout the year. The list

of projects that follows is not exhaustive, but shows those projects that are enabled by corporate resource and driven through the Digital Cardiff Board. Taken together these projects form a coherent package of work that includes activity that focuses on both internal and external-facing issues, utilises both new technology and ways of working, and which will help continue to develop the digital culture of the Council. Further details of these projects can be found in Appendix 2.

Project Name	High-level Summary
Hybrid Mail	A process that lets users securely send mail from their computers to a distribution centre where it is packaged and made ready for distribution using the latest technology, which can realise significant cost reduction.
SharePoint	An Electronic Document and Records Management System (EDRMS) that will embed information governance into everyday working practices, by changing existing business process around how information is used, stored and made available.
Skype for Business	This allows users to connect with each other in a variety of ways, including through instant messaging, and voice and video calls.
Microsoft Office 365	Microsoft Office 365 is a cloud-based packages that includes services or products such as the traditional Microsoft Office suite of applications, Skype for Business, Exchange Online cloud hosted email, and online storage.
Cardiff GOV Mobile app	A mobile app that has been developed following requests from a number of service areas, this will allow the Council's customers to perform quick transactional services via their smartphones. The app is not a replacement for the Council's highly-regarded website, but instead mirrors some of the transactional functions already available on the website through a new channel.
The Virtual Assistant Citizen Bot	Through the use of artificial intelligence, the Virtual Assistant project will deliver a conversational, humanised 'ChatBot', initially to handle enquiries regarding waste. The Citizen Bot will be able to provide a simple, welcoming access channel that can be reused across many platforms, for example online, via the telephone, and even through smart units like the Amazon Echo.
Electronic Signatures	This project will implement the use of electronic and digital signatures, initially in Procurement, Legal and HR, with a view to extending through the authority, to realise efficiencies and improve practice.
Fleet Management Service	A specialist system for use by the Centralised Transport Service that will improve cost control, utilisation of resources and deliver a range of additional benefits.

Waste Service Improvements	This work includes the replacement of an obsolete IT system and implementation of in-cab technology to enable better use of resources and better visibility of issues experienced by customers.
Information Management and Data Analytics	This project will improve Information Management Systems and Data Analytics, both improving the quality of data and the Council's ability to effectively analyse its data.

Figure 2: Digital projects summary

Digital by Default and Digital Exclusion

31. The Council's initial ambition is 'Digital First: using current and future technologies as the preferred way of running the organisation's business for staff and as the access route to services for customers.' In effect, a Digital First approach is one that maintains much of the same non-digital access in parallel but harnesses the improved user experience of digital to encourage increasing numbers of staff and customers to use these methods. Over the life of the programme, the Council will seek to enact a shift from 'Digital First' to 'Digital by Default.'
32. A 'Digital by Default' approach significantly reduces the reliance on, and provision of, non-digital ways of working. Amazon is often regarded as using an archetypal 'Digital by Default' model: by utilising an intuitive, customer-friendly digital platform, customers are able to self-serve effectively, while the organisation directs contact through the channels that are best for both parties. Despite non-digital contact between Amazon and its customers being a rarity, the company still regularly ranks among the highest levels of customer satisfaction in the UK.
33. Clearly, as a civic and community leader, and a provider of critical front-line services, the Council has different considerations to a marketplace-provider such as Amazon. However, the comparison still has validity because of the familiarity the Council's residents and service users have with this and similar organisations – in essence, this type and standard of interaction is what the Council's customers are increasingly expecting.
34. In pursuing a 'Digital by Default' model the Council will need to ensure there are robust mechanisms in place to assist those members of the community who are digitally excluded. Digital exclusion is defined as 'the inability to access online products or services or to use simple forms of digital technology'. Although it can be correlated to particular demographic groups, Cardiff's digitally excluded population has a wide range of constituents. It is also worth noting that Cardiff has been assessed as generally having low levels of digital exclusion.¹

¹ <http://heatmap.thetechpartnership.com/?area=Cardiff&metric=total>

35. The Council already has a range of provision in place to aid residents who are less comfortable using digital means to access services, principally through the widespread availability of Community Hubs and the services therein. Continuing to work with the digitally excluded population of Cardiff as the Digital First programme progresses will be vital to ensuring everyone who needs the Council's services is able to access them.
36. However, there is also a significant interdependency with the Inclusive Growth agenda, as it is clear that those residents who are digitally excluded will face increasing financial disadvantages as the economy becomes more digitally-focused, even for those working in non-tech industries. Therefore, the Council will also work with partners to develop effective skills-based interventions to address this issue.
37. As an organisation, the expectation is that the Council will ultimately adopt a Digital by Default approach across its entire way of working. A current example of this is the Hybrid Mail approach: once adopted and fully embedded across the organisation, the option to use current methods of mail creation will be removed.
38. A Digital by Default approach will clearly have learning and development implications, and Directorates' workforce planning activity will need reflect this, in order to ensure the entire workforce feels confident using and is able to take advantage of the opportunities offered by new digital technologies.

The Council's Digital Agenda and Cardiff's development as a 'Smart City'

39. The Delivering Capital Ambition report recognises "the need to reshape the Council's core office estate". There will be strong interdependencies between the potential reconfiguration of the Council's main buildings and digital ways of working. Not only will Digital be key to enabling better use of the Council's buildings, but, as has been shown through the housing maintenance and social services examples, better use of the Council's assets is a key catalyst to the adoption of new ways of working.
40. As well as having a key role in enabling change in the Council's use of assets, the role of digital technologies will also be considered in relation to schools, and the infrastructure needed to ensure Cardiff's pupils have the opportunities to experience and learn using contemporary technologies.
41. Although Digital transformation within the organisation is clearly a priority, it is also incumbent on the Council to consider the development of the City's digital capacity. Doing this will not only have intrinsic social, economic and, potentially, environmental benefits for Cardiff's residents, it will also ensure the Council's customers are better able to receive services digitally.
42. Cardiff starts from a strong position, with some of the highest connectivity rates in the UK; current analysis suggests that over 98% of Cardiff's households can access connection speeds of 30 Mbps or more, which is the highest among all UK Core Cities. This strong foundation needs to be built upon, as there is a

clear correlation between the capacity of a city's digital infrastructure and the transformational opportunities available to it.

43. This is especially true in relation to the Smart Cities agenda. The presence of a strong tech sector in Cardiff and the surrounding region, a highly-educated resident population and the current digital capacity mean that the city is ideally placed to develop an 'Internet of Things' that will allow better service delivery and enable commercial and civic opportunities. In this connection, the Council is working with partners to secure a significant improvement in the city's technology infrastructure, including the development of ultrafast broadband and 5G coverage. Critically, the Chief Digital Officer is also supporting the Cabinet's commitment to join up disparate smart city initiatives across the city. A report on the Council's approach to the Smart Cities agenda will be brought forward later in the year, and this will form an essential element of future bids to the UK and Welsh Governments for future capital investment into this infrastructure.
44. The Council will also need to work with partners to offer effective digital solutions to common challenges. The governance arrangements for the Capital Ambition Delivery Programme ensure partners are included to deliver shared solutions, and it is through this structure that common digital challenges can also be addressed.
45. Furthermore, as the Council's digital capacity is consolidated and enhanced, the Council will look to serve as a delivery partner of choice for a range of related functions.

Reason for Recommendations

46. To ensure the Council has a coherent, effective digital strategy and the necessary framework and governance to drive its implementation.

Financial Implications

47. Projects within the digital programme will need to be the subject of robust individual business cases. These should identify initial investment requirements as well as any ongoing commitments and potential savings. As well as delivering modernisation and service improvement, making greater use of technology is an important opportunity to identify budget savings in support of the extremely challenging medium term financial position.

Legal Implications

48. In order to implement the digital strategy, it is understood that new digital processes will be built and new digital projects designed. Legal advice should be sought and taken into account as the new processes and projects are developed. In developing the new digital processes and projects regard should also be had to the carrying out of appropriate consultation, the Authority's statutory equality duty and obligations in respect of the Welsh language.

49. The strategy sets out actions that the Authority 'will' take. The adoption of the strategy will therefore serve to create an expectation that the matters set out will be delivered. Accordingly, in adopting the strategy the Authority should be satisfied that it can deliver the matters referred to.

Equality duty

50. In considering this matter the decision maker must have regard to the Council's duties under the Equality Act 2010. Pursuant to these legal duties Councils must, in making decisions, have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are: (a) Age, (b) Gender reassignment, (c) Sex, (d) Race – including ethnic or national origin, colour or nationality, (e) Disability, (f) Pregnancy and maternity, (g) Marriage and civil partnership, (h) Sexual orientation and (i) Religion or belief – including lack of belief.
51. The decision maker should also have regard when making its decision to the Council's wider obligations under the Social Services and Wellbeing (Wales) Act 2014 and The Wellbeing of Future Generations (Wales) Act 2015. In brief, both acts make provision with regards promoting / improving wellbeing.

Generic advice

52. All decisions taken by or on behalf of the Authority must; be within the legal powers of the Authority and of the body or person exercising powers on behalf of the Authority, Comply with any procedural requirement imposed by law, be undertaken in accordance with procedural requirements imposed by the Authority, be fully and properly informed, be properly motivated (i.e. for an appropriate, good and relevant reason), be taken having regard to the Authority's fiduciary duty to its tax payers (this general duty requires the Authority to act prudently and in good faith in the interests of those to whom the duty is owed), and otherwise be reasonable and proper in all the circumstances.

HR Implications

53. The Digital Strategy compliments the Council's 2018-2021 Workforce Strategy, which references both digital skills and agile working. There will be a close working relationship between the Chief Digital Officer and the Chief HR Officer to ensure that there is a joined up approach to these areas from a technology, skills and culture point of view.

RECOMMENDATIONS

Cabinet is recommended to:

1. To note the progress that has been made to-date on the Council's Digital agenda;

2. To approve the Council's proposed new Digital Strategy, as included at Appendix 1; and
3. To approve the overall framework and governance for delivering the Digital Strategy as set out in this report, and note the ongoing development of action plans to support the implementation of the Council's digital agenda.

SENIOR RESPONSIBLE OFFICER	CHRISTINE SALTER
	CORPORATE DIRECTOR RESOURCES
	2 July 2018

The following

appendices are attached:

- Appendix 1 – Cardiff Council Digital Strategy
- Appendix 2 - Digital First Programme – Project Updates

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STRATEGAITH

Ddigidol
Cyngor Caerdydd

DIGITAL

Strategy
Cardiff Council



CRE V GWIR IN THESE STONES
FEL GW YDR HORIZONS
OF WRNALS AWENSING

GWEITHIO DROS GAERDYDD, GWEITHIO GYDA'N GILYDD
WORKING FOR CARDIFF, WORKING TOGETHER



PURPOSE

The Cardiff Council Digital Strategy has been established in order to provide guidelines that will support Cardiff Council's ambition to digitalise services. It contains the principles that will enable Cardiff Council to deliver benefits by exploring new ways of working, increasing service accessibility, and improving customer service.

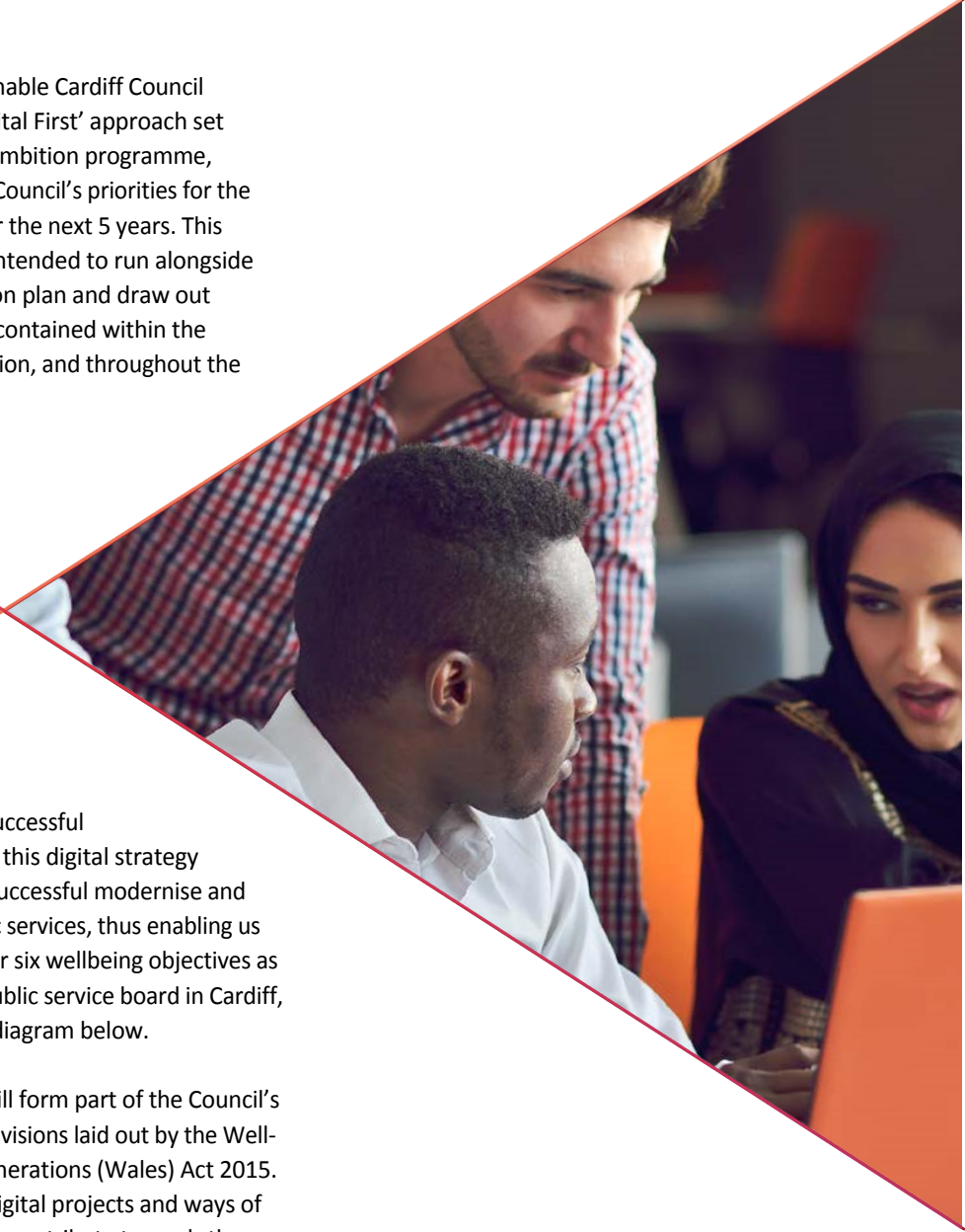
This document covers the following components;

- ▶ Purpose
- ▶ Intro
- ▶ Where Cardiff is now
- ▶ Vision
- ▶ Principles
- ▶ Governance

This strategy will enable Cardiff Council to achieve the 'Digital First' approach set out in the Capital Ambition programme, which sets out the Council's priorities for the administration over the next 5 years. This Digital Strategy is intended to run alongside the Capital Ambition plan and draw out the digital themes contained within the modernisation section, and throughout the document.

