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GOHEBIAETH YN DILYN CYFARFOD Y PWYLLGOR

Pwyllgor PWYLLGOR CRAFFU ADOLYGU POLISI A CHRAFFU PERFFORMIAD

Dyddiad ac amser y cyfarfod DYDD MERCHER, 14 TACHWEDD 2018, 4.30 PM

Gweler isod gohebiaeth anfon gan Gadeirydd y Pwyllgor ar ôl y cyfarfod , ynghyd ag unrhyw ymatebion a gafwyd

Am unrhyw fanylion pellach, cysylltwch â scrutinyviewpoints@caerdydd.gov.uk

11 **Gohebiaeth yn dilyn Cyfarfod y Pwyllgor** (*Tudalennau 3 - 16*)

Mae'r dudalen hon yn wag yn fwriadol

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

Date: 22 November 2018

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



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Dear Russell,

Policy Review & Performance Scrutiny Committee: 14 November 2018

As Chair of the Policy Review and Performance Scrutiny Committee, my sincere thanks for attending Committee last week, and for your positive response to the Committee's task and finish group report, *Managing the Estate Under a Corporate Landlord Model*. The Members were pleased that the Committee's inquiry had been positively welcomed, and that there has clearly been progress made in implementing the recommendations. They have asked that I pass on the following comments and observations.

Structural arrangements

The Committee was pleased to hear that the importance of property and its maintenance is included in the School Organisation Plan, and staff supporting the schools' investment and estates function have now moved into the Investment and Development Directorate. We were pleased to hear that implementation of the Corporate Landlord Model now sits within a single Cabinet portfolio.

We note the establishment of a Cabinet sub-Committee consisting of the Leader, Deputy Leader and Member for Investment & Development, created to prioritise Band A and B schools building work.

Members were interested to hear that you have many changes planned for the Building Services arm of Property Services. Officers indicated that currently, where possible, maintenance is carried out in-house. However you were clear that you consider the key to improving the quality of building work is effective commissioning/specification of works, and effective inspection whilst work is

underway, and on completion. We are therefore keen to establish whether it is your intention to bring all maintenance services in house, or expose the service to competitive tendering.

In line with such plans Members note the in-house appointment of three additional surveyors with asbestos expertise to address the legacy of asbestos in schools built in the 60's and 70's. This reflects the importance of establishing a clear picture of the scale of the issue and managing it more effectively.

We also note you will not be appointing to the position of Assistant Director Corporate Landlord, and we therefore welcome your offer to return at an appropriate point with your proposals, following a review of senior management staffing structures across County Estates to be presented to Cabinet in December

Budget

In respect of Recommendation 6 we note that there is insufficient budget available to address the full maintenance programme required for existing assets, and that a condition programme is under development, to enable priorities to be set. We will programme scrutiny of the next Corporate Land and Property Maintenance Plan, which will set out the priorities and sum required to deal with the maintenance backlog.

The Committee notes the Council has twelve Band B school projects, worth £12million towards the schools maintenance backlog. Members also highlighted a second level of school maintenance issues, such as leaking roofs, that will also need to be repaired. Officers acknowledged that the challenge of maintaining schools at an operational level within budget is increasing. We therefore concur with you that it is critical to prioritise and maximise value from the Band B money available, such as combining similar repairs when prioritising and tendering to procure better prices.

Schools

Officers indicated that the Corporate Landlord model allows schools to use local builders. Members are therefore keen to ensure that schools are clear about the point at which they must request that building work is carried out by the Corporate

Landlord rather than a local builder. Members consider that RAMIS has transformed services.

We note you consider the schools handbook clearly indicates which building works are considered minor, and which are considered major. Importantly we note that, by February 2018, all schools will require Corporate Landlord permission to use local builders, and that you will be launching 'one front door' to accessing maintenance work. We consider that many schools are currently using their discretion and funding to carry out minor work, and this can and often does provide value for money and school accountability, both worthy of encouragement.

We were interested to hear that, whilst schools can legally contract out their building works, a recent health and safety focus in schools has resulted in a schools shift towards the Corporate Landlord Model, as it offers added support for head teachers.

To recap, the Committee:

- Welcomes your offer to return following your review of senior management structures within County Estates, to be presented to Cabinet in December;
- Will programme scrutiny of the next Corporate Land and Property Maintenance Plan, which will set out the priorities and sum required to deal with the maintenance backlog.

Once again, on behalf of the Committee, please pass my sincere thanks to all who attended PRAP Scrutiny Committee to present the Cabinet response to the Managing the Estate Under a Corporate Landlord Model inquiry.

