



County Hall
Cardiff
CF10 4UW
Tel: (029) 2087 2000

Neuadd y Sir
Caerdydd
CF10 4UW
Ffôn: (029) 2087 2000

GOHEBIAETH YN DILYN CYFARFOD Y PWYLLGOR

Pwyllgor PWYLLGOR CRAFFU ADOLYGU POLISI A CHRAFFU PERFFORMIAD

**Dyddiad ac amser
y cyfarfod** DYDD MAWRTH, 18 IONAWR 2022, 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

10 **Gohebiaeth yn dilyn Cyfarfod y Pwyllgor** (*Tudalennau 3 - 10*)

Mae'r dudalen hon yn wag yn fwriadol

Date: 20 January 2022

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



County Hall
Cardiff,
CF10 4UW
Tel: (029) 2087 2087

Neuadd y Sir
Caerdydd,
CF10 4UW
Ffôn: (029) 2087 2088

Dear Chris,

Policy Review & Performance Scrutiny Committee 18 January 2022

Further to your attendance at Committee earlier this week to update us on budget modelling following the provisional settlement and the 2022/23 budget consultation. I am grateful for your time and ask that you pass on Member's appreciation to Chris Lee, Corporate Director Resources and Gareth Newell, Head of Performance and Partnerships for presenting the position and answering Members questions at the online meeting. I have been asked to pass on Members' comments and observations as follows.

Budget update

In considering the Council's budget position and financial strategy Members note:

- a more positive than expected provisional settlement at 10.7% (£52.6m), and indicative settlements of 3.5% and 2.4% for the following two years respectively.
- the closure of the Covid Hardship Fund on 1st April 2022, and that the budget settlement encompasses all ongoing costs of Covid recovery.
- that based on the modelling, available resources currently exceed resource requirements by £8.999 million.

This provisional settlement has clearly been predicated on the basis that society will need to live with Covid moving forward and indicates that the Council must factor in the ongoing costs required to deal with the resulting budget pressures it causes. The Committee sought an indication of the likelihood that Council Tax will need to increase to deal with pressures and, if so, by how much. You stated that this is presently being reviewed, with a Cabinet decision due shortly. Views were expressed

that with the cessation of the Hardship Fund, communication with Welsh Government should remain open should there be an unexpected further Covid wave.

Whilst you were unable to confirm the position in respect of Council Tax, we note there will be no changes to the Council's modelling assumptions set out in your presentation with nil use of reserves; 4% Council Tax increase to be reviewed, and £9.123m efficiency savings. Members note your clarification that efficiency savings are now also expected from schools' budgets and that in previous years schools' budgets have often been protected. We also note Welsh Government support for Council Tax Benefit.

The Committee was concerned about the costs of Covid to date and noted that expenditure in 2020/21 was £47.7m and income loss was £38.2m. To November 2021/22, expenditure has been £18.7m and income loss £9.9m. Both these claims having included lock down periods.

We therefore welcome news of the better-than-expected settlement and that it will allow the Council to focus on efficiency savings and we look forward to scrutinising the draft proposals at our February meeting.

Budget consultation

The Committee notes the priorities identified in Ask Cardiff for 2022/23 were education, vulnerable children, vulnerable adults, recycling and waste services, street cleansing, homelessness and housing. We note there will be some projects that are still considered of benefit to the public even though Ask Cardiff identifies them as low priority. You acknowledged the importance of hearing from young people in deciding final priorities for the City and that you need to look for different ways to connect with this key groups.

Scrutiny engagement in budget consultation

The Ask Cardiff consultation has clearly become an indicator of public priorities through which the budget might be influenced. Late settlements and other budget consultation can limit the opportunity and scope to make any substantial budget changes resulting from the Ask Cardiff consultation. Some feedback next year on

budget changes which do result from the Ask Cardiff consultation would clarify its status.

The Committee re-iterates its request that pre-decision scrutiny of the full Ask Cardiff consultation is a planned stage in the decision-making process prior to publication. Without that stage PRAP is unable to offer any meaningful input into the consultation process so that bringing budget consultation to committee as a topic in its present form, lacks validity.

Finally, on behalf of the Committee, thank you for your continued support for the internal challenge of the Council's financial planning. This letter captures the observations and comments of Members and, as there are no formal recommendations, it does not require a response.

Yours sincerely,



COUNCILLOR DAVID WALKER
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Members of the Policy Review & Performance Scrutiny Committee;
Chris Lee, Corporate Director Resources;
Gareth Newell, Head of Performance and Partnerships; and
Mr David Hugh Thomas, Chair, Governance & Audit Committee
Chris Pyke, OM Governance & Audit
Tim Gordon, Head of Communications & External Relations
Jeremy Rhys, Assistant Head of Communications and External Affairs
Alison Taylor, Cabinet Support Officer
Joanne Watkins, Cabinet Business Manager;
Andrea Redmond, Committees Support Officer.

Mae'r dudalen hon yn wag yn fwriadol

Date: 20 January 2022



County Hall
Cardiff,
CF10 4UW
Tel: (029) 2087 2087

Neuadd y Sir
Caerdydd,
CF10 4UW
Ffôn: (029) 2087 2088

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

Dear Chris,

Policy Review & Performance Scrutiny Committee: 18 January 2022

Thank you for attending the Policy Review and Performance Scrutiny Committee for policy development scrutiny of the Council's Performance Management and Data Strategy. Would you also please pass Members' thanks to the Chief Executive, Paul Orders, Corporate Director Resources, Chris Lee, Head of Performance and Partnerships, Gareth Newell, Dylan Owen, Chris Lloyd and Kane Woodking who attended in support of this item.