Only through the successful implementation of this digital strategy will we be able to successfully modernise and integrate our public services, thus enabling us to achieve the other six wellbeing objectives as set jointly by the public service board in Cardiff, as depicted in the diagram below.

Digital initiatives will form part of the Council's response to the provisions laid out by the Well-being of Future Generations (Wales) Act 2015. Adopting further Digital projects and ways of working will directly contribute towards the Council fulfilling its obligations under this act.



WELL-BEING OBJECTIVES



Introduction

As we become increasingly reliant on digital devices and digital services, we expect to be able to communicate with organisations at any time of day or night. We want to find information, request services or report problems quickly, easily and at our convenience. We are increasingly reliant on effective automated services as our first contact point with banks, shops and service providers. For many of us this is the easiest way to interact as we can choose when we do it whilst avoiding waiting in queues for our calls to be answered. Cardiff Council should be no different.

As a Council, we already offer online access and automated services in a number of areas, but we need to do more. By providing simple, accessible means for customers to communicate with us, we can encourage a shift away from the traditional, more expensive contact methods such as telephone and face-to-face contact. More of the high-volume, low-value contacts that we deal with should be completed at our customers' convenience, enabling Council staff to focus on the more complex and sensitive enquiries that benefit from the human touch.

Focussing on digital services doesn't just make things better for our customers – we'll be able to work more efficiently, and reassign our resources to more critical services. Customers will always be able to speak to a person when they need to, and the person they speak to will be able to provide improved customer service. Behind-the-scenes, we're using digital technology to simplify and automate processes which will reduce our reliance on expensive and bulky physical hardware. All this can help us manage the rising cost and demand pressure which the Council is facing.

We're also becoming a more agile and flexible organisation, with staff able to work from any location as we make more efficient use of physical space and mobile technology. While working around the city Council staff- such as social workers and the housing repair teams- carry smart devices which allow them to receive up-to-the-minute instructions and report on progress without the need to return to base. Simple



changes like this mean that productivity has significantly increased, and our staff can focus on core business rather than administrative tasks.

This is a really exciting time for Cardiff Council. The technology we need to improve our efficiency and accessibility is becoming more and more affordable, making its adoption both a realistic proposition and an obvious choice. We continue to face operational challenges because of ongoing reductions in funding. At the same time we're seeing unprecedented growth across Cardiff with more businesses, more workers, and more residents choosing to move to the capital. The only way that we can continue to provide the breadth and quality of services to our citizens is to make significant improvements in how we operate.

In this Digital Strategy, we've laid out our approach to transforming Cardiff Council into a modern, digitally supported organisation - able to maintain excellent service delivery in a more efficient, simple and accessible way. We have agreed and adopted a set of simple principles so that we can all pull in the same direction. Improving outcomes for citizens remains our first priority, and we're confident that the opportunities afforded to us by new digital technologies will enable us to make improvements across the board that will be of benefit everyone.



Where Cardiff is now

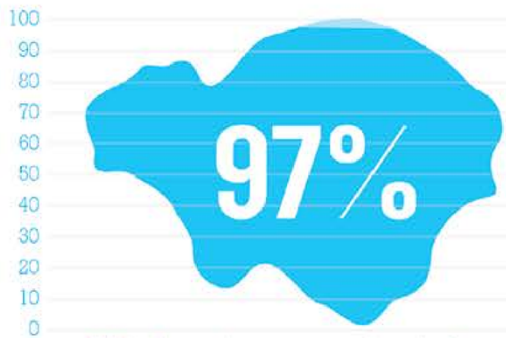
READY



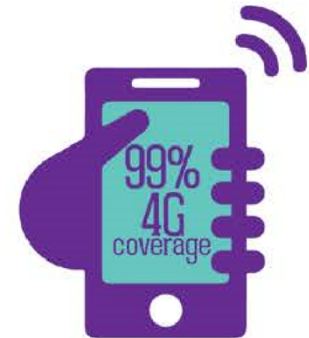
Over 120 free wifi points across the city via the Cardiff Free Wi-Fi scheme



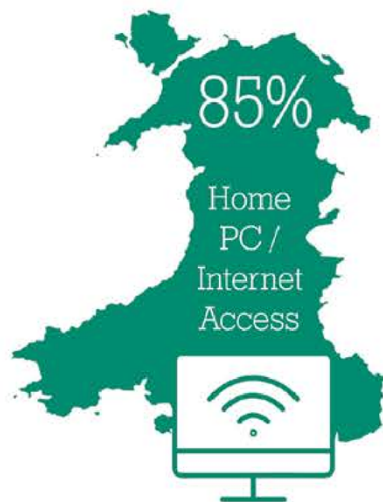
19 Hubs and libraries across the city with internet access for the use of citizens



97% of premises across the city have broadband speeds over 30M/bits per second available (Ofcom Connected Nations report 2018)



4G mobile phone service available from 4 or more operators in 99% of the area covered by the local authority (Ofcom Connected Nations report 2018)

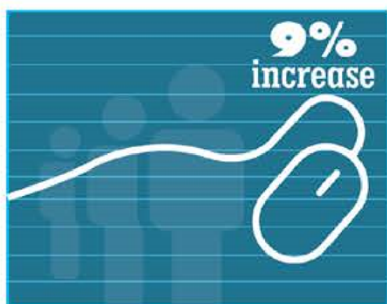


Across Wales 85% of households now have a home computer and internet connection (Office of National statistics)



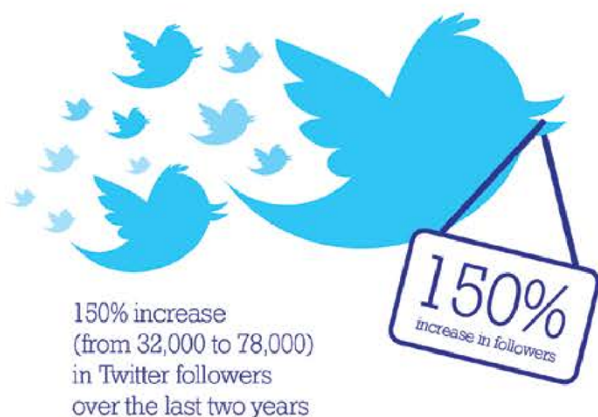
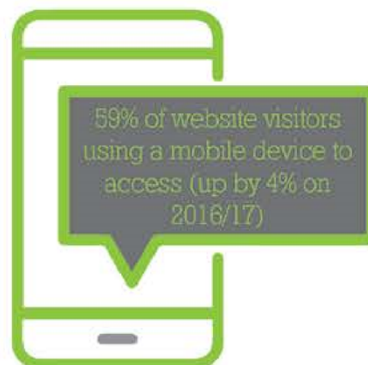
SOCITIM 4* rated website – only local authority in Wales.

WILLING

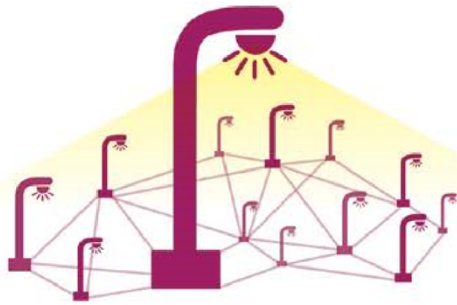


2016/17 2017/18

2017/18 website visitors up by 9% from 2016/17



ABLE



14,000 connected street lights on our road network



3,300 parking sensors across our city over 3,000 downloads of the parking app within the 1st 6 months



19,539 additional transactions totalling £1.7 million made when compared to 2016/17



Council tax portal supports over 35,000 visits for citizens to view their account online

ABLE

CARDIFF GOV APP



Cardiff Gov App launched for citizens in June 2018

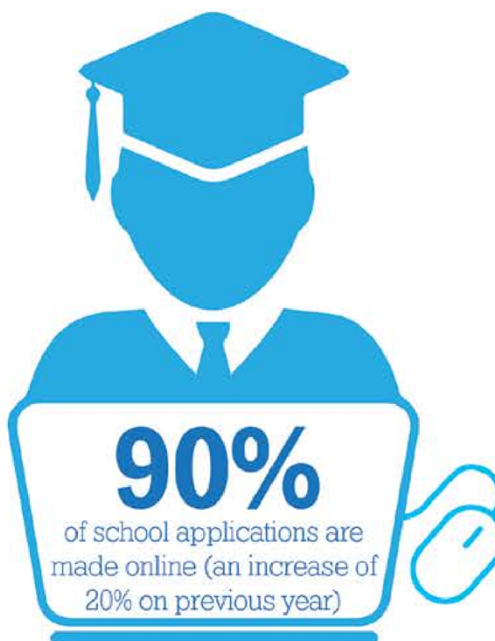


increase in online parking permit applications

75.7%

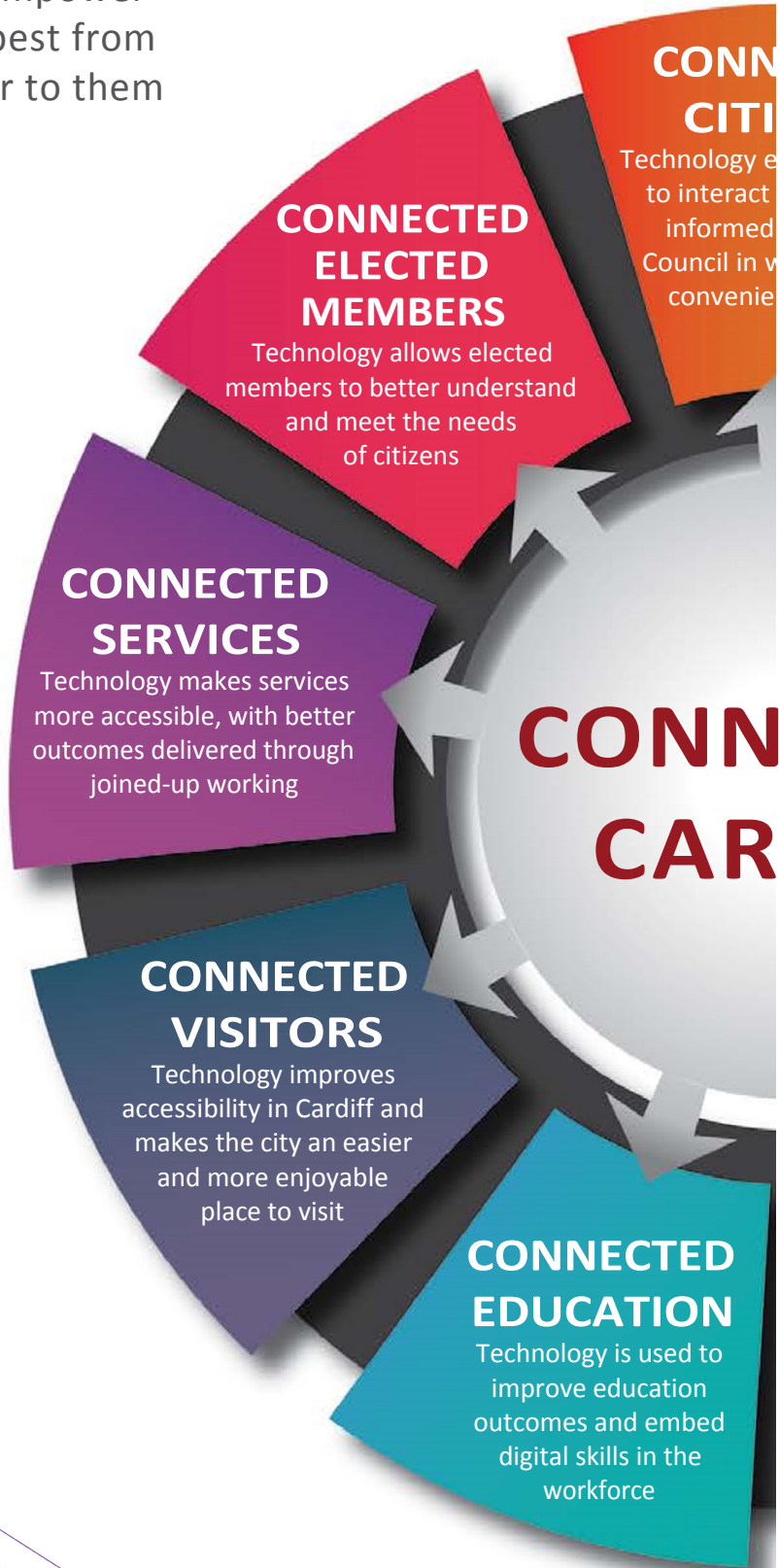


75.7% of recycling bags and waste caddies are requested online



Vision for our Digital Strategy

Our digital vision for Cardiff is a **connected city** in which new technologies empower citizens to get the best from services that matter to them





**CONNECTED
CITIZENS**

Technology enables citizens to interact with, and be involved in, the ways that are important to them

**CONNECTED
MANAGEMENT**

Technology provides the information and tools to manage an effective and efficient workforce

**CONNECTED
WORKFORCE**

Technology allows effective engagement and improved working practices

**CONNECTED
PARTNERS**

Technology makes a real difference to how joined-up services are provided to citizens

**CONNECTED
BUSINESSES**

Technology makes Cardiff a more attractive place to do business and encourages innovation

