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CORRESPONDENCE FOLLOWING THE COMMITTEE MEETING

Committee POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

Date and Time of Meeting WEDNESDAY, 14 JULY 2021, 4.30 PM

Please find below correspondence send by the Committee Chair following the meeting, together with any responses received.

For any further details, please contact scrutinyviewpoints@cardiff.gov.uk

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Ref: PRAP/Correspondence/2021-22

Date: 15 July 2021



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Councillor Chris Weaver,
Cabinet Member, Finance, Performance & Modernisation
Cardiff Council,
County Hall,
Cardiff
CF10 4UW

Dear Chris,

PRAP 14 July 2021: Annual Well-being Report 2020/21

On behalf of the Policy Review and Performance Scrutiny Committee my thanks for standing in for the Leader to facilitate pre-decision scrutiny of the Annual Well-Being Report 2020-21. Please also pass on our thanks to the Chief Executive, Paul Orders, Gareth Newell and Dylan Owen for the very useful overview of the performance position and presentation of the context within which the performance framework is set. We offer the following comments and observations for your consideration. You will find our recommendations at the end of the letter.

Telling the performance story

Members note that you consider the Annual Well-being Report 2020-21 a balanced representation of performance however the Committee's general observation is that often the narrative refers to intended action rather than the current position, particularly where performance has been poor. We consider stronger linking of data to narrative would more effectively evidence the overall assessment, providing greater assurance that the report tells the complete story. If, for example, a service faces issues such as high sickness absence/workforce planning needs /cultural issues in the year reported then the Annual Well-being Report should reflect it in the narrative rather than focussing solely on positives and referring to all shortcomings and underperformance as 'challenges' without spelling out any detail.

Waste Management – key challenge

The Committee considers that Waste Management is both a prime Council service and a key performance problem facing the Council. Recycling targets have not been achieved this year and collections are being missed in large numbers on a weekly

basis leading to costly overtime and collection service delays. Sickness absence levels are also much higher than the Council norm. As such, Members focussed on the Waste Management and Street Scene service as a prime example of a 'performance story' not fully described or explained in this report. Some Members were concerned that a more fundamental overhaul of the portfolio than is currently underway may be necessary. We note the Chief Executive's view that the recent scale of service change is causing some 'rebalancing issues' and he considers that the new management team is 'on the right track'. However the narrative in the report fails to reflect the strains being felt on the ground.

Members are keen to join with the Environmental Scrutiny Committee for joint scrutiny of Waste Management. Members consider there is an opportunity for scrutiny to explore and hear residents' experiences of the service. We will therefore add it to our consideration for work programming and liaise with the Chair of Environmental Scrutiny, Councillor Patel. Members reported differing ward experiences of the service changes and acknowledge that it may be opportune to hold the in-depth joint scrutiny in the autumn.

Scrutiny's role in the Council's self-assessment.

The Scrutiny function recognises the importance of the process of organisational self-assessment. Members consider that there may be untapped areas of political and non-political stakeholder views that could give further assurance to self-assessment. In accepting the potential for a wider role for Scrutiny in performance assessment there are opportunities to define this involvement beyond the Performance Panel format, particularly as the new performance framework is rolled out in the autumn. We trust that the suggested offer to attend the Scrutiny Chairs Liaison Forum to pursue options for further timely and effective engagement will be taken up.

Clearly the Annual Well-being Report is a reference point for scrutiny work programming. We concur that deeper scrutiny of the challenges highlighted in the report should be a feature of scrutiny work throughout the year.

Managing the workforce

During the meeting several issues emerged related to managing the workforce. Firstly **recruitment**, as we enter a new phase of labour market recovery we note that

many Council services are affected by a labour shortages, from school counsellors to drivers, tradespeople and, as has been the case for some time, social workers.

The Committee is firmly of the view that the outturn **sickness absence** result should have been considerably lower than 8.6% given the numbers of employees working from home. We are therefore considering deeper scrutiny of sickness absence. You agreed that both policy and practice are worthy of a refresh and that this would be a suitable year to undertake such a review. We note the Chief Executive welcomed scrutiny interest in this issue which he is already strongly taking forward.

COVID-19

The Committee urges you to prepare for the possibility of further lockdowns in the battle against COVID-19. It is likely that numbers will increase with the relaxing of restrictions. We note you are in close discussion with Welsh Government and we feel the Council will need to prepare clear messages to support the business community particularly.

Benchmarking

The Committee considers an important part of self-assessment will be performance and cost comparisons with other authorities. Core cities have often been considered a reference point but cities in England of a similar size to Cardiff could have greater relevance. We note that the Council has previously commissioned the data unit at WLGA to research natural benchmarking comparators with Cardiff. We recommend that this work should be expedited and widened as suggested above.

Recommendations to be monitored following this scrutiny:

- That Cabinet ensures full officer and political support for a joint scrutiny of recent challenges and performance shortcomings within Waste management, to be held in autumn 2021.
- That Cabinet commences a high level and urgent review of sickness absence levels, reviewing policy and practice throughout the Council.
- The Council commissions the WLGA data unit to broaden previous research into providing a range of comparator authorities against which Cardiff can measure its progress and performance.

