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CORRESPONDENCE FOLLOWING THE COMMITTEE MEETING

Committee POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

Date and Time of Meeting TUESDAY, 18 OCTOBER 2022, 5.00 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

10 **Correspondence following Committee Meeting**(Pages 3 - 18)

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Date: 20 October 2022

Councillor Huw Thomas, Leader
 Councillor Chris Weaver,
 Cabinet Member, Finance, Performance & Modernisation
 Cardiff Council,
 County Hall,
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Dear Huw & Chris,

PRAP 18 October 2022: Annual Well-being Report 2021/22

On behalf of the Policy Review and Performance Scrutiny Committee thank you for facilitating pre-decision scrutiny of the Annual Well-Being Report 2021/22. Please also pass on our thanks to the Chief Executive, Corporate Directors and Head of Performance for the presentation and overview of end-of-year performance. We offer the following comments and observations for your consideration. You will find our requests and recommendations at the end of the letter.

An improved performance framework

The Committee recognises that there have been many successes in 2021/22, however notes the big challenges highlighted in the Annual Well-being Plan; increasing demand in Children and Adult Services; recycling rates; cost-of-living pressures; and the overall financial position. We are therefore reassured that the Council has in place an improved, more effective, performance framework, together with a robust self- assessment procedure based on a broad number of data sources that enables a balanced assessment of performance.

Inherent uncertainty

The Committee notes that the next 6 months will present significant financial challenges and will require a significant savings programme, identifying efficiencies that align with clear guidance from the Cabinet to protect the vulnerable, vital services and support the workforce. We note that at this time of considerable uncertainty the strategy is considered the right one in planning for the worst-case scenario. Major demand issues, work pressures, interest rate and energy price increases mean that in setting a budget this year the Council is facing inherent uncertainty, and this Committee is keen to assist in the budget setting journey as solutions are explored.

Supporting the workforce

Members are concerned that the workforce faces many additional pressures, not least from the uncertainty of the Council's budget position. We note that you will continue to provide well-being services and encourage management visibility. You reassured us that the Council has in place structures to reassure staff, to maintain good communications, drawing on and enhancing existing well-being services. We support working more closely with trade unions and stress the importance of setting out how staff can expect to be treated.

Members unanimously support the importance of constructive industrial relations. We note you will analyse of the outcome of the Council's request to staff for expressions of interest in voluntary redundancy and **request** that you write to the Committee with details, keeping Members advised of the likelihood of compulsory redundancies.

Arts & Culture

Members consider it important that the Well-being Plan supports residents of all ages and avoids working in silos. The Committee considers that an opportunity has been missed within the Well-being Plan to acknowledge the impact that Arts and Culture can have on general well-being. Current references and indicators for Arts and Culture are focussed on economic development rather than well-being and Members **recommend** that you give more thought to this.

Members would also like to see more focus on the quality of footways, given the Active Travel aspirations.

Customer satisfaction

The Committee re-iterated the concern of the Performance Panel that customer satisfaction with Council services in 2021/22 is 47% against a target of 70% for 2021/22 (WBO 7.17). We are concerned that levels of satisfaction have fallen by 20% and are at their lowest level in 5 years. We note this represents a general trend across public service organisations and you would like to see an improvement.

Improving accessibility

This was the Committee's first consideration of the Annual Well-being Plan, and as such Members commented that the volume and complexity of information had been somewhat overwhelming. Given that scrutiny of significant corporate planning documents falls within this Committee's Terms of Reference and many Members are

new to the Committee, we would welcome the opportunity to engage in a more accessible way, that allows more focus on performance detail.

Requests following this scrutiny:

- That you share the outcome of the Council's request for expressions of interest in voluntary redundancy with the Committee, keeping Members advised of the likelihood of compulsory redundancies.

Recommendations to be monitored following this scrutiny:

To summarise, the Committee makes one formal recommendation, set out below. As part of the response to this letter I would be grateful if you could state whether the recommendation is accepted, partially accepted or not accepted and summarise the Cabinet's response. If the recommendation is accepted or partially accepted I would also be grateful if you could identify the responsible officer and provide an action date. This will ensure that progress can be monitored as part of the approach agreed by Cabinet in December 2020.

Recommendation	Accepted, Partially Accepted or Not Accepted	Cabinet Response	Responsible Officer	Action Date
That Cabinet considers the impact that Arts and Culture can have on community well-being as well as on economic development and reflects this in future Well-being Plans.				

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 2021/22. I would be grateful for a response to the request and recommendation proposed.