**CONNECTED
DIFFERENCE**

Key Principles



PRINCIPLE:	DESCRIPTION:
The customer experience comes first	<ul style="list-style-type: none"> • Delivering exceptional experience to our citizens and staff remains our primary focus. • No Digital project will ever have a negative impact on the customer experience. Whether we are delivering changes to customer-facing processes or behind-the-scenes we will ensure that the current standard of customer experience is maintained or, wherever possible, improved. • We will ensure that the same range of services and customer experience is available to our customers, regardless of the channel by which they contact us.
Digital interactions will become the first choice for our customers	<ul style="list-style-type: none"> • We will deliver simple, efficient and attractive Digital services that customers will choose to use instead of the traditional contact channels. We refer to this as making our services 'Digital First'. • Over time we will aim to make appropriate services 'Digital by Default', meaning that they will primarily be available digitally. • We recognise that not every citizen will be able to use digital services so we will always ensure that there is an accessible route for them to interact with us. However, this will become the exception rather than the norm. We will also work to improve levels of digital inclusion across Cardiff.
Modern, fit-for-purpose technology will be used to ensure efficiency	<ul style="list-style-type: none"> • We aim to use Cloud-based solutions wherever we can in order to reduce reliance on physical hardware that must be maintained, repaired and replaced. • We will ensure that our technology platforms can be rapidly scaled up or down to ensure that the associated costs directly relate to service demand. We should only pay for services that we use. • We will seek to make the most of emerging technologies; delivering enhanced customer service through the use of smart devices, virtual assistants and social media platforms

Key Principles

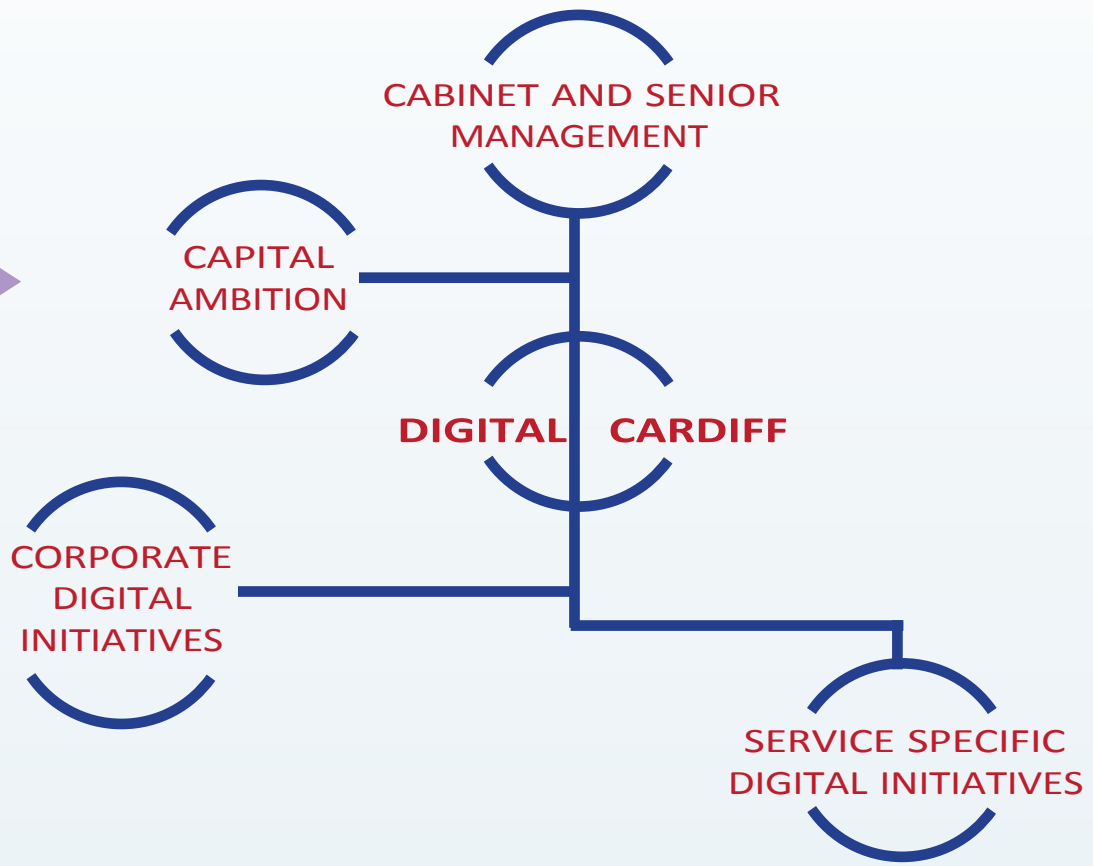
PRINCIPLE:	DESCRIPTION:
<p>Technology solutions will be re-used, purchased and developed responsibly</p>	<ul style="list-style-type: none"> • Our default approach to the procurement of technology solutions is to re-use before we buy, and to buy before we develop something new. <ul style="list-style-type: none"> o We will re-use existing technology where it is fit-for-purpose. If our existing technology is not fit-for-purpose we will seek to procure an existing solution that is the best fit for our requirements o If no solution exists that can fulfil our requirements we will seek to develop a solution • When buying or developing a technology solution we will ensure that we identify the best fit option to meet our current and future requirements, and to provide value for money. • We will ensure that existing technology platforms are fully supported, that solutions are developed to a corporate standard, and that our ICT Service team has the required training, knowledge and support to ensure ongoing maintenance and support can be delivered.

Digital services will support collaborative working to improve outcomes for our customers

- 
- Digital solutions will be implemented across service areas and external suppliers to improve collaborative working. The adoption of Cloud-based solutions will increase accessibility and agility.
 - Cardiff Council will prioritise analysis of the service data that we gather so that we can make better decisions, handle and forecast customer demand, and improve collaborative working.
 - Where appropriate we will share data across areas in support of improved service delivery and to improve outcomes for citizens. Security controls will be proportionate, to protect data and services, but not impede user accessibility.

Governance

Various groups and boards will have responsibility for providing governance on Digital projects and initiatives. Key responsibilities are outlined below:



- Cabinet and SMT accountable for delivering Digital agenda
- The Cabinet Member for Finance, Modernisation and Performance will oversee the delivery of the programme
- Digital Cardiff Board to drive Digital First agenda, offering leadership, support and challenge
- Monthly meetings chaired by Chief Executive
- Regularly updated on initiatives
- Ensure coherent approach, enable and maximise synergies
- Strategic management by Chief Digital Officer



Appendix 2: The Digital First Programme – Project Updates

1. The following projects are part of the Digital First programme:

Hybrid Mail

2. Hybrid Mail is a process that lets users securely send mail from their computers to a distribution centre where it is packaged and made ready for distribution using the latest technology. Benchmarking with other organisations' improvement initiatives highlighted that the use of this method of post can realise cost reductions of between 30% - 35% in sending outgoing mail.
3. Cardiff Council sends 2.7 million mail items per year. The total actual spend for 2016/2017 was £1.7m, against a budget of £1.1m.
4. While 1.1 million items are batched and sent via the Council's internal print room, the remaining 1.6 million items are sent using a range of methods and service-specific arrangements. With such high volumes of post being sent, a corporate solution has the potential to realise significant savings for the Council.
5. A number of key benefits (both financial and non-financial) can be achieved by moving to a Hybrid Mail solution, including:
 - Reduction in the cost of sending mail
 - Improvements in the existing postal process
 - Establishing a set of principles and guidelines to enable the Council to shift away from costly, paper heavy and manual postal processes
 - Supporting the move to 'Digital by Default', by adopting tools, techniques and latest technologies, enthusing a digital culture which is customer-centric, user-led and modern
 - Reduce failure demand and therefore increase the capacity of the postal services
 - Bring the postal facilities on par with existing Digital industry standards
 - Help in reducing the volumes of printing and associated procurement costs
 - Provide information governance compliance by offering audit trail of sent documents
 - Access to detailed management information for reporting and decision making purposes
 - Increase in valuable office space, by releasing space currently occupied by printing equipment and machinery
6. An invitation to tender has now been submitted, and it is intended that the rollout of Phase 1 will commence in August 2018.
7. The rollout will initially target nine service areas where postage processes have already been mapped: Civil Parking Enforcement; Lamby Way; Benefits; Achievement & Inclusion; Planning; Electoral Service (internal); Rent Arrears; Pensions; and Rent Smart Wales.

8. Following on from Phase 1 planning and implementation, further analysis work will be taking place in areas not yet identified, to inform the roll out plan of areas in scope of Phase 2. A decommissioning of franking machines plan will be drawn up, in line with the proposed implementation plan once this has been agreed.

SharePoint

9. SharePoint has been identified and chosen as the Corporate Electronic Document & Records Management System (EDRMS) that will embed information governance into everyday working practices, by changing existing business process around how information is used, stored and made available, while ensuring Digital General Data Protection Regulations GDPR and Records Management compliance.
10. SharePoint also fosters collaboration, helps to remove siloes and improves working processes to become more efficient and leaner by using the automated and workflow functionality.
11. Eventually, all of the Council's services will have their own site, to allow data storage, joined-up working, and to spread knowledge and learning of the Council's functions. 31 sites have now been created for services across the Council, with 144 site administrators and 880 end users appropriately trained.
12. The implementation of SharePoint will offer many benefits, including:
 - Collaboration will improve across the organisation, as documents will be accessible to all members of the team within a SharePoint team environment, and give the ability for officers to work on the same document at the same time
 - Version control ensures 'one version of the truth' and previous versions can be located and restored
 - Files will be stored in a way that is easier to search, improving user functionality and making it easier for the Council to respond to FOI requests.
 - Reducing the need for attachments, therefore reducing the volume and size of email traffic
 - Documents stored within SharePoint sites will ensure the organisation is compliant with GDPR.
 - The SharePoint workflow functionality can publish Freedom of Information responses on the external internet reducing the need to reply to same subject requests
 - Service Areas' Public web pages will improve

Skype for Business

13. Skype for Business is part of our Microsoft Enterprise agreement (so the Council does not need to invest in additional user licenses), and it lets people connect with co-workers or business partners in a range of ways. Initially the list of organisations that we connect to has been restricted to Welsh public sector but the aim is to extend this to a wide range of contacts.
14. The four components of Skype (as it is commonly known) are:
 - Presence: this allows users to see when their contacts are available online, in a meeting, or busy. This has proven valuable when managing an increasingly mobile workforce.
 - Instant Messaging: This is comparable to a business version of texting. Very useful for short messages and can be extended to include multiple participants in the messages. This also helps to reduce email traffic, and the concomitant pressure on the Council's data storage.
 - Voice: Although not as widely utilised as other components due to the Council's existing widespread telephony provision, it is worth noting that it is possible for calls to be made using Skype.
 - Video: A simple way to allow users to see each other and converse using their laptops/PCs, reducing the need to travel for face-to-face meetings. Also provides an effective form of video conferencing.
15. Skype has already been rolled out in a range of areas, and usage levels are already significant: in May this year over 60,000 instant messages were sent; 450 minutes of voice calls made; and 425 minutes of video calls were made using the system.
16. The Council's licence will be upgraded in July 2018, allowing users to have voice and video calls with multiple participants. This will greatly extend the potential usage for conferencing-type calls and meetings, and will enable multiple participants from multiple organisations to collaborate easily and simply.

Microsoft Office 365

17. Office 365 refers to subscription plans that include access to Microsoft Office applications plus other productivity services that are enabled over the internet (cloud services). Office 365 includes services or products such as the traditional Microsoft Office suite of applications, Skype for Business (as described above), Exchange Online cloud hosted email, and online storage with OneDrive for Business.
18. Office 365 was initially purchased for use by Social Care colleagues to enable them to work in a more agile way when they left the Global Link building. Combined with the use of portable devices and smartphones, this has allowed staff to work remotely from anywhere there is an internet connection and work far more flexibly than was possible with the previous 'desktop' devices and fixed landlines.

19. Over 350 social workers now have this setup and Office 365 will shortly be rolled out across the rest of the organisation.
20. The final part of deployment to Social Care staff is to install email on their smartphones, and this is scheduled to complete by the end of July. Also in July, the rest of the organisation will be licenced to use Office 365 and the plan is to rollout the full range of Office 365 applications to all staff over time.
21. The Office 365 suite includes enhanced Skype capabilities, improved collaboration tools, and social media-style functionality for use within a business environment, along with a range of other improved tools.
22. The Council is currently working with Microsoft to develop a roadmap for the rollout of the full functionality of Office 365 to drive real business benefits from their usage.

The Cardiff App

23. Cardiff GOV, a mobile app that has been developed following requests from a number of service areas, will allow the Council's customers to perform quick transactional services via their smartphones. The app is not a replacement for the Council's highly-regarded website, but instead mirrors some of the transactional functions already available on the website.
24. Developing the app for smartphones has enabled the incorporation of features common to these devices in order to improve the service and experience for customers. Examples of this are the mapping-based services that can be used to improve accuracy of location-based information, and the ability to take and/or upload pictures to attach as part of a report, both of which further enhance the quality of information provided to the Council as part of any contact.
25. Cardiff GOV is being designed in tandem with updates to the website to ensure a unified experience for customers no matter which channel they decide to use. Initial services provided through the app include a range of Council Tax services such as making payments, checking balances and previous payments, or applying for single person discount amongst, other capabilities. Other services available in the first release include reporting Fly Tipping and setting Waste Collection reminders to inform users of when they need to present different types of waste for collection, which includes the facility for users to set customised reminders.
26. The first release is due for launch mid-June and the roadmap sets out a plan to iteratively release new functionality (including access to additional Council services) on a bi-monthly basis. Examples of future services for inclusion on the app are reporting highways defects, street lighting issues, applying for permits and paying fines.
27. The app is being designed in such a way that it interacts directly with back office systems to speed up processing, and benefits both customers and the service area.

Virtual Assistant – “ChatBot”

28. The Virtual Assistant project will deliver a conversational, humanised ‘ChatBot’, initially to handle enquiries about waste disposal.
29. In the modern, digital world, customers expect to be able to communicate and transact with organisations on a 24/7 basis. Using simple, accessible channels, they expect to be able to find the information that they need quickly and without trawling through content.
30. By using artificial intelligence, natural language processing, and automation, the Council will be able to provide a simple, welcoming access channel that can be reused across many platforms, for example online, via the telephone, and even through smart units like Amazon Echo, delivering customer service in the home of our citizens and service users.
31. Providing a simple, accessible route for customers to find information and complete automated transactions will encourage channel shift away from the traditional, expensive contact routes – telephone and face-to-face contact. The use of a ChatBot will enable customers to complete high-volume, low-value contacts at their convenience, allowing Council staff to focus on the more complex and sensitive enquiries that require direct human interaction. Customer and employee experience is expected to improve alongside the projected cost avoidance through re-allocation of resource.
32. Additional benefits of virtual assistant tools include: significant improvements in citizen engagement for non-native English/Welsh speakers as automatic translation is available for around 80 languages; avoidance of costs associated with sickness, leave, training and recruitment; and savings related to the use of cloud-based technologies.
33. Thorough research and a broad market-sounding exercise has been completed. The technologies involved in delivering a virtual assistant platform are relatively new and exploration of their use in the public sector has only started recently. The project team has investigated a number of approaches to delivering a broad platform to revolutionise customer contact, and has developed a greater understanding of the pros and cons of these. A detailed business case is being prepared that will demonstrate the benefits that can be achieved through the implementation of these tools, and the costs associated with the development, deployment and ongoing management of virtual assistant channels. Agreement to fund the project’s proposal will be sought in June 2018; procurement and supplier engagement will start soon after this if funding is secured.