Yours sincerely,



COUNCILLOR DAVID WALKER
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Members of the Policy Review & Performance Scrutiny Committee.
Neil Hanratty, Director Economic Development.
Helen Thomas, Head of Property
David Lowe Operations Manager, Commercial Services
Janine Nightingale, Head of Schools Organisation, Access & Planning
Donna Jones, Operational Manager Health & Safety
Joanne Watkins, Cabinet Office Manager.
Alison Taylor, Cabinet Support Officer.
Clair James, PA to Director of Economic Development.

Date: 21 November 2018

Councillor Russell Goodway,
Cabinet Member Investment & Development,
Cardiff Council,
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Dear Russell,

Policy Review & Performance Scrutiny Committee: 14 November 2018

Thank you for attending Committee last week to support the briefing Members requested on the Facilities Management service. Would you also pass on my sincere thanks to the senior officer team for the insightful presentation and facilitation of a frank and useful conversation to inform our work planning.

Following the briefing we discussed the best way forward, and Members concluded that at this point we will continue to monitor the service through formal committee scrutiny, rather than undertaking an in depth task and finish inquiry. As such, I will be inviting you back to Committee late spring/early summer 2019 to update us on progress. Having taken this decision there were a number of observations Members wished to be captured, that will inform our future scrutiny of the service, and I set these out below.

- The Committee notes that it is not a political priority of the current administration to commercially market the Facilities Management service externally, which will in future be known as Property Services. You were clear that your strategy going forward is to gain greater control of the costs of delivering the service, rather than to increase the customer base by exploring the market for external contracts. An example of this strategy will be to ensure that those services for which Property Services holds the utilities budget are made more accountable for their utility usage than at present.

- Members note your conviction that rationalisation of the estate is a priority for the Council, and you consider it important that services embrace a change of accommodation where it makes clear business sense.
- In relation to the price competitiveness of Property Services, you acknowledged that the service has a reputation for higher charges than some external contractors. We note your explanation that one reason for this might be the Council's commitment to paying the living wage to front line and back office workers, as well as other favourable terms and conditions.
- Whilst we note you do not intend to offer services commercially, there appears to be an acknowledgement that the Council may decide to be competitive, and seek to slow the exit of schools contracts from Property Services. We understand that some schools appear to have lost confidence in the cleaning and building services delivered by Property Services, and have exercised their right to use outside contractors.
- The Committee encourages you to highlight the benefits to schools of the guarantees provided by using the Council as its Corporate Landlord. We note your view that schools must expect to be charged the total of landlord costs, and if a school chooses not to use the Corporate Landlord then they cannot escape all landlord costs.
- Similarly, we note the challenge that the previous policy to transfer assets to the community for management and maintenance has resulted in health and safety responsibilities still remaining with the Council.
- We highlighted that where there are major development works across the City the pest control implications increase, and encourage you to ensure developers are charged for the increased preventative work that results from development.

Once again, on behalf of the Committee, please pass my sincere thanks to all who attended PRAP Scrutiny Committee to present the current position in Property Services. As this was a briefing the Committee will not expect a response to this

letter. However we look forward to continuing our engagement with service developments, and would request that you bring any future proposals back to the Committee for pre-decision scrutiny.

Yours sincerely,

A handwritten signature in black ink that reads "David Walker". The signature is written in a cursive, flowing style.

COUNCILLOR DAVID WALKER

CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Members of the Policy Review & Performance Scrutiny Committee.
Neil Hanratty, Director Economic Development.
Helen Thomas, Head of Property
David Lowe Operations Manager, Commercial Services
Joanne Watkins, Cabinet Office Manager.
Alison Taylor, Cabinet Support Officer.
Clair James, PA to Director of Economic Development.

Mae'r dudalen hon yn wag yn fwriadol

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

Date: 22 November 2018

Councillor Chris Weaver,
Cabinet Member Finance, Modernisation & Performance,
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Dear Councillor Weaver,

Policy Review & Performance Scrutiny Committee: 14 November 2018

Thank you for attending the Policy Review and Performance Scrutiny Committee for the consideration of Quarter 2 performance 2018/19. Would you also please pass Members' thanks to the officers who attended in support of this item? The Committee values the visibility of performance information and the co-operation facilitated by yourself and senior managers. I am however, passing on Members observations and comments to inform the future monitoring of performance.

Performance and finance

The Committee wishes to re-iterate the importance of strong links between finance (budgeting) and performance reporting. We consider it important to include financial targets and spending priorities within the performance management framework at directorate, service area, and individual level. We are unclear whether the absence of such information is a corporate policy decision. We note the projected £5m budget overspend at month 6 is to be balanced using £3m of contingency funds, a council tax rates appeal refund on Council properties, and an underspend on capital charges.

