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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, 20 CHWEFROR 2019, 1.30 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

9 **Gohebiaeth yn dilyn Cyfarfod y Pwyllgor** (*Tudalennau 3 - 12*)

Mae'r dudalen hon yn wag yn fwriadol

**SWYDDFA CYMORTH Y CABINET
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Fy Nghyf / My Ref : CM41079

Dyddiad / Date: 22 February 2019

Councillor David Walker
Chairperson – Policy Review and Performance Scrutiny Committee
Room 271
Atlantic Wharf
County Hall
Cardiff. CF10 4UW

Annwyl / Dear David

Policy Review & Performance Scrutiny Committee – 20 February 2019

Thank you for your letter dated 21 February 2019 and the useful comments raised. I can assure you that Cabinet was able to reflect on the points raised prior to our meeting on 21 February 2019.

I'd like to take this opportunity to thank the Committee for their role in developing the Corporate Plan, as well as the Chairs of all the other Scrutiny Committees in supporting the target setting exercise. I also welcome the fact that the Chair acknowledged the open and inclusive approach we have undertaken. I believe the approach can only strengthen the governance of the organisation and demonstrates why this Council is recognised as having one of the most progressive policy development and scrutiny arrangements in Wales.

In respect of the point that each Step needs a Performance Target, we do not believe there needs to be a one to one relationship, in all cases between, Steps and KPIs. Because it is not always appropriate to measure the progress made in delivering a step via a key performance indicator, the Council reports quarterly on the progress made against both the Steps and the KPIs within the Corporate Plan. For example, many of the Steps which relate to delivering major projects do not lend themselves to an organisational KPI. Furthermore, the significant improvement achieved in the Key Stage 4 Performance Indicator over the last 5 years cannot be directly attributed to any single Step, but a concerted body of work across a number of Steps. For these reasons a one to one relationship

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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.

Tudalen 3



between Steps and KPIs is not always the most appropriate way of tracking performance. However, where it is appropriate to include a KPI in relation to a Step, such as the number of Council Homes the Council has committed to delivering, then the Plan does include a corresponding KPI.

Improving the health and wellbeing of the citizens of Cardiff is one of the primary goals of Capital Ambition, with a particular focus on reducing the inequalities in health between our most and least prosperous communities. As discussed at the committee meeting, the Corporate Plan contains a wide range of commitments to address the wider determinants of health as defined by the Director of Public Health on behalf of the Cardiff PSB, including a focus on ensuring a good start in life, preventing violence and abuse, increasing and improving employment opportunities, improving the city's housing and its education system, creating strong and resilient communities with high quality parks and green space.

In addition to the above the plan contains a number of commitments in respect of encouraging health lifestyles. These include:

- Ambitious plans in relation to active travel including investing in walking and cycling infrastructure, expanding the successful NextBike scheme and ensuring all schools have active travel plans.
- A commitment to work with partners to increase participation in sport and physical activity
- The development of a Cardiff Food Strategy

As discussed at the Committee, the Director of Public Health is leading the development of a local response to the recently published healthy weight : healthy Wales consultation on behalf of the Cardiff PSB. I will seek to ensure that members have the opportunity to contribute to this work as it develops over the course of 2019.

Within your letter, you have requested several items of information. I have asked officers for the information in respect of cost and justification of agency work within Social Services and the other directorates. I have also asked the Head of Human Resources to provide the Committee with employee turnover rates and an overview of how posts are reviewed when they become vacant.

I would like to point out that all directorates are asked to identify savings of an equivalent level but it is at the discretion of each director as to how the savings target is allocated across their service having considered priorities and constraints. Over a period of time Cabinet Members work with directors, and collectively, to ensure that the savings proposed for consultation accord with cabinet priorities, service opportunities and pressures. In this way, the final savings proposals may not be consistent in quantum or proportion but are determined as fair and equitable across directorates within the financial constraints of the budget.

I repeat the point made at the meeting that Health & Safety appointed a dedicated training officer who as part of their duties will be able to provide training services to other customers thus delivering an income without an impact on the Council's Health & Safety service.

Your request that external consultant expenditure for the financial year would be useful to consider when scrutinising the following year's budget is noted and I will ask officers to note this for future years.

I note your view that the Review of Security costs saving proposal could be reduced in respect of its achievability risk rating and have asked officers to consider that amendment.

Having reflected on your views in respect of the savings proposals relating to both webcasting and ceasing the printing of papers for members and senior officers, I have asked that the savings proposals be mitigated during 2019/20 by a drawdown from the Governance & Legal Services earmarked reserve. The webcasting saving will be offset entirely in order to create time for new arrangements to be considered while the printing of papers saving will be supported by £6000 to enable officers to ensure that appropriate levels of printing can continue in 2019/20 while a longer term assessment of need is developed. This will enable officers to maximise the saving as much as possible but with recourse to the earmarked reserve where it is not possible.