E-Signatures

34. The E-Signatures project has been established to explore and, if feasible, implement the use of electronic and digital signatures, initially in Procurement,

Legal and HR, with a view to extending through the authority and its interactions with suppliers.

35. The aim will be to reduce costs from paper and printing use, reduce officer time in administering documents, enhance security and archiving, improve retention management and simplify GDPR compliance. It will also align the authority with the increasing expectations of customers - both corporate and citizen - to transact electronically as fully as possible.
36. The project team identified initial processes, and are currently mapping in detail. Parallel to this, the team are undertaking market sounding to ensure a robust understanding of the available solutions, their components, and to inform detailed requirements.

Fleet Management IT System

37. The Council's Central Transport Service (CTS) has procured and is now implementing a specialist Fleet Management IT system.
38. The project consists of two phases:
 - Phase 1: to implement the core Tranman Fleet Management System for use by the Centralised Transport Service
 - Phase 2: the rollout of a Service Area Manager portal enabling managers to access and view data about their fleet vehicles, which will improve compliance for service and MOT scheduling; the implementation of a replacement Spot Hire portal giving CTS greater control and visibility of spot hires (short term hires) made across the Council
39. The key benefits of the project are:
 - Improved cost control
 - Improved utilisation of resources
 - Improvement in compliance with relevant transport regulations
 - The costs of vehicles/plant etc. being more transparent
 - Improved reporting to service-area budget holders
 - The CTS workshop will be run more efficiently through the electronic scheduling of jobs resulting in additional capacity to deal with more work
 - Improvements in the procurement and tracking of parts with only parts that are required being ordered
 - Provision of the essential infrastructure to facilitate commercial growth
 - Improved management information
 - Reduced paper usage
 - A solid platform and essential infrastructure for growing external income which is a key objective for CTS

40. Phase 1 is complete, and the portals for Phase 2 are installed and are awaiting User Acceptance Testing by the CTS team. Once a successful round of testing is complete the portals will be ready for release to the organisation. Project Closure is scheduled for June 2018.

Waste Improvements Projects

41. Two key areas of the Council's waste services have initially been identified for improvement through the use of new technology:
- The replacement of the WRMS Waste Management back office system, which is no longer supported by the supplier. The replacement system would include enhanced functionality.
 - Implementation of in-cab technology that will interact with the replacement Waste Management system. As part of this implementation mobile in-cab technology would enable crews to receive jobs and provide real-time feedback on completed work.
42. Following an open tender procurement process a market leading system – 'Collective' – was procured from Bartec. The implementation of this technology will take place over two phases:
- **Phase 1:** the implementation of the replacement back-office system, including migration of data from the de-commissioned WRMS system and rollout of in-cab technology to Domestic Waste Collections crews; the rollout of Webview – a real-time read only browser based portal to Customer Services (C2C)
 - **Phase 2** – Automation of jobs for Waste Teams in Collective and the integration of Collective to internal Customer Services (C2C) system. This will work will allow Waste Services to be added to the Cardiff App in a later phase.
43. The key benefits of the project are:
- The ability to do more with existing resource levels in a fast growing city through better round management
 - Removal of paper workpacks
 - Better communication and feedback between back office teams and domestic waste collection crews
 - Improved customer experience when contacting the Council as C2C agents will have access to live data during collection rounds
 - Automation of waste services
 - Facilitating future developments to digitise the service so that Waste services may become available via the app and online
44. Phase one of the project is live with the replacement back office implemented in December 2017 and rollout to crews of in-cab devices completed by 31st January 2018. Phase 2 automations and integrations are in development with a planned rollout of July 2018.

**CYNGOR CAERDYDD
CARDIFF COUNCIL**

**POLICY REVIEW & PERFORMANCE
SCRUTINY COMMITTEE**

11 July 2018

21st Century Schools Band B Programme: Capacity and Funding

Reason for the Report

1. To provide the Committee with an opportunity for pre-decision scrutiny of the Council's proposed Band B schemes under the 21st Century Schools Programme, *specifically* in relation to amended senior management arrangements for leadership of the Council's school estate development Programme, and governance of the programme across the Council.
2. To familiarise Members with the two funding options available to the Council to deliver the Band B Programme: the traditional capital financing option, and the Welsh Government Mutual Investment Model (MIM).

Background

3. This Committee's Terms of Reference includes scrutiny of the implementation of the Council's policies, aims and objectives. The specific areas relevant to this scrutiny include responsibility for, Financial Control, Council Property, Commissioning and Procurement, and the Council's use of Human Resources.
4. The Committee does *not* have responsibility for the Council's policies, aims and objectives in the provision of schools services. This falls to the Children and Young People Scrutiny Committee, including School Improvement; Schools Organisation; and School Support Services.

5. Members of the Committee have expressed an interest in understanding the rationale applied in coming to the conclusion that of the two options on the table: traditional capital financing; and the Welsh Government MIM; the capital-financing route is the better approach for the Council to take to fund the Band B Programme.
6. Attached at **Appendix A**, is the report that Cabinet will consider on 12 July 2018, providing an update on the scheduling and funding issues associated with the delivery of Cardiff's Band B schemes. It seeks approval for the creation of the post of Programme Director - School Organisation Programme reporting to the Director of Education and Lifelong Learning. It also advises that the Director will review the roles and structure of the school organisation team to secure the capacity required within the funding already agreed under the Band B Programme.
7. For clarity, the Cabinet report at **Appendix A** does not set out in detail the rationale behind different funding models. This scrutiny will enable the Committee to understand the present position and the challenge ahead for the Council in delivering the 21st Century Band B Schools Programme. If Members wish to consider funding models in greater detail then, going forward, the 2018/19 work programme would need to factor in a joint scrutiny between this Committee and the Children and Young People Scrutiny Committee.

Funding the Delivery of Band B Programme

8. The Council has 127 school properties. It aims to complete the delivery of Band A Schools Programme by April 2019. Band B Schools Programme is an extensive and ambitious capital programme that will be delivered between April 2019 and 2024. It will lead to the construction of 5 secondary schools, 4 Special Schools and 4 primary schools, 2 Welsh medium and 2 English medium.
9. In December 2017 the indicative cost of the Council's outline Band B Programme was established as £284 million, based on standardised construction cost rates as provided by Welsh Government. This total cost represents the cost of all schemes within the preferred Band B Programme.

10. The Welsh Government's funding model requires the Council to match fund 50% of the total capital cost, with the Welsh Government contributing the other 50% in the form of capital grant. Therefore, the Council will be required to identify capital funding totalling £142 million. This funding will predominantly take the form of external prudential borrowing and any available capital receipts. External borrowing will give rise to revenue expenditure in the form of capital financing costs and, therefore, the Council will be required to identify revenue-funding sources to meet those costs.

11. In addition to the traditional funding model, the Welsh Government made an additional option available to local authorities as part of Band B, known as the Mutual Investment Model (MIM). The MIM is a revenue funded model based on a 75:25 cost sharing arrangement in favour of local authorities, whereby the asset is constructed, and then maintained, via a Special Purpose Vehicle (SPV) in which the Welsh Government would hold an interest with an external contractor. The Council would then make lease payments for the use of the building over a 25-year period and, at which point the building would transfer to Council ownership. The basic premise of the model is that any new schools created would be funded by the private sector through Special Purpose Vehicles (SPV), in which Welsh Government would be represented, and local authorities would lease the assets created over a period of 25 years. As such, local authorities would pay an annual lease payment for use of the new school facilities, rather than incurring the upfront capital costs associated with constructing and then owning the facilities. The Welsh Government's proposal was to provide revenue funding of 75% of the annual lease payments for the 25-year period. At the end of the 25-year period, the assets would transfer to the respective local authorities.

12. The Council reviewed both options available, particularly the MIM option, using example information provided by Welsh Government. In doing so, when submitting its Strategic Outline Business Case for Band B Programme, the Council expressed an interest in the traditional capital-funding model only. This followed consideration of the overall cost of MIM, the Welsh Government's proposed contribution rate and the overall level of risk exposure. As such, the intention is that the £284 million programme, if fully approved, will be funded on the traditional capital grant model basis. The final confirmation of funding

anticipated from Welsh Government is expected to be on the basis of the traditional model.

13. The Council's position remains not to express an interest in the MIM. However, dialogue continues between Welsh Government and local authorities in order to provide further clarity in relation to which types of scheme are eligible for MIM.
14. The traditional capital model and MIM contrast in respect of the fact that the capital model is only concerned with the initial design and build of the new school. With the capital model, the Council would, once the construction is complete, be responsible for identifying the necessary resources to maintain the building over its useful life. This would require revenue resources, channelled via the School Funding Formula, for the general upkeep of the building and capital resources for the more fundamental repairs and maintenance work. The maintenance arrangements under the MIM, in comparison, would see the SPV undertake the majority of maintenance and ensure the general condition of the building was kept at the required level. The annual lease payments made for the use of the building would be sufficient to cover the costs incurred by the SPV in maintaining the building. Under the MIM, the Council would still need to identify funding for certain elements of maintenance not covered by the MIM arrangement.
15. The Cabinet report attached at **Appendix A** outlines what is needed with regard to capacity and governance in Cardiff in order to ensure that the Council's ambitions are delivered and the significant financial investment delivers good value for money.
16. Members may recall that revised senior management arrangements were set out in a report on 16th November, and Cabinet approved a new Tier 1 and 2 Senior Management structure. Cabinet also agreed that the Council would need to ensure that sufficient capacity exists to deliver the Council's priorities in relation Band B of the 21st Century Schools Programme and recognised that the current staffing arrangements in this area would need to be reviewed, following confirmation by the Welsh Government of the Council's funding envelope.

17. Subsequent to both of the above Cabinet reports, Arup were commissioned to review the governance arrangements and resources required to ensure Cardiff Council can deliver this ambitious education capital programme. Arup's *Education Delivery Strategic Review* report is attached as **Appendix 1 to Appendix A**, with the **Executive Summary** at **page 1** of the report detailing the key recommendations.
18. To successfully deliver Band A expertise has been externally sourced in disciplines such as programme management, cost consultancy, project management, architecture and design, construction, demolition, security and design safety advice.

Corporate Landlord

19. Members will recall that in May 2018 this Committee published its inquiry into *Managing the Estate under a Corporate Landlord Model*. Recommendations for Cabinet's consideration included: Agree a clear statement of the Council's vision for the Corporate Landlord model to counter contradictory interpretations; Ensure political responsibility for the Corporate Landlord sits within a single Cabinet portfolio; Create a centralised Corporate Landlord management structure under the new Assistant Director (Corporate Landlord); Review and refresh as required the roles and responsibilities of the senior management team in respect of property matters;
20. A separate report to the 12 July 2018 Cabinet titled *Management of the Council's Non- Residential Property Estate – Embracing a Corporate Landlord Model*, sets out an update on progress in implementing this revised approach. This report also sets out the modified governance arrangements, which will apply in order to ensure alignment, integration and accountability of functions across the Council in delivering this corporate role, with clear accountability to Cabinet through the Asset Management Board, chaired by the Chief Executive.
21. The effective management of the whole Council estate, including schools, and the future development and expansion of the schools estate, both call for input

from a wide range of Council departments. These governance arrangements are designed to ensure that these major cross-cutting priorities for the Council have clear leadership and transparent accountability, with strategic governance for key decisions lodged with the Cabinet.

22. The Welsh Government has approved in principle Cardiff's Band B Programme of £284 million. Welsh Government will fund half of this programme, with Cardiff Council funding half. Release of funding will be dependent on the approval of individual business cases for the schemes within the overall programme.

Way Forward

23. To support this pre-decision scrutiny, in attendance will be Councillor Sarah Merry, Deputy Leader and Cabinet Member Education, Employment and Skills; and Nick Batchelar, Director of Education. Members will receive a verbal presentation of the proposals at the meeting and have an opportunity for questions.

24. Members may wish to explore whether the proposals to take forward the Band B Programme fit with the Council's aspiration to introduce a Corporate Landlord Model, and consider whether there is an opportunity for a follow up joint scrutiny together with the Children and Young People Scrutiny Committee in delivering the 21st Century Schools Programme.

Legal Implications

24. 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

25. 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

26. The Committee is recommended to:
- i) Note the proposals; and
 - ii) Consider whether it wishes to offer comments, observations, or recommendations for Cabinet consideration on 12 July 2018.
 - iii) Consider whether a joint scrutiny on delivering the 21st Century Schools Programme should be factored into its 2018/19 work programming discussions

DAVINA FIORE

Director of Governance and Legal Services

5 July 2018

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***THIS REPORT MUST BE ACCOMPANIED BY THE
REPORT AUTHORISATION FORM 4.C.214***

**CITY OF CARDIFF COUNCIL
CYNGOR DINAS CAERDYDD**

CABINET MEETING: 12 JULY 2018

**CARDIFF COUNCIL 21ST CENTURY BAND B PROGRAMME:
CAPACITY AND GOVERNANCE**

**PORTFOLIO: EDUCATION, EMPLOYMENT AND SKILLS
(COUNCILLOR SARAH MERRY)**

AGENDA ITEM:

PORTFOLIO:

Reason for this Report

1. To update cabinet on development of the Council's proposed Band B schemes under the 21st Century schools programme, and to seek Cabinet approval for amended senior management arrangements for leadership of the Council's school estate development programme, and related governance of the programme across the Council.