In Children's' Services there appears to have been a trend of overspending going back several years. The service area continues to forecast annual increases in the number of children coming into the Council's care. You responded that reflecting such trends and forecasts would reduce incentives to set challenging budgets. However, high overspending in Children's Services is continuing to create budgetary

and performance pressures. We consider a lack of reference to past trends and demand forecasts causes the Council budget difficulties which could be avoided. We note there are national pressures in some demand led services and other cities are experiencing similar overspends in Children's Services.

In relation to the recent recommendations of the Children and Young People Scrutiny Committee (CYP) as to how the Council funds child placement; we are encouraged to hear of the introduction of a new brokerage team to secure the best cost of care and will refer this to the CYP Committee to monitor developments. We note you consider there are more opportunities, and service areas need to be constantly challenged on predicting and projecting budget requirements.

Capturing the position

Some Members feel that the quarterly Delivering Capital Ambition performance report does not necessarily illustrate pressures well through its narrative. We heard the Head of Performance and Partnerships' view that face to face discussion with Scrutiny Committees partially fulfils such a gap.

We also noted your view that Performance Indicators are the most useful, but that they are only a partial impression of how services are performing. However, in some areas, pressures are building and require a preventative focus. The Committee would therefore like the report to provide a snapshot of progress against priorities/aims on page 2 of the report.

Performance mechanisms

Members were reassured that self-assessment by services has improved and that mechanisms are in place should the balance of RAG outcomes for 'All Corporate Plan Steps' (page 10) be reported as unfavourable. We note the summary would be considered firstly by SMT, and that some big performance challenges would emerge on the SMT agenda. We understand this will be picked up by the new Cabinet Performance and Progress Team responsible for Delivering Capital Ambition, which in turn presents a challenge back to SMT. We note that quarterly monitoring issues of corporate significance are emerging earlier. We are pleased to be a part of the assessment of progress, and thank you for acknowledging that challenge from the

Committee is important within the process. We will, as you suggest, ensure any opportunity for improvement identified at Committee becomes a matter for discussion at the Committee's Performance Panel meetings.

My sincere thanks once again for the time you continue to commit to the scrutiny of performance. I would welcome a response to this letter.

Yours sincerely,

A handwritten signature in black ink that reads "David Walker". The signature is written in a cursive, flowing style.

COUNCILLOR DAVID WALKER
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Members of the Policy Review & Performance Scrutiny Committee
Christine Salter, Corporate Director Resources.
Joseph Reay, Head of Performance & Partnerships
Andrew Simms, Corporate Performance & Improvement Manager
Joanne Watkins, Cabinet Office Manager
Heather Warren, Cabinet Support Officer.

Mae'r dudalen hon yn wag yn fwriadol



Fy Nghyf / My Ref: CM40618

Dyddiad / Date: 3rd December 2018

Councillor David Walker
County Hall
Atlantic Wharf
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Annwyl/Dear Councillor Walker

PRAP - Q2 Performance

Thank you for your letter. As always, I found the Committee's comments regarding the Council's Quarter 2 Performance constructive and helpful.

I agree that the Council should continue to explore ways in which the financial and non-financial performance information of its services can be brought together to better represent an overall picture of performance. I will therefore ask officers from the Council's Corporate Performance and Finance teams to work together to develop an approach to performance reporting that further integrates the financial and non-financial performance of services. Clearly, this integration can only be taken so far, as the full detail of the financial performance of the Council is given through the budget monitoring reports that are reported to Cabinet on a regular basis.

It is recognised that Children's Services are continuing to experience considerable pressures. The Council has provided significant levels of additional funding to this area in recent years with a net increase to the budget of £5.8 million (11.86%) in 2018/19. Funding for Children's Services will continue to be a priority for the Cabinet, however specific decisions on funding must be taken as part of the overall Council budget, having regard to available resources and the full range of spending commitments.

As you are aware from our previous discussions, the Performance Report is a continually developing product and I therefore welcome your feedback with

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GWEITHIO DROS GAERDYDD, GWEITHIO DROSOCH CHI

Mae'r Cyngor yn croesawu gohebiaeth yn Gymraeg, Saesneg neu'n ddwyieithog. Byddwn yn cyfathrebu â chi yn ôl eich dewis, dim ond i chi roi gwybod i ni pa un sydd well gennych. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

WORKING FOR CARDIFF, WORKING FOR YOU

The Council welcomes correspondence in Welsh, English or bilingually. We will ensure that we communicate with you in the language of your choice, as long as you let us know which you prefer. Corresponding in Welsh will not lead to delay.

reference to how it can be improved. I will ask the Council's Corporate Performance Team to build in a summary of the type you suggest.

I look forward to continuing to work with you and the rest of the Committee's members on this topic in future.

Yn gywir
Yours sincerely



Councillor / Y Cynghorydd Chris Weaver
Cabinet Member for Finance, Modernisation & Performance
Aelod Cabnet dros Gyllid, Moderneiddio a Pherfformiad