Yours sincerely,



**COUNCILLOR JOEL WILLIAMS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc Members of the Policy Review & Performance Scrutiny Committee
Leaders of Opposition Parties – Adrian Robson, Rhys Taylor & Andrea Gibson
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
Chris Pyke, OM Governance & Audit;
Tim Gordon, Head of Communications
Jeremy Rhys, Assistant Head of Communications and External Affairs
Gary Jones, Head of Democratic Services
Joanne Watkins, Cabinet Office Manager
Debi Said, Cabinet Support Officer
Alison Taylor, Cabinet Support Officer
Andrea Redmond, Committee Support Officer

Date: 20 October 2022

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

PRAP Scrutiny Committee 18 October 2022: Budget Update 2023/24

Thank you for your attendance at Committee on 18 October 2022 to update Members on the budget position as you plan for 2023/24. Please also pass on my appreciation to the Chief Executive, Chris Lee and Ian Allwood for supporting the scrutiny, we value your attendance in-person. Members have asked me to pass on their comments and observations following discussion.

Closing the gap

The Committee acknowledges the significant increase in the budget gap forecast since July 2022, and that the scale of the challenge to close the gap is much greater than in recent years. Members are therefore keen to establish what the implications are for Council Tax in light of the forecast £53m budget gap. We note that Council Tax alone cannot close the gap needed to continue services as they are currently delivered, and savings will need to be identified. We are, however, interested in more information on what percentage of the gap will be closed through increased income, staff reductions and efficiencies savings respectively. We note this is currently under discussion and wish to highlight that we are at this stage unclear about what the gap will mean for shaping council services. We appreciate you are doing the best in difficult circumstances; however, the Committee wishes to be a part of the journey toward setting a balanced budget and we therefore **request** further information that provides us with:

- Greater detail about the modelling you are applying to identify the savings required;
- A better sense of Cabinet's spending priorities;
- More detail on the table included at point 22 of the Cabinet report, and whether you have factored market volatility into the revised figures.

Capital Programme

The Committee has programmed a closer look at the implications for the Capital Programme from the current financial position, given the economic challenges of increasing interest rates and building costs. We note that all projects have gone through a robust business case and are subject to continual review. We note also that there will be important costs to factor in if the cost of borrowing continues to increase and projects do not proceed as planned. In preparing for our scrutiny in November we **request** that you provide us with details of all capital projects, setting out clearly the associated costs, together with information on the treasury management position.

Employee consultation

Members are pleased to hear there is a clear commitment on both sides to working in partnership with trade unions, given the gravity of the situation.

Welsh Government

The Committee is keen to ensure that Welsh Government has full understanding of the financial pressures the Council is working within. We are reassured there are frequent conversations at officer and political levels, and that you take every opportunity to flag the financial position with high level officials and Ministers, and through the WLGA. We note the mid-December announcement of the provisional settlement, that you are still working on an all-Wales increase of 3.5%, and there is the possibility of a further indication on all Wales funding within the fiscal statement due on 31st October 2022. Members would therefore welcome your views following the statement at our next meeting.

School reserves

Members are keen to establish that the Council has a good understanding of the reasons some Cardiff schools may hold large financial reserves. We note discussions on schools' financial plans are currently feeding into the Council's budget planning conversations.

HMRC

The Committee highlighted the risk of the Council facing large items of expenditure, such as the ongoing review within Waste Management by HMRC. Whilst we note all

potential levers will be explored, we are concerned as to how the Council will meet as yet unquantified sums and as Chair I wish to **request** a confidential briefing on the current position.

Housing Revenue Account

Members wish to place on record their recognition that increases in rent will not only place greater pressure on council tenants in the cost-of-living crisis, but there will also in turn be pressure on council income from the Housing Revenue Account.

Requests following this scrutiny

The Committee is requesting further information that provides us with:

- Greater detail about the modelling applied to identify the savings required;
- A better sense of Cabinet's spending priorities;
- More detail on the table included at point 22 of the Cabinet report, and whether you have factored market volatility into the revised figures.

In addition, we request that:

- In preparation for our scrutiny of the Capital Programme in November you provide us with details of all capital projects, with the associated costs clearly set out, together with information on the treasury management position.
- The Committee receives a response to its letter following scrutiny of the budget strategy in July 2022, which requested further examination as to whether the Council is experiencing higher inflationary challenges in council expenditure compared to the macro average.

Finally, on behalf of the Committee, I thank you, Chris and Ian for keeping the Committee informed on this important issue. I look forward to further budget scrutiny in November 2022, and to your response.