Background

2. Extensive and far reaching proposals for the development of the school estate in Cardiff have been outlined in three recent reports to Cabinet:
 - Developing the Education Estate in Cardiff, 12th October 2017;
 - 21st Century Schools, Cardiff City Council's Band B Priorities, 14th December 2017;
 - Improving Provision for Children and Young People with Additional Learning Needs, 2018-2022, 18th January 2018.
3. Taken together these reports outline an ambitious programme to address the following pressures:
 - The growth of the school population already in our primary schools as it moves in to secondary phase;
 - The increase in the numbers of pupils with additional learning needs deriving from both population increase and an increase in rates of incidence

- The significant education provision required to meet the new populations in the local development plan areas; and the increased commitment from the Council to address the maintenance requirements of the existing education estate.
4. Taken together this amounts to a school development programme of a size, scale and complexity which is significantly greater than anything previously seen in Cardiff, bigger than any other Local Authority programme in Wales, and comparable to the largest school modernisation programmes in the bigger UK core cities.
 5. On 14th December 2017, Cabinet confirmed the priority schemes which will be delivered in Cardiff under Band B of the 21st Century Schools Programme. It was agreed that in order to provide assurance that the Council has sufficient capacity and appropriate governance to deliver such a large-scale programme, a subsequent report would be presented advising on these aspects of delivery.
 6. Consequently, this report provides both an update of developments since the Cardiff Band B scheme was formally approved in principle by Welsh Government and it outlines what is needed with regard to capacity and governance in Cardiff in order to ensure that the Council's ambitions are delivered and the significant financial investment delivers good value for money.
 7. Revised senior management arrangements were set out in a report on 16th November, and Cabinet approved the new Tier 1 and 2 Senior Management structure. Cabinet also agreed that the Council would need to ensure that sufficient capacity exists to deliver the Council's priorities in relation Band B of the 21st Century Schools programme and recognised that the current staffing arrangements in this area will need to be reviewed, following confirmation by the Welsh Government of the Council's funding envelope.
 8. Subsequent to both the above reports, Arup were commissioned to review the governance arrangements and resources required to ensure Cardiff Council can deliver this ambitious education capital programme. Their report is included in Appendix 1, with the Executive Summary detailing the key recommendations.
 9. It is important that any proposals to secure sufficient capacity to deliver the ambitious schools' estate programme are consistent with the outcomes of developments in the Council's approach to delivering its role as Corporate Landlord of the Council's extensive buildings estate, including school properties, but excluding Council owned housing. As a major landowner in Cardiff, with an estate valued over £1.2 billion, this transformation programme seeks to transform the way in which the Council manages its approach to property and asset management.
 10. A separate report to Cabinet titled, Management of the Council's Non-Residential Property Estate – Embracing a Corporate Landlord Model, sets out an update on progress in implementing this revised approach.

This report also sets out the modified governance arrangements which will apply in order to ensure alignment, integration and accountability of functions across the Council in delivering this corporate role, with clear accountability to Cabinet through the Asset Management Board, chaired by the Chief Executive.

11. The effective management of the whole Council estate, including schools, and the future development and expansion of the schools estate, both call for input from a wide range of Council departments. These governance arrangements are designed to ensure that these major cross-cutting priorities for the Council have clear leadership and transparent accountability, with strategic governance for key decisions lodged in the Council's Cabinet.

Developing the education estate in Cardiff

21st Century Schools Programme

12. 21st Century Schools and Education Programme is a collaboration between the Welsh Government (WG), the Welsh Local Government Association (WLGA) and Cardiff Council. It is a major, long-term and strategic capital investment programme with the aim of creating a generation of 21st century schools in Wales. The programme focuses resources on the right schools in the right places, for early years through to Post-16.
13. Welsh Government have divided the 21st Century Schools investment programme into tranches, with the first tranche known as Band A and the second tranche, Band B. It is probable that further bands, C and D will follow.

Band A Programme

14. Cardiff's Band A Programme was approved in principle by the Welsh Government in December 2014. The Council's capital investment programme was originally £137.3 million. In 2015, the programme was realigned and funding was increased to £164 million to take account of changes in population across the city, the condition of the educational estate and the sufficiency of school places in the primary sector in both the Welsh-medium and English-medium settings.
15. Band A is due to be completed by April 2019. On completion, it will have delivered two new High Schools: Eastern High, in collaboration with Cardiff & Vale College, and Cardiff West Community High School, as well as six new primary schools and improvements to existing school premises.
16. Delivery of Band A has called on an extensive range of skills and specialist expertise, both within and across the Council, and, through procured services, from specialist contractors and providers. The schemes have delivered significant community interest benefits, and are making a positive impact on improving the city infrastructure. Such

developments also clearly impact on patterns of movement to and from school, and have the potential to act as catalysts in wider social and economic regeneration.

17. Whilst the delivery arrangements as they have applied to Band A schemes have been led by the school organisation team in the education directorate, it is important to note the wide range of specialists from across the Council who have been key contributors to the delivery of the schemes. These have included for example: school organisation and planning; education curriculum advice; finance; procurement; strategic estates; human resources; legal; transport; planning.
18. Externally sourced expertise has been extensive, including: programme management; cost consultancy; project management; architecture and design; construction; demolition; security; design safety advice.
19. Important elements of the procurement methodology employed in band A have improved value for money when compared to previous school procurement exercises. These elements included: the use of two-stage tendering process; batch procurement, whereby a group of primary schools were procured together through one exercise with one contractor appointed to deliver; and standardised design, enabling costs savings in delivery whilst still allowing for tailoring of design to suit the needs of each particular school and its locality.
20. The funding for the capital expenditure for Band A was split on a 50:50 basis between the Council and Welsh Government. The Council's contribution was predominantly sourced from external borrowing, supplemented by capital receipts, Section 106 contributions and general capital programme funding, with the Welsh Government's funding provided via specific grants and Local Government Borrowing Initiative (LGBI) revenue funding.
21. The revenue expenditure incurred in delivering Band A, largely in connection with project management and transitional arrangements, was funded via the SOP Financial Model, which was originally predicated on revenue release savings, general efficiencies and facilities management savings arising from school closures. The same funding source is also used for funding the capital financing costs arising from the external borrowing undertaken.

Band B Programme

22. The Welsh Government has approved in principle Cardiff's Band B programme of £284 million. Welsh Government will fund half of this programme, with Cardiff Council funding half. Release of funding will be dependent on the approval of individual business cases for the schemes within the overall programme.
23. Band B is an extensive and ambitious capital programme, commencing in April 2019 through to 2024. It will lead to the construction of 5

secondary schools, 4 Special Schools and 4 primary schools, 2 Welsh medium and 2 English medium.

24. Cardiff's Band B programme will address:

- Sufficiency needs of the growing child population, particularly in the secondary, special school sectors and the Welsh-medium and English-medium primary schools in the east, south and west of the city;
- Condition of the current school estate, removing all Condition D school properties;
- Some of the suitability issues of the current estate, which are required to meet the demands of 21st Century learning.

ALN Sufficiency

25. As Cardiff's population has grown, so has the number of children with Additional Learning Needs (ALN). A report titled *Improving Provision for Children and Young People with Additional Learning Needs, 2018-2022*, 18th January 2018, informed Cabinet of the implications of the ALN Tribunal (Wales) Act and the projected growth in demand for specialist resource base and special school provision. The Cabinet paper sought approval of Cardiff's ALN strategic priorities, 2018-2022 and authority to consult on a range of proposed schemes to extend and re-align ALN provision.

26. At its meeting on 5th July 2018 Cabinet agreed to determine statutory notices and to proceed with seven of the schemes consulted on.

Condition & Suitability

27. Cardiff has a large education estate, with over 127 school properties. The Authority's current spend on school asset renewal has been circa £3m per annum. Deployed on a priority basis, these resources have been predominantly limited to keeping properties safe and watertight. It has been clear that greater priority must be given in the future to a more rigorous, and appropriately funded approach to maintaining the assets in the Council's estate, of which the schools estate forms a significant part.

28. In February 2018 the Cabinet decided to allocate an additional £25million to education asset renewal, of which circa £6million is to be used to implement plans to ensure the suitability of existing provision to meet Additional Learning Needs. Combined with the existing £3 million each year, this brings together a total of £40million over a 5-year period to be invested in improving the condition and suitability of the school estate.

29. A focus upon the condition and suitability of the school estate will also enable due consideration of the requirements of the new curriculum in Wales, including digital competency and more creative and flexible learning environments.

Local Development Plan

30. The Local Development Plan (LDP) adopted by Cardiff maps the infrastructure required to facilitate and sustain the city's growth up to 2026. The LDP includes a number of strategic housing sites, including sizeable sites in the north and west of the city, which will generate significant increases in the demand for school places across the city over the next 10 years and beyond. This will be achieved from planning obligations (land and finance) requested from developers to provide for this additional demand with the sites and the programme support required to deliver the new schools.
31. It is anticipated that by 2026 the LDP developments will have generated a further 10 two-form entry primary schools as well as two more 10-form entry secondary schools.

Band B funding

32. Similarly to Band A, the capital expenditure incurred in relation to Band B will be funded on a 50:50 basis between the Council and Welsh Government. The Welsh Government's contribution will be provided via specific grant, with the Council's contribution funded via external borrowing and capital receipts.
33. In addition to the traditional capital funded route, the Welsh Government have also made another option available to local authorities, known as the Mutual Investment Model (MIM). The MIM is a revenue-funded model whereby the asset is constructed, and then maintained, via a Special Purpose Vehicle (SPV) in which the Welsh Government would hold an interest with an external contractor. The Council would then make lease payments for use of the building over a 25-year period and, at the end of the 25-year period, the building would transfer to Council ownership. The Council's position, as per the December 2017 Cabinet report, is not to express an interest in the MIM. However, dialogue continues between Welsh Government and local authorities in order to provide further clarity in relation to which types of scheme are eligible for MIM.
34. The traditional capital model and MIM contrast in respect of the fact that the capital model is only concerned about the initial design and build of the new school. With the capital model, the Council would, once the construction is complete, be responsible for identifying the necessary resources to maintain the building over its useful life. This would require revenue resources, channelled via the School Funding Formula, for the general upkeep of the building and capital resources for the more fundamental repairs and maintenance work. The maintenance arrangements under the MIM, in comparison, would see the SPV undertake the majority of maintenance and ensure the general condition of the building was kept at the required level. The annual lease payments made for the use of the building would be sufficient to cover the costs incurred by the SPV in maintaining the building. Under the MIM, the Council would still need to identify funding for certain elements of maintenance not covered by the MIM arrangement.

Delivering the next stage of Cardiff's school estate.

Arup Report Recommendations

35. The report commissioned from Arup, attached at Appendix 1, sets out an independent assessment of the capacity and governance required in Cardiff to deliver the Council's ambitions regarding the school estate. The report's recommendations are summarised, and commented on below.

Governance

36. It is accepted that in order to deliver the scale and ambition of the education capital programmes, secure value for money and discharge the statutory health and safety responsibilities of the Council that clear governance structures are required.
37. Updated Governance arrangements for assets across the Council's estate are set out in the separate report on Management of the Council's Non-Residential Property Estate – Embracing a Corporate Landlord Model, and are commented on in the report from Arup, which states that they believe that they provide appropriate arrangements for the education estate.

"We believe the Governance structure proposed by the Council provides a robust overall Governance arrangement for the education estate."

Capacity

38. Arup supports the proposal to increase the capacity of current senior management arrangements for the Corporate Landlord function.

"We believe it is essential to add capacity to the team in order to deal effectively with the asset management of a major council estate, containing significant back log maintenance. p. 2

39. Arup also recommends that, in order to strengthen both capacity and governance, a new Programme Director for the Education School Organisation Programme should be appointed, reporting directly to the Director of Education and Lifelong Learning.

'An appointment at this level will have significant short-term revenue costs. This essential expenditure must be viewed against the scale of the programme and the benefits that such an appointment offers. The right appointment will reduce the risk of non-delivery in terms of time, cost and quality. We recommend that the appointment is funded from the programme budget, as it directly relates to the programme.'
Recommendation 1, p.2

40. The Arup report goes on to make recommendations about the number and designation of roles required to manage the delivery of the programme, both those that sit internally in the education school

organisation team, and those which are required as part of the external procurement of contractors and the management of such contracts.

41. The report from Arup, Appendix 1, section 3, sets out an approach to the 'Life Cycle' of a new build. This has four stages:
 - **Need**- identification of need, based on demand analysis
 - **Scheme**- design of a scheme to meet that need;
 - **Delivery**- procurement and construction of such scheme,
 - **Operation**- the ongoing operation of the resultant buildings
42. The report identifies the key priorities at each stage, matches these against the roles and functions across the Council, and references the process to the overarching Governance arrangements. The report advises the Council to recognise more explicitly this 'life cycle', and to use it as the basis of the governance arrangements so that they ensure clarity of role and accountability throughout the cycle.

Reason for Recommendations

43. The proposed school development programme is a major investment in the future of Cardiff. It presents significant opportunities to bring long lasting benefit to educational provision and to the wider fabric of the city. It also presents risks, in terms of the size of finance required and the capacity needed to deliver such a programme. This report outlines these risks and proposes actions to mitigate them.

Financial Implications

44. This report outlines the governance and resourcing requirements recommended for the effective delivery of the 21st Century Schools Band B Programme, Asset Renewal, schools required as a result of the Local Development Plan and other capital schemes being undertaken in connection with the school estate. The most significant recommendation is for a Programme Director position to be created to oversee the entire SOP Programme. This post would be in addition to the existing staffing structure and would result in additional costs. Therefore, it will be necessary for this post to be funded from existing SOP revenue resources, as part of the overall SOP Financial Model.
45. Consideration needs to be given to the potential resource changes to the current SOP team as well as the support requirements from other directorates and departments. The report references a range of areas where additional support will be required and consideration will need to be given as to whether increased levels of support, compared to the current arrangements, are affordable within the overall SOP Financial Model. As stated above this team will also be responsible for the delivery of schools arising from the LDP and Asset Renewal Work. The Director of Education in partnership with the Head of Finance will work with directorates to ensure that the funding required will be representative of the level of work undertaken. This will require reprioritisation of existing

financial resources as well as identifying appropriate funding resources in order to ensure that the overall model remains affordable.

46. In addition, the report provides a reminder of the background and context to the forthcoming Band B Programme and other significant capital investment programmes within the school estate. The funding arrangements for these various schemes have been outlined in previous reports, including the Council's 2018/19 Budget Report. The funding arrangements for these schemes remain unchanged at this stage, however it should be noted that the Welsh Government have requested that local authorities reconsider the Mutual Investment Model (MIM). The Cabinet's initial position regarding the MIM was to not apply, following consideration of the long term financial implications. Should there be a decision to reconsider Cardiff Council's position regarding the MIM, then it will be essential that the appropriate financial and legal evaluations are undertaken to ensure that the Council understands the level of financial or legal risk over the long term.
47. As well as the resources required to deliver the capital aspects of the Band B programme, consideration will also need to be given to the ongoing maintenance requirements, both revenue and capital. Working within the limits of the current financial constraints, it will be important for the necessary funding to be provided so that new schools are maintained to the appropriate level and future maintenance backlogs are avoided, wherever possible.

