



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

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

CORRESPONDENCE FOLLOWING THE COMMITTEE MEETING

Committee POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

Date and Time of Meeting TUESDAY, 8 SEPTEMBER 2015, 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

12 **Correspondence following the Committee Meeting**

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

Date: 14 September 2015

Councillor Graham Hinchey,
Cabinet Member, Corporate Service & Performance,
Cardiff Council,
County Hall
Cardiff
CF10 4UW



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Ffôn: (029) 2087 2088

Dear Councillor Hinchey,

Policy Review & Performance Scrutiny Committee: 8 September 2015
Wales Audit Office Improvement Report 2014/15

Following consideration of the Wales Audit Office (WAO) Annual Improvement Report 2014/15 Members have asked that, as Chair, I thank you for your attendance at the Policy Review & Performance Scrutiny Committee on 8 September 2015, and pass on their comments and observations.

The Committee noted that the WAO consider this is a pivotal point for the Council, having been through many changes, and that inspectors look forward to returning to the Council in October, when it will be important that the Council demonstrates how it has progressed over the last year. WAO made clear that the Council will need to evidence that it has moved on, and Members were therefore pleased to hear that the Chief Executive feels the Council can demonstrate a high level of self-awareness as it prepares for the Follow-on Review of its Corporate Assessment 2014.

Overall Members felt the Annual Improvement Report 2014/15 was good, but feel there is a need for both Welsh Government and WAO to demonstrate greater awareness of the financial challenges the Council faces in its role as economic driver of the region. They were pleased to hear WAO accept that Cardiff's city profile was an important factor, and they take on board its view that effective governance and communications in place will enable important messages, such as Cardiff's contribution to the regional economy, to surface through effective scrutiny.

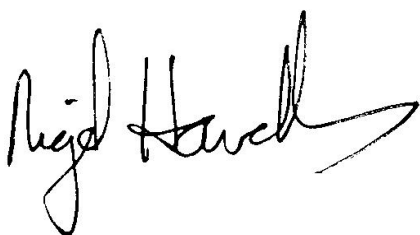
The Members therefore wish to acknowledge the useful role played when internal scrutiny and external regulators work together to identify risk and seek improvement, and urge that you pursue with Welsh Government re-consideration of the level of business rates available to the Council, to ensure it is able to offer a good package of services that retains Cardiff's attractiveness as a City in which to invest and live.

To re-cap, the Committee:

- wishes to add its weight to the WAO message that effective governance and communications in place will enable important messages, such as Cardiff's contribution to the regional economy, to surface through effective scrutiny;
- urges you to pursue with Welsh Government re-consideration of the level of business rates available to the Council.

Once again thank you for attending Committee. The Members are committed to playing an effective part in the Council's improvement journey, and wish you well for the Corporate Assessment Review one year on. The Committee has programmed consideration of the Auditor General's view as to whether or not the Council is likely to improve for early in the New Year.

Yours sincerely,



COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Members of the Policy Review & Performance Scrutiny Committee;
Non Jenkins, Local Government Manager WAO;
Chris Pugh, Performance Audit Lead, WAO;
Paul Orders, Chief Executive;
Christine Salter, Corporate Director Resources;
Vivienne Pearson, Improvement & Information Manager;
Gareth Newell, Operational Manager, Business & Investment;
Joanne Watkins, Cabinet Business Manager;
Matt Swindell, Principal Administrative Officer.

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Dear Councillor Hinchey,

**Policy Review & Performance Scrutiny Committee: 8 September 2015
Statutory Annual Improvement Report 2014-15**

On behalf of the Policy Review & Performance Scrutiny Committee my sincere thanks for facilitating consideration of the Council's Statutory Improvement Plan 2014-15 on 8 September 2015. The Members have reflected on the scrutiny and wish to pass on the comments and observations set out below. The Committee found the Chief Executive's clear overview of Corporate Performance useful context in relation to scrutiny of both the Statutory Improvement Report and Quarter 1 Performance 2015/16, on which I have written to you separately.

Overall the Committee agrees with the Chief Executive that the Council's comparative position is not good. The Members consider that, notwithstanding Cardiff's city issues, the performance picture of Cardiff compared with urban authorities such as Newport and RCT is unattractive for City Councillors. The Committee acknowledges good progress on many indicators and they accept that when social services indicators are removed then 70% of the Councils performance indicators have improved. They also note that, when focussing in on Performance Indicators, such as '*my local authority is good at letting people know how it is performing*' several authorities score similarly to Cardiff. However, in light of the WAO comments the Committee considers it worrying that 66% of missed targets relate to Children's Services, and are particularly concerned to hear that in just 4 key indicators for this service the Council has improved its standing.

Members were therefore pleased that the Chief Executive is confident in expecting better headlines next year, and that, as Cabinet Member for performance, you feel

the Council has come a long way in the last 2-3, years illustrated by the improved staff survey response. They accept that the annual media assessment of Local Authority performance is a crude mechanism and note there is some evidence of a possible move away from Performance Indicators by Welsh Government. The Committee notes your commitment to policy priorities however wishes to endorse the Chief Executive's view of the importance that Members understand the nuances of policy decisions and the impact those decisions might have on performance indicators.