Yours sincerely,



**COUNCILLOR JOEL WILLIAMS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc Members of the Policy Review & Performance Scrutiny Committee;
Leaders of Opposition Parties – Adrian Robson, Rhys Taylor & Andrea Gibson
Paul Orders, Chief Executive;
Chris Lee, Corporate Director Resources;
Ian Allwood, Head of Finance;
Chris Pyke, OM Governance & Audit;
Tim Gordon, Head of Communications & External Relations;
Jeremy Rhys, Assistant Head of Communications and External Affairs;
Gary Jones, Head of Democratic Services;
Alison Taylor, Cabinet Support Officer;
Joanne Watkins, Cabinet Business Manager;
Andrea Redmond, Committees Support Officer.

Date: 20 October 2022

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

PRAP Scrutiny Committee 18 October 2022: Socially Responsible Procurement Strategy

Thank you for attending Committee on 18 October 2022 to share the new Socially Responsible Procurement Strategy. Please also pass on my appreciation to Chris Lee and Steve Robinson, the Committee particularly welcomed their in-person attendance. Members have asked me to pass on their comments and observations following discussion.

An excellent & exciting strategy

The Committee unanimously welcome this strategy. We congratulate you on an excellent, concise and exciting piece of work, clearly written and laid out, and focussed on the right seven objectives. We are assured that you have a level of resource resilience, due to contracts held with other local authorities, however the Committee is keen to support the success of this strategy, and we offer a few observations we consider would improve the effectiveness of its implementation as follows.

Tangible examples

In future we would like to hear tangible examples of what could be done or has been achieved in the form of real stories of socially responsible procurement. We look forward to you capturing these in your next annual report.

Small versus medium enterprises

In relation to SME's, we consider there is a significant difference between a small company of around 5 employees and a medium size company of around 250 employees. Therefore, we urge that you look more closely at the data and further analyse the size of businesses bidding for council contracts. We note your aspiration

that small business becomes a focus throughout the term of this strategy, and you will be looking at ways to support small business through supply chains.

Minority communities

Members pointed to the increasing numbers of minority communities in Cardiff and businesses owned by members of those communities. We note that current systems do not provide the Council with information as to the ethnicity of business ownership and those bidding for contracts. We are therefore **recommending** that the Council analyses how effectively its procurement strategy is in reaching businesses within minority communities.

Similarly, we urge you to look closely at the barriers that might be preventing third sector locally based organisations accessing the procurement opportunities for Council contracts. We therefore welcome your plan to update the *Selling to the Council Guide*.

Cultural shift & organisation buy-in

The Committee feels it is vital to achieve whole organisation buy-in to the socially responsible procurement approach, as it has the potential to impact on all corporate strategies. As such, you will need a good internal communications strategy to achieve a cultural shift.

Recommendations following this scrutiny:

To summarise, the Committee makes one formal recommendation which is set out below. As part of the response to this letter I would be grateful if you could state whether the recommendation is accepted, partially accepted or not accepted and summarise the Cabinet's response. If the recommendation is accepted or partially accepted, I would also be grateful if you could identify the responsible officer and provide an action date. This will ensure that progress can be monitored as part of the approach agreed by Cabinet in December 2020.

Recommendation	Accepted, Partially Accepted or Not Accepted	Cabinet Response	Responsible Officer	Action Date
That the Council analyses how effectively its procurement strategy is reaching businesses within minority communities, and third sector organisations, looking closely at the barriers that prevent these stakeholders bidding for Council contracts.				

Once again, on behalf of the Committee, I thank you and the officers for facilitating the internal challenge of important issues that can improve the quality of services the Council is delivering to its customers. I look forward to your response.

Yours sincerely,



**COUNCILLOR JOEL WILLIAMS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc Members of the Policy Review & Performance Scrutiny Committee;
 Leaders of Opposition Parties – Adrian Robson, Rhys Taylor & Andrea Gibson
 Chris Lee, Corporate Director Resources;
 Steve Robinson, Head of Commissioning & Procurement;
 Chris Pyke, OM Governance & Audit;
 Gary Jones, Head of Democratic Services;
 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.

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Date: 27 October 2022

Councillor Huw Thomas,
Chair, Cardiff Public Services Board
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Dear Huw,

Policy Review & Performance Scrutiny Committee: 18 October 2022

The Policy Review and Performance Scrutiny Committee welcomed the opportunity to consider the Cardiff Public Services Board (PSB) Annual Report 2021/22 and to engage with the draft Well-being Plan 2023/28. As Chair, Members have asked that I thank you for attending, and also that you pass on our appreciation to Charles Janczewski (UHB), Alun Michael (PCC), Paul Orders and Gareth Newell, for their comprehensive presentation of progress and responses to our questions and comments. We offer the following observations and recommendations for the Boards consideration and response.