Legal Implications (including Equality Impact Assessment where appropriate)

48. Under the Education Act 1996, the Council has a general statutory obligation to promote high standards of education and to consider parental preference which includes preference for Welsh medium education. The Council also has obligations under the School Standards and Framework Act 1998 and School Funding Regulations 2010 to provide capital funding for maintained schools. Section 84 and 85 of the School Standards and Organisation (Wales) Act 2013 and the Welsh in Education Strategic Plans and Assessing Demand for Welsh Medium Education (Wales) Regulations 2013, set out the statutory obligations for all local authorities to prepare, submit, publish and revise Welsh in Education Strategic Plans (WESPs). The Council also has to consider its obligation under section 88 and schedule 10 of the Equality Act 2010 to prepare and implement an accessibility strategy. The strategy should increase disabled pupils' access to the curriculum and improve the physical environment and the provision of information. The Additional Learning Needs (Wales) Bill was agreed by the National Assembly for Wales on 12th December 2017 and will require additional places for pupils with additional learning needs. The report sets out how the Council will meet these legal obligations.
49. When the Council makes decision about this programme, it also has to satisfy its public sector duties under the Equality Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties,

Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. The Protected characteristics are: Age, Gender reassignment, Sex, Race – including ethnic or national origin, colour or nationality, Disability, Pregnancy and maternity, Marriage and civil partnership, Sexual orientation, Religion or belief – including lack of belief. The Council has to be mindful of the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards when making any policy decisions and consider the impact upon the Welsh language. The Council must also consider its legal obligations under the Well-being of Future Generations (Wales) Act 2015 to think more about the long term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach. These considerations will need to be taken into account when decision are made in relation to this programme.

50. The Council's decision making process is set out in the Council's constitution, and if the Governance structure proposed in this report is adopted, all Council Officers and Members will need to ensure that decisions are made in accordance with the constitution and all relevant legislation. In particular, most of the proposals under this programme will require the Council to follow the School Organisation Code and the School Standards and Organisation (Wales) Act 2013 when making regulated alterations to schools, opening new schools or closing existing schools.

HR Implications

51. The proposed Programme Director – School Organisation Programme has been evaluated in line with the Council's senior management pay structure. Appointment to this role will be made by an Appointments Committee.
52. The trade unions have been consulted on this proposal.
53. The proposal to review the roles and structure of the School Organisation team can be undertaken by the Director of Education in accordance with the Council's HR Delegation CO1.
54. Trade union consultation will be required as part of the Council's agreed restructuring processes.

RECOMMENDATIONS

55. It is recommended that Cabinet:
1. Note the update in this report on the scheduling and funding issues associated with the delivery of Cardiff's Band B schemes.
 2. Approve the creation of the post of Programme Director -School Organisation Programme at Tier 2, fixed-term for 3 years reporting to the

Director of Education, in line with the Council's pay structure at Assistant Director level.

3. Note the Director of Education and Lifelong Learning will review the roles and structure of the school organisation team to secure the capacity required as identified in the external report cited at Appendix 1, within the funding already agreed under Band B of the 21st Century Schools Programme, Asset Renewal and the LDP.

Nick Batchelar

Director of Education and Lifelong Learning

Date

The following appendices are attached:

Appendix 1:
Cardiff Council Educational Delivery Strategy Review
Ove Arup and Partners Ltd

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Cardiff Council
**Education Delivery Strategy
Review**

Report Ref 259925-00 PW/CF/SE

Issue V2 | 18 May 2018

This report takes into account the particular instructions and requirements of our client.

It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

Job number 259925-00

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ARUP

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Appendices

Appendix A

Executive Summary

Schools comprise a significant proportion of Cardiff Council's overall estate. The city's rapidly growing school age population combined with high levels of backlog maintenance in ageing schools creates significant challenges to meet the education delivery vision of the Council.

These challenges have three aspects, namely:

- i. The delivery of the 21st Century Schools Band A (£164m) and Band B (£284m) new build school programmes. These relate to population growth that is already in the system at primary phase. Band A is already in the delivery stage whilst Band B is due to start shortly.
- ii. The delivery of extra school capacity to address the growth within the Local Development Plan (LDP). This involves additional new build schools to deal with this future population growth in the city.
- iii. The commitment to tackle the condition of the remaining school estate. There is currently £68m of backlog maintenance within the estate. A significant proportion of which will not be addressed by item i above.

Arup has been commissioned to provide an external review of the proposed governance and the capacity required to ensure Cardiff Council can deliver a programme of this size and scale effectively. As part of this study, the current process of school delivery within the authority was also reviewed. This was done in consultation with a cross section of stakeholders from across the Council and its schools.

Cardiff Council have recently reviewed how they manage their school assets once operational. A new process for delivering the asset management of their schools is currently being implemented. This must address the backlog maintenance within the estate. The programme of investment in new school buildings will inevitably help to address this issue where ageing schools are replaced with new buildings. However, as new school buildings are completed, they too will require asset management. The process for integrating this into the new asset management programme is key to the successful management of the Council's maintenance liability going forward.

The conclusions and recommendations of this review are summarised below along with some lower level observations.

Governance

We have reviewed the Governance structure proposed by the Council as set out in section 4.1 of this report. We believe it provides a robust overall Governance arrangement for the education estate.

The Schools Asset Commissioning Group provides a key Governance link between the teams commissioning the new schools and those tasked with their ongoing maintenance. This link is essential to the successful Governance of the process.

We understand that currently the budget for asset management of the schools includes funding for both suitability adaptations and back log maintenance. We would recommend that the funding for these two distinct priorities is separated so that each has a clear budget.

An inevitable consequence of the proposed programme will be the need to decommission old schools and dispose of some of the sites. Whilst it is outside the scope of this report to advise on which group within the Councils Governance structure leads this process, it is important that this is clear within the terms of reference of that group to avoid any confusion on the responsibility for this key function.

The integration of cross Council initiatives related to Digital, Sustainability and Active Travel objectives must be embedded into the Governance structure. This will ensure a holistic approach to the school modernisation programme.

Our key Governance recommendation is that the structure outlined in section 4.1 of this report, where not already in place, is fully implemented and supported with clear terms of reference for each group within that structure.

Capacity

We have reviewed the existing capacity within the Council to implement a school delivery programme of the scale proposed. Our overall conclusion is that additional capacity is required and our recommendations are as follows:

- a) For a programme of this scale and speed of delivery, we recommend the Council strengthens the management of its delivery team with the appointment of a Programme Director for the Education School Organisation Programme (SOP). This person should have experience of successfully managing a capital works programme of this scale. Therefore, it may require an external appointment, potentially on a temporary basis for the period of the programme. An appointment at this level will have significant short-term revenue costs. This essential expenditure must be viewed against the scale of the programme and the benefits that such an appointment offers. The right appointment will reduce the risk of nondelivery in terms of time, cost and quality. We would recommend that the appointment is funded from the programme budget, as it directly relates to the programme.
- b) We also support the Council's proposal to increase the capacity of current senior management arrangements for the Corporate Landlord function to deliver the Asset Management programme. We believe it is essential to add capacity to the team in order to deal effectively with the asset management of a major council estate, containing significant back log maintenance.

- c) For clarity, we would recommend that the current SOP Project Manager title should be renamed to reflect the ‘client liaison’ role they perform and to distinguish them from the external project manager roles noted in item e) below.
- d) Due to the scale of the programme a significant team will be required to manage the various internal/external stakeholders and the external delivery partners. From our experience on other programmes of this scale it is likely that an increase in the number of ‘client liaison’ roles and in the role of school programme development manager, to whom they report, will be required. We believe these roles should be internally resourced, as with the current roles, due to the extent of internal interface required.
- e) From our experience of delivering programmes of this scale across the UK, and smaller programmes within Wales, we would recommend that the day to day project management and technical advice for the new build schools is externally sourced, as happens presently. This will minimise any over capacity within the education team at the end of the programme. It will provide the skills, knowledge and experience to project manage new build programmes of this scale. It will also provide the necessary resource to enable schools to be delivered concurrently, as required by the programme.
- f) We would recommend that additional internal capacity is identified to produce a standardised strategic approach to IT across the school estate for integration into the programme as a matter of urgency. This can then be tailored at a school level to suit their specific requirements. It should be available for use from the outset of the programme.
- g) We would recommend that the current capacity within other parts of the Council that are essential to the successful delivery of the programme e.g. legal, procurement, planning, highways etc. are urgently reviewed and supplemented where necessary before the programme commences.
- h) We would recommend that additional internal capacity is identified to deal with land disposal in terms of legal agreements, decommissioning of sites, security prior to sale, insurance etc.

Observations

In addition to the conclusions and recommendations above, the review also identified several operational issues that need to be addressed as the programme moves forward. These are outlined below;

Governance

Whilst a strong governance proposal is to be adopted, a clear balance needs to be struck between this over-arching process and addressing the inevitable need to get urgent approvals at SMT and/or cabinet level for changes proposed by the SOP Board. Consideration should be given to how this flexibility can be introduced into

the governance structure. This will ensure that the programme is not impacted nor costs incurred due to delays caused by the internal approval process.

Provision is made within the governance structure for interfacing between the asset management and SOP teams. However, from the discussions we had with various stakeholders during this review, at an implementation level this interface could be improved, particularly at site selection and site handover stages.

We would recommend that the site selection process for new schools involves a formal sign-off by all internal stakeholders. This is a key decision relative to ensuring value for money from the programme. This should be included in the terms of reference of the SOP Board and a sign-off required for each site.

Process

Transformational changes are currently in progress for the asset management of schools and the other parts of the Council estate. These will be delivered through a refreshed approach to deliver the Council's responsibilities as Corporate Landlord with an enhanced focus on ensuring health and safety compliance.

Successful implementation of this function is key, with completed 21st Century Band A projects already in this phase and additional schools currently moving into the lifecycle process. To assist with this, we recommend that the description for the 'client liaison' role includes leading the adoption of the BSRIA Soft Landings (SL) for each school. The BSRIA SL methodology (see Appendix A) is designed to assist with a smooth transition between the delivery and operational phases and, in our experience, when successfully implemented makes this transition significantly more effective. This will lead to lower costs for the Council and better outcomes for the users.

As part of the BSRIA SL process it is recommended that (as already underway for existing assets) an Asset Register for each new school is fully developed to improve this interface at handover.

Maintenance responsibilities for schools are currently being clarified with a School Building Handbook which is out for consultation. Successful implementation of this handbook is key for the asset management programme to clarify accountability of delegated/non-delegated responsibilities, including health and safety statutory compliance issues. It should be given full support.

From our previous experience of successful school delivery programmes both in Wales and across the UK, we recommend that robust Employers Requirements (ER's) are developed for each school. We understand that this approach was adopted for the Band A schools. Whilst a detailed review of this Band A documentation is outside the scope of this study, from discussions on the current scope of these ER's we believe investment in more detail going forward would help successfully manage the cost and quality risks of the programme. To maximise the value of this investment, the Technical Advisor team that produces the ER's should stay in place throughout the delivery and hand over phases of the programme. This

will ensure that the requirements of the ER's are correctly interpreted and implemented.

1 Introduction

Cardiff has a large education estate with over 127 school properties. Cardiff Council have a duty to ensure that schools comply with appropriate statutory, regulatory and corporate standards.

The rapidly growing school age population in the city sits against a background of many of the existing school buildings requiring significant further investment to bring them up to an acceptable standard. This creates significant challenges for the delivery of education for Cardiff Council.

These challenges have three aspects, namely:

- i. The delivery of the 21st Century Schools Band A (£164m) and Band B (£284m) school programmes. The Band A programme is already in the delivery phase with two secondary schools and six primary schools. The Band B programme is about to start and includes four new primary schools, four new secondary schools, three additional learning needs (ALN) schools and one new combined secondary/ALN school. These programmes relate to population growth that is already in the system at primary phase.
- ii. The Local Development Plan (LDP) adopted by Cardiff Council will see the city grow significantly up to 2026. This will also generate significant increases in the demand for school places across the city over the next ten years.
- iii. The commitment by the Council to tackle the condition of the remaining school estate. There is currently £68m of back log maintenance within the estate. The investment in new buildings through the Welsh Government 21st Century School programme, outlined in item i above, will address some of the condition issues of the estate. However, there is still considerable residual back log maintenance across the remainder of the estate which must be addressed.

During the 14 December 2017 Cabinet meeting the following recommendation, in the report on 21st Century Schools: Cardiff Council's Band B priorities, was agreed:

“A subsequent report to Cabinet will propose arrangements to secure sufficient capacity and appropriate governance to deliver the Cardiff Band B 21st Century Schools Programme.”

Arup was therefore commissioned in January 2018 by the Education Directorate to provide an external review of the proposed governance and capacity required to ensure Cardiff Council can effectively deliver a programme of the size and scale outlined above, whilst securing value for money. The study also reviewed the

proposed delivery process of the schools, as this is also key to the success of the school delivery programme. This was done in consultation with a small cross section of stakeholders from across the Council and the schools.

The report starts by summarising the scale of the programme. It then reviews the current delivery process and the governance and capacity proposals before providing conclusions, recommendations and observations.

2 Education Delivery Vision

In recent years, Cardiff has undergone an astonishing transition which has established the city as one of the best places in the UK to live. Whilst the city has undoubtedly done well, the Council recognises the need to trigger the next phase of regeneration for the city. This will ensure the quality of life currently enjoyed is retained and enhanced, and more and better jobs are available to all Cardiff residents. The provision of high quality schools is key to delivering this vision.

The 12th October 2017 Cabinet Meeting Report for Developing the Education Estate in Cardiff, summarised the vision as follows;

“The Council and its partners outlined in 2016 a clear vision for education in the city in Cardiff 2020: a renewed vision for education and learning in Cardiff. All children and young people in Cardiff attend a great school and develop the knowledge skills and characteristics that lead them to become personally successful, economically productive and actively engaged citizens. The Council’s Capital Ambition strategy has made a clear commitment to continue in the investment and improvement of Cardiff schools to make sure every child has the best possible start in life. The delivery of 21st century learning environments will ensure that there are appropriate, high quality school places for young people which meets the needs of Cardiff’s growing and changing population.”