Performance Management Framework

The Committee welcomed the new Planning and Performance Management Framework you have developed over the last 18 months, that has self-assessment at its core; we also welcome your recognition of the roles of Scrutiny and this Committee's Performance Panel in the new arrangements. Following discussion Members have asked that I relay some observations.

Robust performance dialogue

The Committee wishes to highlight the role of the PPDR process in the performance management framework and question whether it is sufficiently robust to support the new planning arrangements. You commented that the quality of conversations between managers and staff may need attention. There will be scope for directorates to encourage and expect such conversations on a more regular basis. We endorse the need for further guidance on regular informal but planned engagement with direct reports which could include both work output and well-being topics.

Members wish to reinforce the point that all managers will need to develop their performance evaluation and mentoring skills so that there is consistency in the quality and depth of conversations across the Council.

Tackling performance challenges

The Committee is keen to establish how Directorates will address performance challenges revealed by the quarterly snapshots, for example high absence levels, budget overspends or output delivery shortfalls. We note the top-down conversations that focus on the critical performance challenges represent a shift from the more bureaucratic quarterly performance reporting system. This will result in sharper conversations based on better performance reporting that clarifies the real issues. Exactly how this review process will operate within directorates will need to be clearly set out and explained so that it becomes the accepted norm.

External assessment

Members sought clarification as to the role and timing of the proposed Council-appointed external Performance Panel peer assessment. We note the assessment should take place at least once during an administration's tenure and will take the form of peer challenge to establish whether the Council has systems and processes in place that enable it to deliver its objectives and identify risks appropriately.

The Committee was informed that if a Council's performance is assessed to be of concern and there are increasing risk levels reported by the external Performance Panel, Welsh Government Ministers are able to apply sanctions or intervene directly.

The Council's own PRAP-led Performance Panel will continue to operate as it does presently, having different terms of reference to those of the external Panel referenced above.

Training for Members

Members highlighted the value of bespoke training to ensure Scrutiny Members are familiar with the performance reporting framework and how to drill down and access information to inform their lines of enquiry in preparation for scrutiny. We therefore urge that you factor this into the Members' induction programme planned for post-election.

Budget and Performance reporting alignment

This Committee has previously encouraged closer alignment of budget and performance reporting. We note there will continue to be separate monitoring reports. However, the Council has moved to ensure that review discussions, particularly with those responsible for substantial budgets, include discussion of the manager's financial goals and their achievement alongside other performance data. It is your intention to continue developing the further integration of financial and performance review and reporting.

We note that where Directorates are over-spending, the Chief Executive will expect a plan of action from the Director, and that typically there will be 4-5 performance areas requiring intervention following high level discussions. Alongside this we heard of a move to ensure that Directors and their senior reports are fully aware of their agreed spending limits and their accountability for keeping within them.

Data Strategy

The Committee welcomed the possibilities created by the new style of reporting performance information based on sound collection and use of data. We heard that controls will be put in place to ensure data is held safely.

Sharing public service data

Whilst Members are pleased that the performance management framework is up and running internally, they wish to emphasise the potentially huge benefits ahead if public services succeed in sharing their data. This is particularly and strategically important in establishing a '*single view of the child*'. We note a project to achieve such sharing of data is underway led by the Council and, notwithstanding the complexities and problems which will be encountered, within 18 months-2 years we can look forward to it coming to fruition.

Comparability of service delivery

Members wish to highlight that the past few years of homeworking by Council staff has revealed some disparity of responsiveness and effectiveness across Council service areas. There have been some performance improvements but also some perceived falling levels of service delivery unrelated to Covid constraints. We would

like to see that the new data system has the capacity to measure and report performance effectively. Where there are high levels of homeworking it will be important to track progress to ensure a level of comparability across all services in the maintenance or improvement of performance. Members are also aware of service areas which have used the recent crisis to innovate and positively adapt ways of working, but this is not seen as having been a consistent process across the board.

Timelines

The Committee noted that prioritising data for use in the Performance Management Framework will be driven forward during 2022. We note it will potentially take up to a further year to integrate all internal data sets and embed the processes. There are currently skill shortages and a need to train the network of performance and data management leads within the Council.

My sincere thanks once again for the time you commit to the scrutiny of Council performance. As this letter conveys the Committee's concerns and observations but makes no formal recommendations I will not expect a response.

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
Chris Lee, Corporate Director Resources
Gareth Newell, Head of Performance & Partnerships
Dylan Owen, OM Policy & Improvement
Chris Lloyd, Enterprise Systems & Data Manager
Kane Woodking, Senior Business Analyst
Mr David Hugh Thomas, Chair, Governance & Audit Committee
Chris Pyke, OM Governance & Audit
Tim Gordon, Head of Communications & External Relations
Jeremy Rhys, Assistant Head of Communications and External Affairs
Joanne Watkins, Cabinet Office Manager
Alison Taylor, Cabinet Support Officer
Andrea Redmond, Committees Services Officer