I hope that this letter captures all the points raised in your letter and thank you again for your support in the budget process.

Yn gwyir/Yours sincerely

A handwritten signature in black ink, appearing to read 'C. Weaver', with a stylized, flowing script.

Y Cyngorydd/Councillor Christopher Weaver
Aelod Cabinet dros Gyllid, Moderneiddio a Pherfformiad/Cabinet member
for Finance, Modernisation & Performance

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Third block of faint, illegible text.

Fourth block of faint, illegible text.

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

Date: 21 February 2019



Councillors Huw Thomas
Leader, and Chris Weaver, Cabinet Member
Finance, Modernisation and Performance,
City of Cardiff Council
County Hall
Cardiff
CF10 4UW

Dear Huw & Chris,

Policy Review & Performance Scrutiny Committee: 20 February 2019.

As Chair I wish to pass on the thanks of the Policy Review and Performance Scrutiny Committee to you both for attending Committee yesterday to facilitate consideration of the draft Corporate Plan 2019-22 and the draft Budget Proposals 2019-20. We are grateful for the co-operation of the Directors and officers in attendance to answer Members' questions. This letter captures the observations and concerns of the Committee in a structure that reflects the Committee proceedings. Firstly, comments on the Corporate Plan, secondly on the overarching budget position and the Capital Strategy, followed by comments on the budget proposals of the specific service areas that fall within the terms of reference of this Committee.

Draft Corporate Plan 2019-22

The Committee welcomes the significant adjustments made to the Corporate Plan following Members comments and observations at the two previous scrutiny engagement sessions. The list of amendments you tabled provides us with important evidence of the impact of scrutiny. We feel that such a summary should become the future norm to summarise the accepted scrutiny input. At yesterday's meeting there was clear recognition by both Cabinet and PRAP Members of the value of effective collaboration between the Authority's strategic policy making and scrutiny functions. There are however a few further observations as follows:

We understand that the Corporate Plan cannot be all encompassing, however we would stress that we consider having a performance target where there is a Step to achieve is essential and that the link between them should be clearly shown.

The Committee considers there is an opportunity to capitalise on the Council's community role to improve the Plan's content in respect of healthy lifestyles. We note there is evidence of the Administration's commitment to healthy outcomes in areas such as active travel and we are pleased to hear that the PSB will be taking a lead on healthy lifestyles, but we feel the Council could perhaps play a bigger part in the healthy choices agenda through its community role and reference that in the Corporate Plan.

We note there has been progress in delivering Capital Ambition and this Corporate Plan demonstrates continuity. However, in our capacity as the scrutiny committee with responsibility for oversight of corporate improvement, we are reassured to hear that you are already looking ahead at how to further refresh the Corporate Plan.

Overarching Budget Proposals 2018-19

We note your comment that scrutiny of the budget has some value and has occasionally led to last minute adjustments. However this is rare and the timing of the Budget Scrutiny leaves little scope for changes unlike that of the Corporate Plan. We note the view that closing the budgetary gap of £34.2m this year is challenging and we offer the following observations, and request some additional information to assist in our work planning:

- The Committee would like a clearer picture of the budget allocated to the employment of agency workers. We note this is a significant issue for Social Care services particularly and request more information on the cost and justification for agency work from the Director of Social Services and the breakdown of agency costs in other directorates and its rationale.
- We would be grateful for additional information in respect of employee turnover rates and replacement policy.
- We note that you have been assured by officers that all anticipated savings are robust and achievable, even those risk assessed as red which led to some questions about the colour coding process. Savings rated as red risks should come with some detail of how the risk will be overcome or mitigated.

- In respect of the Financial Resilience Mechanism, we note this was created to deal with budgetary 'shocks' at annual budget setting, rather than use in year. If unused at the end of the year it is used for one off payments and is considered a useful mechanism.
- We have some concerns that smaller service areas are expected to deliver disproportionately large savings, such as the Governance and Legal Services Directorate compared with Waste management budgets. A good example is also line 91, the Policy, Performance and Research restructure where the service is delivering £204,000 saving on a £722,000 budget. This imbalance gives the appearance that some service areas are considered too difficult to modernise or may have industrial relations issues which the administration is reluctant to challenge. We urge fairness of treatment and consistency to ensure all areas of the Council are being treated similarly and contributing proportionally when large savings are needed.