The four key components of delivering this vision are summarised in Fig 1 below:



Fig 1. Summary of the key components of the Cardiff Council Education Delivery Vision The scale of these four components are described in more detail below.

2.1 Band A phase of the Welsh Government 21st Century Schools Programme

The Cardiff schools Band A programme is a new build school delivery programme that is already in process. It has a value of £164m and is delivering additional

English and Welsh medium school places to cope with existing population growth. This includes two new secondary schools, Eastern High School and Cardiff West Community High School, as well as six new primary schools.

2.2 Local Development Plan (LDP) Expansion for Cardiff County Council

The LDP adopted by Cardiff Council will see further significant growth in the city's population up to 2026 which in turn will generate increased demand for school places across the city.

It is projected that ten new primary schools and two new secondary schools are required from this growth. Some temporary measures may also be required to accommodate demand from the early phases of this additional growth.

2.3 Band B phase of the Welsh Government 21st Century Schools Programme

This is the next phase of the school new build programme which meets population growth already in the system in the primary phase.

The Cardiff Band B 21st Century schools programme is due to commence shortly and is scheduled to run until 2024. It has a value of £284m and is proposing to deliver additional school places and new build facilities in both English and Welsh medium in the primary, secondary and special school sectors.

2.4 Asset Management Programme

Cardiff has a very large education estate, with over 127 school properties. Many these schools are in a poor state of repair. Some of the maintenance and condition issues of the estate will be addressed through the Band A and B new build school programmes outlined above. This nonetheless leaves a significant maintenance backlog of approximately £68m, of which circa £8m is Equality Act 2010 compliance. The Local Authority's current spend on school asset renewal has been circa £3m per annum. This resource is allocated on a priority basis and is predominantly limited to keeping properties safe and watertight.

External Project Management Consultants were engaged by the Council in 2017 to update the 2010 conditions surveys and their findings form the basis of the major asset management programme that will be implemented over the next 5 years. From April 2018, the Council has agreed an additional £25m of capital funding over 5 years to assist with this asset management programme, of which circa £6m will be used to implement additional ALN places across the city.

2.5 Commentary on the scale of this programme

The programme for successfully delivering the education vision of the Council and its four components outlined above will require adequate capacity and a clear governance structure. This Governance structure and the capacity provided to deliver the programme must ensure good value for money, whilst maintaining the existing assets in good condition.

It is highlighted that investment in new school buildings will only address some condition/suitability issues. There will remain ongoing asset management challenges with the current high backlog maintenance in other school properties.

Table 1 below summarises the scale of the new build programme that is planned.

NEW BUILD SUMMARY	BAND A	BAND B	LDP	TOTAL
PRIMARY	6	4	10 +3 finance contribution	20 +3 finance contribution
SECONDARY	2	4	2 finance contribution	6 +2 finance contribution
ALN	-	3	-	3
COMBINED SECONDARY AND ALN	-	1	-	1

Table 1 – Summary of the scale of the Cardiff Council new build school programme

This table clearly illustrates the significant scale of the new build school programme that Cardiff is delivering. From our experience, this will require significant capacity if it is to be successfully delivered.

Arup has worked on a variety of school new build programmes in Wales and England, including Birmingham & Sandwell, Hertfordshire, Newport and Vale of Glamorgan, the scale of which is summarised below;

- Birmingham & Sandwell – Eight secondary schools
- Hertfordshire – Seven secondary schools
- Newport – Three secondary schools
- Vale of Glamorgan – Three secondary schools, one ALN and one primary school

These schools were a combination of new builds and part new build part refurbishment (adding complexity).

The components of the Cardiff programme that include new build schools are of a similar scale to the English school programmes and these all required significant additional capacity for their successful delivery (either internal or external). This experience has been drawn on to review the capacity requirements of the Cardiff programme.

The Welsh school programmes both involved new schools but they were not delivered concurrently as is intended for the Cardiff programme. Hence, they didn't involve additional capacity requirements. However, the Governance requirements were very similar and these have been compared as part of this review.

3 Education Delivery Process Review

The delivery process for the Education School Organisation Programme (SOP) was reviewed using the four key stages in the lifecycle process of a typical new build school. This was done in consultation with a small cross section of stakeholders from across the Council and its schools.

Fig 2 below summarises the four key stages of the typical life cycle of a new build school, namely need, scheme, delivery and operation.



Fig 2. Summary of the four key stages in a typical school life cycle

3.1 Need Phase

This phase begins the life cycle by the identification of the need for a new school and is led by the Education Directorate. Any new scheme or modifications of existing provisions must be consulted on as set out in the School Organisation Code for Wales.

Band B schools are currently in progress with a robust estimate of cost developed via external consultants. The submission to Welsh Government for match funding for band B schools has been successful, with £284m approved in principle. For the Local Development Plan (LDP) schools in the areas of new housing, the building of new facilities is delivered or financed via Section 106.

This phase of the process seems well developed and we understand that it is operating well with adequate capacity. However, the scale of future school

provision, including the consultation requirements, will inevitably place additional demands on this function.

3.2 Scheme Phase

This second phase of the process relates to deciding the high-level details of the new schools, such as site selection and is again led by the Education Directorate. There is extensive input from other areas of the Council, such as strategic estates, planning, highways etc. through the SOP Board. Statutory consultation for this stage is an estimated nine-month process with allowance of up to one year, based on the Welsh Government guidance.

The building of new schools due to the Local Development Plan are delivered via Section 106 contributions. Primary schools are delivered generally by contract. The housebuilders will provide capital contributions for the two new secondary schools. However, the phasing, consultation and delivery will be undertaken by the Council when deemed appropriate for sufficiency in each location.

The key finding of the review of this stage was the importance of a formal sign off of the site location decision by all internal stakeholders across the Education and Economic Development Directorates. This is a key decision relative to ensuring value for money from the programme. This should therefore be included in the terms of reference of the SOP Board and a formal sign off required for each site, without exception.

3.3 Delivery Phase

The third phase of the process is again led by the Education Directorate. The delivery of the Band A schools is already in this delivery phase.

The SOP project groups undertake the internal and external consultation via the SOP Project Managers. They also manage any external resource employed in the delivery team.

For primary schools the Projects, Design, Development (PDD) team in the Economic Development Directorate is currently utilised to define the brief. Whereas for the secondary schools and additional learning needs (ALN) schools external project management and technical support is utilised.

From the review, we believe that the SOP Project Manager role should be renamed to reflect the 'Client Liaison' nature of the role and to avoid any confusion with the external project manager role.

Standardised solutions for schools has delivered considerable value for money on some of the other school programmes listed in section 2.5. From our consultation, whilst the SOP team managing this phase aspire to utilise such solutions across the new schools, there is pressure from the schools to deliver bespoke solutions. This needs careful management by the 'client liaison' role and should be a deliverable within their job description.

The site selection for a new school should be by the School Organisation Programme (SOP) Board for reporting to the Asset Management Board for a sign off through the CEX/SMT and ultimately the Cabinet.

From our previous experience of the successful delivery of the school programmes outlined in section 2.5 of this report a key success factor is the use of robust Employers Requirements (ER's). On these school programmes, this role was always completed by an experienced Technical Advisor (TA) team for each school. We understand that this approach was adopted for the Band A schools. Whilst a detailed review of the Band A procurement documentation is outside the scope of this study from discussions on the current scope of these ER's we believe investment in more detailed documents is required to reduce the risk to cost escalation and reduced quality.

Furthermore, to maximise the value of this investment, we recommend that the Council ensure the technical advice continues throughout the delivery and hand over phases of the programme. This will ensure that the requirements of the ER's are correctly interpreted and implemented.

With the scale of the Cardiff programme we believe that it is likely that an increase in the number of 'client liaison' roles and in the role of school programme development manager, to whom they report, will be required, particularly as many schools are delivered concurrently under the programme. Our experience from other programmes is that a 'client liaison' role can only effectively manage a maximum of two secondary schools at any one time (for complex schools this would reduce to one).

Whilst a skills audit was outside the scope of this review, it is likely that some of the staff currently in the Projects, Design, Development (PDD) team would have the experience and skills to undertake the 'client liaison' role with some training. We believe that this resource would be better deployed in these roles rather than developing the briefs for the new primary schools. The brief development for the primary schools could instead be undertaken by the external TA team. In our opinion, the use of external resource will ensure there is no resource over capacity within the Council at the end of the programme and will also allow adequate suitably skilled resource to be cost effectively obtained to deal with the simultaneous delivery of the numerous schools in the programme.

It was also noted during the review that no standardised strategic approach to IT for infrastructure/managed service was currently in place across the school estate. This can then be tailored at a school level to suit their specific requirements. From our experience, this is a critical success factor for a school programme and additional capacity should be made available urgently to develop this approach for the programme and make it available at the outset of the programme.

3.4 Operation Phase

This is a key phase of the Education Delivery Strategy as the facilities come into use. Since April 2000, school governing bodies have been delegated the budget

and responsibility for all revenue recurrent repairs and maintenance for school premises. Only capital expenditure has been retained by the Council for schemes over £10,000.

This is different for Voluntary Aided (VA) schools, where each Diocese has a responsibility to contribute to the upkeep and development of the fabric of the building.

We understand that the maintenance responsibilities for schools are currently being clarified with a School Building Handbook, which is out for consultation and aims to clarify accountability of delegated/non-delegated responsibilities including health and safety statutory compliance issues. In our opinion, the successful implementation of this handbook is key to the success of the asset management programme, with clarity of responsibility essential.

Transformational changes are currently in progress for the asset management of schools. This will be through a refreshed approach to deliver the Council's responsibilities as Corporate Landlord. There will be an enhanced focus on ensuring health and safety compliance. Successful implementation of this function is key as completed 21st Century Band A projects are already in this phase and additional schools are currently moving into the lifecycle process. To assist with this, we recommend that the role description for the 'client liaison' role includes leading the adoption of the BSRIA Soft Landings (SL) for each school. The BSRIA SL methodology (see Appendix A) is designed to assist with a smooth transition between the delivery and operational phases. In our experience, when successfully implemented, it makes this transition significantly more effective. This would lead to lower costs for the Council and better outcomes for the user.

We also recommend that an Asset Register, in a common format, is developed prior to handover to improve the asset management interface. This should be a requirement of the ER's for each school.

An inevitable consequence of the proposed programme will be the need to decommission old schools and dispose of some of the sites. Therefore, there is a need for capacity within the Council to deal with this land disposal in terms of legal agreements, decommissioning of the site, security prior to sale, insurance etc. Whilst it is outside the scope of this report to advise on which group within the Councils Governance structure leads on this, it is important that this is clear within the terms of reference of that group to avoid any confusion on the responsibility for this key function.

The Schools Asset Commissioning Group oversees the prioritisation of the School Asset Renewal Programme and the commissioning of works against an agreed programme. A skills audit was outside the scope of this review. However, it is likely that some of the staff currently in Projects, Design, Development (PDD) team would have the facilities management experience and skills to assist in this role with some training and this could assist with the capacity shortfall in this area.

We understand that currently the budget for asset management of the schools includes funding for both suitability adaptations and back log maintenance. We would recommend that the funding for these two distinct priorities is separated so that each has a clear budget.

4 Governance and Capacity Review

This section outlines the proposed governance and current capacity Cardiff Council has available to deliver the school programme and comments on its adequacy.

4.1 Governance

4.1.1 Governance description

Figure 3 below summarises the proposed transitional governance structure and reporting procedures which the Council are in the process of implementing.

Schools Property Governance

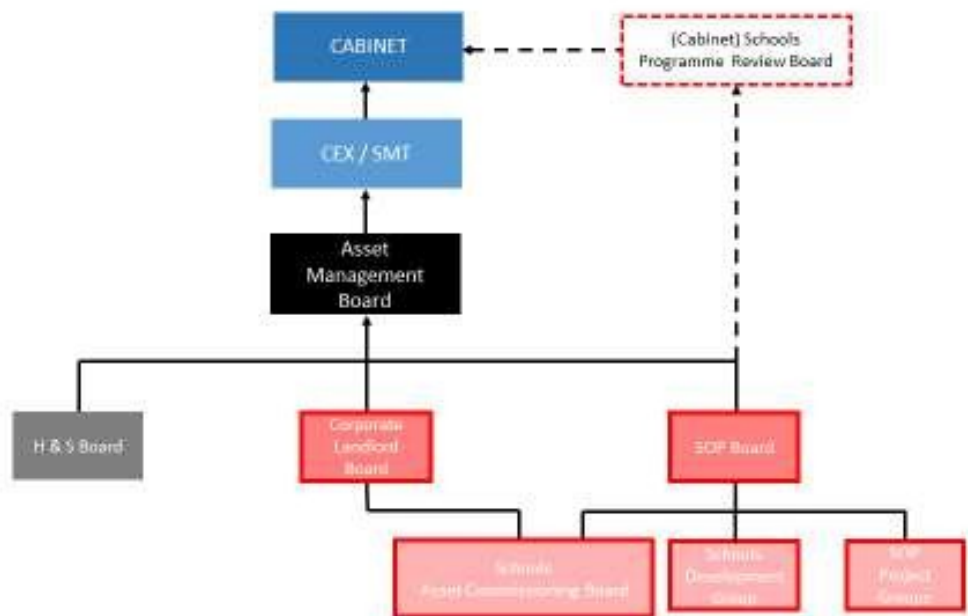


Fig 3 Proposed transitional governance structure and reporting procedures

The key governance groups relating to the education estate are outlined below;

Schools Development Group

This group formulates proposals for the strategic development of the school estate in the context of the Councils Place Strategy for the City.

SOP Project Groups

These groups lead the new school project delivery for the Education Directorate.

School Organisational Programme (SOP) Board

This board provides high level governance for the Council's School Organisation Programme to ensure effective use of available resources in delivering the objectives agreed by Cabinet for the development and maintenance of the school estate in Cardiff.

The other key groups that relate to the delivery of the education vision are;

School Asset Commissioning Group

Once the new school buildings are completed they move into the operational phase of the lifecycle process. This key interface is administered by the School Asset Commissioning Group highlighted in orange in Fig 3. This group will oversee the prioritisation of the School Asset Renewal Programme and the commissioning of works against an agreed programme.

Asset Management Board

As part of the governance structure, the School Organisation Programme (SOP) Board (and the other boards highlighted in Fig 3) report to the Asset Management Board which contains the Director of Education and Director of Economic Development and is chaired by the Chief Executive. This board reports to the CEX/SMT and ultimately to the Cabinet every quarter.