The Members feel the Improvement Plan could better address the quality of Council services delivered as it is important to assess improvements in quality, and not simply tick a box against an action. More generally they question the validity of tick box questionnaires in terms of the quality of data that materialises, and in this respect they question the usefulness of the Cardiff Debate approach. They agree with the Chief Executive that further work is required as to what is important to our customers and have therefore programmed a customer themed scrutiny for their December meeting.

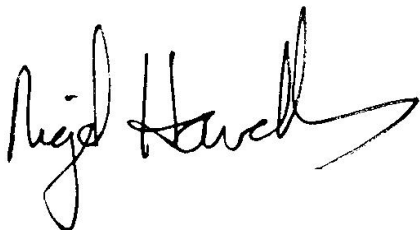
Finally, the Committee wishes to support the Chief Executive's aspiration for a review of the Key Performance Indicators and, whilst they do not consider the complexity of the City, the relevancy of performance information, or the conflicting nature of KPI's reasons for missing targets, Members consider the indicators could be improved with a greater emphasis on qualitative rather than quantitative measurement. The Committee wishes to contribute to the review by undertaking a piece of work that examines the KPI's in detail, and as such will programme further consideration on its work programme.

To re-cap, the Committee will:

- be looking for a notable improvement in Cardiff's comparative position in September 2016;
- programme a customer themed scrutiny for their December meeting;
- undertake a piece of work that examines the KPI's in detail, and as such will programme further consideration on its work programme;

Once again thank you for attending Committee. Please would you pass on our thanks to the Chief Executive and the senior team of officers who facilitated scrutiny of the Statutory Improvement Plan 2014-15.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nigel Howells', with a stylized flourish at the end.

**COUNCILLOR NIGEL HOWELLS
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;
Vivienne Pearson, Improvement & Information Manager;
Gareth Newell, Operational Manager, Business & Investment;
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Dear Councillor Hinchey,

**Policy Review & Performance Scrutiny Committee: 8 September 2015
Quarter 1 Performance 2015/16**

Thank you for attending Committee on 8 September 2015 to present the Council's Quarter 1 performance 2015/16 to Members of the Policy Review & Performance Scrutiny Committee. As Chair I have been asked to pass on the Members comments and observations raised during discussion at the Way Forward.

Generally the Committee notes with interest the many improvements highlighted during the scrutiny, particularly improved sickness absence levels, falling numbers of complaints and increasing staff survey response rates; and Members are pleased to hear that senior managers consider the current corporate plan objectives to be the tightest ever and the position at quarter 1 a secure one. They balance this positive view with some concerns around Adult Social Care and Childrens Services performance, work required in Education around school governors and looked after children, and agree that the Organisational Development Programme remains a critical vehicle for improving performance.

More specifically, Members expressed concern that staff costs in all Directorates other than the Resources Directorate are currently overspent at this early point in the financial year. Of particular concern is the level of overspend on agency budgets. Members were therefore reassured to hear the Corporate Director Resources state that such overspends can be recovered and she would hope to project a balanced budget by quarter 4 2015/16.

The Committee would welcome more statistical information around comparative demographics across authorities, and wish to take up the Chief Executive's offer to share with them the Cardiff & Vale UHB analysis of needs.

Members were concerned that only 77% of Members enquiries to the City Operations Directorate were responded to on time, significantly lower than other Directorates. Whilst they note your explanation that it relates to changes in waste management arrangements, the lack of comparative data for previous quarters means it is not possible to assess whether the Members Enquiries service is improving. The Committee therefore requests that future quarterly monitoring reports provide comparator information for at least the previous quarter.

We are pleased that the Challenge Forum and Star Chamber approaches remain in place, and that Group Leaders have been added to the Terms of Reference of the Challenge Forum as a result of a previous scrutiny request.

Members feel there is some confusion around senior responsibility for Adult Social Care performance, and note the Chief Executive's confirmation that Director of Social Services, Tony Young is responsible and there is in fact an internal project where Directors are working together to address variances in the budget and the achievement of savings. (pages 10-16)

As the Committee with responsibility for scrutinising the performance of the Resources Directorate, Members noted that a series of service reviews undertaken last year have helped in mitigating the level of risk of having less staff, but that the Resources Directorate will need more staff if the Council implements the Alternative Delivery Model. They also agreed with the Chief Executive that corporate services, such as Human Resources, Legal and Finance Services generally need relieving of requests for service from Directorates on low level service issues.

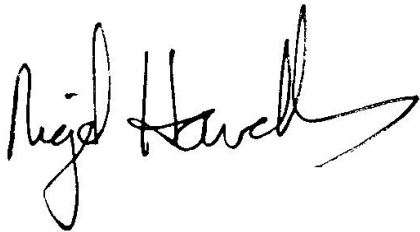
To re-cap, the Committee :

- Will be looking for an improvement in recovering the overspend on staff budgets when it next monitors performance.

- Wish to receive more statistical information around comparative demographics across authorities, and look forward to you sharing the Cardiff & Vale UHB analysis of needs.
- Support the Organisational Development Programme as a critical vehicle for improving performance and will continue to monitor progress closely.
- Requests that future quarterly monitoring reports provide comparator information for at least the previous quarter to enable assessment of whether the Members Enquiries service is improving.

Finally, on behalf of the Committee, I wish to thank you and the officers for your continued support for the internal challenge of important issues that can improve the quality of services the Council is delivering to its customers.

Yours sincerely,



COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

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