Capital Strategy 2019/20

- The Committee found the presentation on the Council's Capital strategy highlighting the link between Capital and Revenue budgets a useful context to its scrutiny of the overall budget.
- The Committee had some concerns regarding how the Council assesses the robustness of capital resourcing. We heard the clarification that where the budget includes proposed capital expenditure then approval in principal is usually in place and no capital project proceeds without grant approval. We note that a delay in grant funding of capital projects can impact on decision making and decisions sometimes depend on what the Council is allowed to fund.

Resources Proposals

- We consider overall savings of 18% across the Resources Directorate to be high, but note that the Directorate has experienced similar levels of saving at the peak of previous budget cuts. It reinforces our previous point about savings not being consistent across the board.
- Line 82 – Generation of additional income within Health & Safety. The Committee notes that the generation of additional income through selling training expertise in asbestos removal is a case of spare capacity. We believe it is important to ensure a clear delineation between council work and income generating work for other bodies.
- Line 90 – Connect to Cardiff (C2C) Channel shift. We note your confidence that service users will move to automated interactions to allow the release of contact centre staff. We would caution this could also make services more accessible and simply increase total demand.
- Line 96 – Deletion of vacant Enterprise Architecture Posts. We expressed some concerns that appropriate expertise would be lost with the deletion of these posts, however note this follows a review and the creation of a Digital Delivery Team, and were interested to hear you are working closely with Microsoft.
- Members observed that it is unclear where in the budget papers Council expenditure on external consultants could be found. We note this would be within Directorate budgets, and that for the Resources Directorate they are relatively small sums such as the use of a Treasury Management Advisor. A total for all Council consultancy work in any financial year would be a useful figure to be able to scrutinise.

Economic Development Proposals

- Line 10 – Review of Security costs. The Committee is of the view that the achievability risk assessment of this saving should be reduced from Red-Amber.
- We have noted that the delivery of the 2020 Property Strategy presents the biggest challenge for property services. We look forward to scrutinising the Strategy, and suggest it may be useful from a Capital strategy perspective to produce an overarching asset strategy.

Governance & Legal Services Proposals

- The Committee supports the Cabinet's recognition of the cost of democracy and that savings in Democratic Services should be reflective of this.
- Line 76 – Review of Legal Services Staffing Resource. The Committee is interested in the number of agency lawyers the Council uses to maintain its legal services. We note there are just two, and were concerned to hear that despite productive recruitment exercises lawyers have chosen to leave within a short timescale, often creating a gap as Council employees are obliged to give one months' notice, whereas many incoming recruits are required to give three months' notice.
- Line 79 – Removal of Webcasting equipment from County Hall Council Chamber. Members are of the view that this is a relatively small saving compared with the level of inconvenience caused should Council need to be diverted from City Hall to County Hall, and removes flexibility. We are therefore pleased to hear that, as Council will need to be held at County Hall due to maintenance issues at City Hall, this saving will be delayed.
- Line 78 - Cease printing meeting agenda and reports for Councillors and Senior Officers. The Committee feels strongly that there are several instances where it is important that Members have access to hard copies. For example, budget scrutiny. Whereas many Members are happy to routinely receive

digital papers through Modern.Gov, all Members consider budget papers are the exception to the rule, and should be circulated in hard copy to enable successful cross referencing, and equip them with the tools to undertake good scrutiny. Additionally some Chairs of Committees with complex papers will always require hard copies, and in addition to the implications of the Equality Act 2010, some Members are uncomfortable with reading long documents digitally. We are therefore pleased to hear the Director of Governance and Legal Services will consider re-wording the proposed saving.

On behalf of the Committee and the Scrutiny service as a whole, I wish to acknowledge your commitment to engaging with the five Scrutiny Committees, both in respect of the Corporate Plan 2019-22 and of the Budget Proposals 2019-20. I look forward to an ongoing positive connection between Cabinet and Scrutiny, for the benefit of Cardiff citizens.

Yours sincerely,



COUNCILLOR DAVID WALKER
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Members of the Policy Review & Performance Scrutiny Committee
Paul Orders, Chief Executive
Christine Salter, Corporate Director Resources
Neil Hanratty, Director of Economic Development
Davina Fiore, Director of Governance & Legal Services
Philip Lenz, Chief Human Resources Officer
Ian Allwood, Head of Finance
Anil Hirani, OM Capital, Corporate & Treasury
Gareth Newell, Partnership and Community Engagement Manager
Dylan Owen, Head of Cabinet Office
Rita Rohman, PA to Corporate Director Resources
Joanne Watkins, Cabinet Support Office
Debi Said, PA to Leader