4.1.2 Governance Review

The Council have a governance structure with a broad range of skills across Directorates to deliver the Council objectives and education vision.

During the review, past issues with governance appear to have been identified and rectified in the proposed governance structure in Fig 3.

The major weakness highlighted in the review was the interface between the Education and Economic Development Directorates at hand over of the new school buildings. The School Asset Commissioning Group terms of reference should include the management of this interface to ensure a smooth transition between the delivery and operational phases.

An inevitable consequence of the proposed programme will be the need to decommission old schools and dispose of some of the sites. It is important that the roles within this disposal process are clearly defined within the terms of reference

of the groups within the Governance structure to avoid any confusion on the responsibility for this key function.

The programme of delivering the education vision through the construction of new buildings requires a clear governance structure to deliver a programme of this scale and ensure good value for money whilst maintaining existing assets in good condition. This proposed governance and the associated reporting processes are a sensible approach. They should be fully implemented, including finalising the terms of reference for each group.

The terms of reference of the groups identified in Fig 3 should ensure that the Council wide initiatives of Digital, Sustainability and Active Travel objectives are integrated into the delivery process to ensure a holistic approach to modernisation, as highlighted by some of the stakeholders consulted during this review.

4.2 Capacity

The Education Directorate has developed a team to manage the large Cardiff school estate. However, the introduction of this major programme, as summarised in section 2 of this report, introduces a significant additional work stream which we don't believe can be delivered within this existing capacity.

From our experience on similar new school delivery programmes in England, as outlined in section 2.5 of this report, we believe that the team managing the delivery of the school projects will need to be significantly supplemented, with an increase in the number of 'client liaison' roles and in the role of school programme development manager, to whom they report. We believe these roles should be internally resourced, as with the current roles, due to the extent of internal interface required.

We also believe that the team will need additional leadership in the form of a senior appointment to direct the programme. This person will need experience of delivering a new build school programme of this scale and an external appointment maybe necessary. Relative to the financial size of the programme, the revenue costs for such a post, for the life of the programme, are relatively small and would provide stronger assurance of getting value for money from the overall budget.

As noted in section 3.3 we believe that the current SOP project manager title should be renamed to reflect the 'client liaison' role (for clarity) and that the programme will need additional resource of this type to deliver the number of schools planned. Whilst a skills audit was outside the scope of this review, it is likely that some of the staff currently in Projects, Design, Development (PDD) team would have the experience and skills to undertake the 'client liaison' role with some training. In our opinion, this resource would be better deployed in these roles than developing the brief for the primary schools. The brief development function for primary schools could be undertaken by an external TA team as currently happens for the new secondary schools. In our opinion, the use of external resource for this short-term role will ensure there is no resource over

capacity within the Council at the end of the programme and will also allow adequate suitably skilled resource to be cost effectively obtained to deal with the simultaneous delivery of the numerous schools in the programme.

With the extent of back log maintenance within the remaining estate there is also a need to supplement the capacity of the team undertaking the asset management of the estate. Hence, we would support the current Council proposal to increase the capacity of senior management for the Corporate Landlord function to deliver this Asset Management programme. As noted in section 3.4 it is likely that some of the staff currently in Projects, Design, Development (PDD) team would have the facilities management experience and skills to assist in this team with some training and could assist with the capacity shortfall in this area.

An inevitable consequence of the proposed programme will be the need to decommission old schools and dispose of some of the sites. Therefore, there will be a need for additional capacity within the Council to deal with this land disposal in terms of legal agreements, decommissioning of sites, security prior to sale, insurance etc.

In addition to the need to increase the capacity of the SOP team and the Corporate Landlord function other parts of the Council will need to increase their capacity for the essential roles they undertake for the successful delivery of the programme. There will inevitably be a need for increased capacity in some teams such as but not limited to legal, procurement and highways.

5 Conclusions and Recommendations

5.1 Conclusions

5.1.1 Governance

We have reviewed the Governance structure proposed by the Council as set out in section 4.1 of this report. We believe it provides a robust overall Governance arrangement for the education estate. This includes the methodology proposed for the incorporation of the major new build school programme and the ongoing management of all school building assets.

From our discussions with various stakeholders there have been issues previously with the transition of the asset management process, specifically at the hand-over stage of new and refurbished buildings. The Schools Asset Commissioning Group provides this key Governance link between the teams delivering the new schools and those tasked with their ongoing maintenance. It is essential to the successful Governance of the process.

An inevitable consequence of the proposed programme will be the need to decommission old schools and dispose of some of the sites. Whilst it is outside the scope of this report to advise on which group within the Councils Governance structure leads this process, it is important that this is clear within the terms of reference of that group to avoid any confusion on the responsibility for this key function.

The integration of cross Council initiatives related to Digital, Sustainability and Active Travel objectives must be embedded into the Governance structure to ensure a holistic approach to the school modernisation programme.

We understand that currently the budget for asset management of the schools includes funding for both suitability adaptations and back log maintenance. We believe that the funding for these two distinct priorities should be separated so that each has a clear budget.

We also have some observations on the practicalities of the successful implementation of this Governance structure and these are summarised in section 5.3.

5.1.2 Capacity

We have also reviewed the current capacity within the Council to implement a school delivery programme of the scale proposed. Our conclusion is that additional capacity is required, particularly in the areas below:

- a) From our experience of other school delivery programmes across the UK we believe that the current management team of the programme needs supplementing with the appointment of a Programme Director for the

Education School Organisation Programme (SOP) to deliver a programme of this scale, with its proposed speed of delivery.

- b) From our review of the current delivery process we support the Council's proposal to increase the capacity of senior management for the Corporate Landlord function to deliver the Asset Management programme. From our experience, it will be essential to add capacity to the team dealing with the asset management of the council's estate, given its scale, and the significant back log maintenance.
- c) It is our view that the current SOP Project Manager role title has the potential to cause confusion with the external project manager roles noted in item e) below.
- d) Due to the scale of the programme a significant team will be required to manage the various internal/external stakeholders and the external delivery partners. From our experience on other programmes of this scale the current capacity will need to be significantly supplemented, with an increase in the number of 'client liaison' roles and in the role of school programme development manager, to whom they report. We believe these roles should be internally resourced, as with the current roles, due to the extent of internal interface required. One potential option would be to utilise staff currently in the Projects, Design, Development team (PDD) as they are likely to have a similar skill set to that required for this role.
- e) From our experience of delivering programmes of this scale across the UK, and smaller programmes within Wales, the day to day project management of the new build schools is normally externally sourced. This minimises any over capacity within the education team at the end of the programme and provide the skills, knowledge and experience to project manage new build programmes of this scale without the need for any training of the internal staff that would have to move into the team to deal with the scale of this programme. It will also provide the resource to enable schools to be delivered concurrently as required by the programme. We understand this is how the Band A schools were delivered by the Council.
- f) From the feedback, we received during the review and from our experience on other programmes, a standardised strategic approach to IT across the school estate needs to be developed for integration into the programme as a matter of urgency. This can then be tailored at a school level to suit their specific requirements. It should be available for use from the outset of the programme.
- g) With the scale of the programme, from our experience, other parts of the Council will also need to increase their capacity for the essential roles they undertake for the successful delivery of the programme. There will inevitably be a need for increased capacity in teams such as, but not limited to, legal, procurement and highways.

5.2 Recommendations

5.2.1 Governance

- a) We recommend that the structure outlined in section 4.1 of this report, where not already in place, is fully implemented and supported. Clear terms of reference for each group within that structure should be developed.
- b) We recommend that the funding for the two distinct priorities of back log maintenance and suitability adaptations should be separated so that each has a clear budget.
- c) We recommend that there is clarity in the Governance structure regarding which group leads the school disposal process (an inevitable consequence of the new build school programme). The various roles in the process should be included within the terms of reference for the groups in the Governance structure in Fig 3.

5.2.2 Capacity

- a) We recommend the Council strengthens the management of its delivery team with the appointment of a Programme Director for the Education School Organisation Programme (SOP). This person should have experience of successfully managing a capital works programme of this scale. Therefore, it may require an external appointment, potentially on a temporary basis for the period of the programme. An appointment at this level will have significant short-term revenue costs. This essential expenditure must be viewed against the scale of the programme and the benefits that such an appointment offers. The right appointment will reduce the risk of non-delivery in terms of time, cost and quality. We would recommend that the appointment is funded from the programme budget, as it directly relates to the programme.
- b) We recommend that the Council expedites the appointment of additional senior management capacity for the Corporate Landlord function to deliver the Asset Management programme for the Council estate.
- c) We recommend that the current SOP Project Manager title should be renamed to reflect the 'client liaison' role they perform and to distinguish them from the external project manager roles noted in item e) below.
- d) We recommend an increase in the number of 'client liaison' roles and in the role of school programme development manager, to whom they report. We also recommend that consideration is given to the reallocation of existing staff into this role, with the staff potentially drawn from PDD as their skills are likely to be transferable.

- e) We recommend that the day to day project management and technical advice for the new build schools programme is externally sourced, as happened on the Band A school programme.
- f) We recommend that additional internal capacity is identified to develop a standardised strategic approach to IT across the school estate. This can then be tailored at a school level to suit their specific requirements. This resource should be made available at the beginning of the programme.
- g) We would recommend that the current capacity within other parts of the Council that are essential to the successful delivery of the programme e.g. legal, procurement, planning, highways etc. are urgently reviewed and supplemented where necessary before the programme commences.
- h) We would recommend that additional internal capacity is identified to deal with land disposal in terms of legal agreements, decommissioning of sites, security prior to sale, insurance etc.

5.3 Observations

In addition to the conclusions and recommendations above, the review also observed several operational issues that we feel it is essential are also addressed before the programme moves forward. These are outlined below:

5.3.1 Governance

Whilst a strong governance proposal is to be adopted, a balance needs to be struck between this over-arching process and addressing the inevitable need at times within the delivery programme to get urgent approvals at SMT and/or cabinet level for changes proposed by the SOP Board. Consideration should be given to how this flexibility can be introduced into the governance structure. This will ensure that the programme is not impacted nor costs incurred due to delays caused by the internal approval process.

Provision is made within the governance structure for interfacing between the asset management and SOP teams. However, from the discussions we had with various stakeholders during this review, at an implementation level this interface could be improved, particularly at site selection and site handover stages.

We would recommend that the site selection process for new schools involves a sign off by all internal stakeholders. This is a key decision relative to ensuring value for money from the programme. This should be included in the terms of reference of the SOP Board and a formal sign off required for each site.

5.3.2 Process

Transformational changes are currently in progress for the asset management of schools and will be delivered through a refreshed approach to deliver the Council's responsibilities as Corporate Landlord. There will be an enhanced focus on ensuring health and safety compliance. Successful implementation of this

function is key, with completed 21st Century Band A projects already in this phase and additional schools currently moving into the lifecycle process. To assist with this, we recommend that the role description for the ‘client liaison’ role includes leading the adoption of the BSRIA Soft Landings (SL) for each school. The BSRIA SL methodology (see Appendix A) is designed to assist with a smooth transition between the delivery and operational phases and in our experience when successfully implemented makes this transition significantly more effective. This leads to lower costs for the Council and better outcomes for the user.

As part of the BSRIA SL process it is recommended that (as already underway for existing assets) an Asset Register for each new school in a common format is fully developed to improve this interface at handover.

We understand that maintenance responsibilities for schools are currently being clarified with a School Building Handbook, which is out for consultation. Successful implementation of this handbook is key for the asset management programme to clarify accountability of delegated/non-delegated responsibilities including health and safety statutory compliance issues. It should be given full support by the Council.

From our previous experience of successful school delivery programmes both in Wales and across the UK we recommend that robust Employers Requirements (ER’s) are developed for each school. We understand that this approach was adopted for the Band A schools. Whilst a detailed review of this documentation is outside the scope of this study, from discussions on the current scope of these ER’s, we believe investment in more detail would reduce the risk to cost and quality delivered by the process. To maximise the value of this investment, the Technical Advisor team should stay in place throughout the delivery and hand over phases of the programme to ensure that the requirements of the ER’s are correctly interpreted and implemented. Whilst a skills audit was outside the scope of this review, it is unlikely that sufficient suitably skilled internal resource will be available to undertake this work and any spare resource that is available would be better utilised in the additional ‘client liaison’ roles that are required (see section 5.2.2). The use of external resource will ensure there is no resource over capacity within the Council at the end of the programme and will also allow adequate suitably skilled resource to be cost effectively obtained to deal with the simultaneous delivery of the numerous schools in the programme.

Appendix A

BSRIA Soft Landings Framework

A1

Adopting BSRIA Soft Landings framework with a Council Champion through the delivery process would assist in highlighting Asset Management operational considerations.

- The Soft Landings Framework is a joint initiative between BSRIA (Building Services Research and Information Association) and UBT (Usable Buildings Trust). It is an open-source framework that is intended to '...smooth the transition into use and to address problems that post-occupancy evaluations (POEs) show to be widespread'. It was first published in 2009 and was updated in 2014 to align with the RIBA 2013 work stages.
- The term 'soft landings' refers to a strategy adopted to ensure the transition from construction to occupation is 'bump-free' and that operational performance is optimised.
- This transition needs to be considered throughout the development of a project, not just at the point of handover. Ideally the Council would commit to adopting a soft landings strategy in the very early stages so that an appropriate budget can be allocated and appointment agreements and briefing documents can include relevant requirements. This should include agreement to provide the information required for commissioning, training, facilities management and so on, and increasingly should include requirements for Building Information Modelling (BIM).
- To ensure that a soft landings strategy is implemented properly from the outset, it may be appropriate to appoint a soft landings champion to oversee the strategy. Facilities managers should also be involved from the early stages.
- The framework includes five key stages: Inception and briefing

Ensuring that the needs and required outcomes are clearly defined.

Design development and review

Reviewing comparable projects and assessing proposals in relation to facilities management and building users.

Pre-handover

Ensuring operators properly understand systems before occupation.

Initial aftercare

Stationing a soft landings team on site to receive feedback, fine tune systems and ensure proper operation. Typically, this will last four to six weeks, but may be longer for complex buildings such as hospitals and may be shorter for simple buildings such as shops.

Extended aftercare and post occupancy evaluation.

Outstanding issues are resolved and post occupancy evaluations are fed-back for future projects. It is suggested that this period lasts for three years. In year one, problems are identified, training provided and systems fine-tuned, with regular reviews. In years two and three, performance is reviewed, and post occupancy surveys carried out, but with reviews becoming less frequent.

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