Building a culture of trust

The Committee was reassured to hear all partners speak in positive terms of the strength, benefits and effectiveness of the PSB, particularly as a vehicle to facilitate understanding, and to powerfully convene public sector organisations to practically solve system issues. We noted the Cardiff PSB culture means new members of the partnership feel welcomed, and Members consider that significant trust has developed between PSB partners. This was in clear evidence during the scrutiny and should result in positive contributions from all partners going forward.

Interface with Welsh Government and Future Generations Commissioner

All Members welcomed partnership working as the way ahead. We were assured that the interface between the PSB, Welsh Government and the Future Generations Commissioner (FGC) is considered appropriate. This is strengthened by positive access to Ministers on key issues, enjoyed by all partners, in addition to the PSB

channels of communication. Partners consider access to government ministers is notably better than in other areas of the UK, commenting that frank conversations with officials across Welsh Government have been a positive development of PSB pandemic working. We note that the unified presentation of challenges the partnership faces has led to a new phase of maturity in the development of relations between PSB's and Welsh Government. We therefore recommend that the culture and successes of all PSB's across Wales are celebrated by Welsh Government and the FGC, and where good practice is in clear evidence it is shared.

Public profile of the PSB

The Committee explored public understanding of the PSB, we feel the Board does not currently have a public profile. We note that the PCC considers improvement within communities is the most important, rather than a high profile for the PSB itself. The PCC reflected that, at its best, the PSB should be invisible, as its work is evident in communities despite the public being unaware of work behind the scenes to secure improvement. However, Members consider the PSB needs to celebrate its collaborative successes more visibly, particularly where a significant public challenge has been overcome.

Well-being Plan 2023/28 Consultation

The Committee is keen to ensure that the consultation approach for the Well-being Plan 2023/28 secures a good level of response and has a clear strategy for mitigating a low response, particularly from minority communities. We note that achieving a good response to any consultation on a strategy document is a particular challenge. We note also that your officers have met individually with ward Councillors to better understand individual community needs, networks and groups. This is a good approach.

However, given the disproportionate impact on minority populations and increasing diversity in the population, the PSB is well placed to broaden the reach of the consultation. We urge that the recommendations and work of the Race Equality Taskforce, created by the Council, are taken forward by the wider public sector, and we wholeheartedly commend the Council to lead on sharing the findings of the Taskforce with its partners.

Members therefore urge you to continue the quest to improve the quality of data held on minority populations to support consultation reach and ensure we have enough data to plan ahead effectively. We request clarification of your plans to mitigate communities that do not engage.

Workforce

Members were interested to hear all partners in agreement that there had been no fall in demand for public services over the summer months of 2022, as would usually be the case; across the public sector summer demand has felt like winter demand. This has highlighted the dual challenges of workforce and finance. Both UHB and PCC reported they face significant recruitment challenges, due to both Covid sickness and stress. We were therefore assured that the PSB is delivering a joint response to workforce pressures, and work is ongoing to analyse comparative terms and conditions between partners.

Measuring progress

The Committee is re-assured that you will continue to measure progress on all indicators in the Well-being Plan and maintain a live City Dashboard that will enable the tracking of 55 indicators within the Well-being Report at any point in time.

Recommendations following this scrutiny:

We commend the work of the PSB. To re-cap the recommendations in our letter:

- That the culture and successes of all PSB's are celebrated by Welsh Government and the FGC, and where good practice is in clear evidence it is shared across Wales.
- That the collaborative successes of the PSB are celebrated more visibly, particularly where a significant public challenge has been overcome.
- That you continue to improve the quality of data held on minority populations to support consultation reach, clarify your plans to mitigate for communities that do not engage, and ensure we have enough data to plan ahead effectively.

Once again, on behalf of the PRAP Scrutiny Committee the attendance of yourself and key partners to assist us in our consideration of the Cardiff PSB Annual Report 2021/22 is much appreciated. I look forward to the Board's response.

Yours sincerely,



COUNCILLOR JOEL WILLIAMS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Members of the Policy Review & Performance Scrutiny Committee,
Charles Janczewski, Vice Chair of Cardiff PSB, C&V UHB,
Alun Michael, South Wales Police & Crime Commissioner,
Paul Orders, Chief Executive, Cardiff Council,
Gareth Newell, Head of Partnerships and Performance, Cardiff Council,
Minister for Housing and Local Government,
Future Generations Commissioner for Wales,
Auditor General for Wales,
Andrea Redmond, Committee Support Officer,
Debi Said, Cabinet Support Officer
Joanne Watkins, Cabinet Office Manager