- In addition to established engagement with the Performance Panel, to define clearly Scrutiny's wider role in performance assessment in the new performance framework to be rolled out in autumn 2021, commencing with attending the Scrutiny Chairs Liaison Forum to explore possibilities in September 2021.

Once again, on behalf of the Committee, please pass my sincere thanks to all who attended PRAP Scrutiny Committee to assist us in consideration of the Annual Well-Being Report 2020-21. I would be grateful for a response to the recommendations proposed.

Yours sincerely,



COUNCILLOR DAVID WALKER
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Members of the Policy Review & Performance Scrutiny Committee
Councillor Huw Thomas, Leader
Cabinet Observers, Leaders of opposition groups
Paul Orders, Chief Executive
Chris Lee, Corporate Director Resources
Sarah McGill, Corporate Director People & Communities
Gareth Newell, Head of Partnerships and Performance
Dylan Owen, Head of Cabinet Office
Tim Gordon, Head of Communications
Gary Jones, Head of Democratic Services
Joanne Watkins, Cabinet Office Manager
Alison Taylor, Cabinet Support Officer
Andrea Redmond, Committee Support Officer

Date: 15 July 2021

Councillor Chris Weaver,
Cabinet Member Finance, Modernisation & Performance,
Cardiff Council,
County Hall,
Cardiff
CF10 4UW



Dear Chris,

PRAP: 14 July 2021 - Budget Strategy 2022/23 & Medium Term Financial Plan

Thank you for attending the Policy Review and Performance Scrutiny Committee to facilitate pre-decision scrutiny of the Budget Strategy for 2022/23. Would you also please pass Members' thanks to the officers in attendance. We note that the provisional and final settlement dates remain December and March respectively but that you are working on closing the budget gap earlier than in previous years. Members reflected on the strategy at the end of the meeting and wish to pass on the following observations.

Financial resilience

The COVID-19 risk assessment listing potential risks to Council budgets (*point 38 of the Cabinet report*) paints a challenging picture. The Committee considers that the £40m placed in reserves at the Outturn 2020/21 should mitigate against these issues, at least in part. However we note the Corporate Director Resources view that the monies placed in general reserves represent just 1.2% of the Council's gross budget and, whilst improving financial resilience, does not address the baseline budget challenges ahead.

Financial modelling

The Committee notes that the budget strategy 2022/23 has been modelled on an Aggregate External Finance settlement of 1%. We consider this is pessimistic in light of a 3.8% settlement in 2021/22. We note your view that it represents prudent modelling and that naturally you will continue to lobby Welsh Government. We are however interested in the trends and **request** that you advise the Committee of the AEF settlement percentages for the previous 5 years.

COVID-19

Members are unclear as to whether the Council has budgeted for a further lockdown, and specifically the risk of employee absence. We note that some monies received from the Welsh Government Hardship Fund in the latter part of last year would provide a level of financial resilience.

Hybrid Working

Where possible Council officers have been expected to work from home during the pandemic outbreak, and the hybrid working proposals seek to capture more flexibility, potentially requiring new contracts. Members consider new arrangements should not be foisted on employees and significant consultation is required. We note you intend to work with staff and there is a programme of engagement in place, including a video illustrating hybrid working that you offered to share with us.

Capital Receipts

The 2018/19 Capital Programme set a £40m target for non-earmarked receipts for the period 2018/19 - 2022/23. The Budget Strategy report states that just £7.8m has been generated in the three years to 31 March 2021 towards this target, leaving a balance of £33.139 million to be found. Members consider this is a significant risk to the Council's borrowing requirement and future revenue budget and are keen to establish how it will be rebalanced. We note that the Property Strategy, to be published in the autumn, will include an update on capital receipt projections and will also need to link closely with the Budget Strategy. We note also that £40m is a rolling target and, whilst the Corporate Director Resources is not confident that £40m is achievable this year, the target may be stretched further. We **request** full and timely pre-decision scrutiny of the Property Strategy and how it aligns with the Budget Strategy.

Efficiency Savings targets

The 2022/23 budget strategy is modelled largely on savings (£15million next year). Directorates are expected to deliver up to 2.5% efficiency savings with back office functions attracting higher targets. The Committee notes you will differentiate across directorates depending on demand for their services, whilst expecting all directorates to meet any pay increases within existing budgets.

Requests following this scrutiny:

- We are interested in trends and request that you advise the Committee of the AEF settlement percentages for the previous 5 years.
- A copy of the video illustrating hybrid working.
- Full and timely pre-decision scrutiny of the Property Strategy and how it aligns with the Budget Strategy.

My thanks once again for your continuing commitment to the scrutiny process. I would be grateful if you would consider the above comments and provide a response to the content of this letter.

Yours sincerely,



**COUNCILLOR DAVID WALKER
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc Members of the Policy Review & Performance Scrutiny Committee
Cabinet Observers, Leaders of opposition groups
Chris Lee, Corporate Director Resources
Ian Allwood, Head of Finance.
Anil Hirani, Operational Manager
Julie Richards, Operational Manager
Tim Gordon, Head of Communications
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Andrea Redman, Committee Support Officer

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