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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, 15 CHWEFROR 2017, 10.00 AM

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@cardiff.gov.uk

7 **Gohebiaeth yn dilyn Cyfarfod y Pwyllgor** (*Tudalennau 1 - 6*)

Mae'r dudalen hon yn wag yn fwriadol

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

Date: 15 February 2017

Councillor Phil Bale
Leader
City of Cardiff Council
County Hall
Cardiff
CF10 4UW



Dear Councillor Bale

Policy Review & Performance Scrutiny Committee: 15 February 2017.

On behalf of the Policy Review and Performance Scrutiny Committee sincere thanks for attending Committee yesterday together with Councillors Hinchey and De'Ath to facilitate consideration of the draft Corporate Plan 2017-19 and the draft Budget Proposals 2017-18. The Committee is grateful for your time, and for the co-operation of all 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, including the budget consultation, 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 2017-19

The Committee wishes to re-iterate its approval of the new, more straightforward, approach to the Corporate Plan. Members are pleased that you appear to have responded to our comments following policy development scrutiny in January. Whilst we note officer views that there is a way to go in securing a fully uniform approach to how measures are set, we acknowledge the extensive number of new commitments in the Plan, and that many of these commitments evidence the application of the well-being ways of working. We commend the Plan, whilst drawing your attention to the following specific comments and observations:

Members were pleased to clarify that the Corporate Plan has escalated the Council's commitment in respect of NEETS to a new well-being objective (3.3) in its own right, reflecting the links to an economy that benefits all citizens in more positive terminology.

The Committee was seeking evidence of where the Corporate Plan has been strengthened to make the connection with the Well-being Plan. We note that the Well-being of Future Generations Act has driven specific changes and shifts in the Corporate Plan, and that the Well-being Plan is incomplete at this point.

The Committee notes that page 10 of the Plan indicates Cardiff's projected population growth for 2014-34 is 26%. Some Members feel that the forecast increase in population has not been sufficiently factored into the new Corporate Plan detail. The Committee was therefore pleased to receive reassurance that the figures used are validated by Welsh Government. We acknowledge that population growth is a matter central to the focus of both the Public Services Board, and indeed to all new collaborative work, such as the City Deal. We also acknowledge that the Council, in planning services, does not have the benefit of early notice of its settlement from Welsh Government, adding a complexity to how the organisation plans for such a population increase.

Members refer you specifically to the Priority 4 'Working Together to Transform Services' section of the Plan. We consider there is an opportunity to illustrate here how the Council would transform services over the next three years.

Importantly, and a recurring theme of Members questions, was the need to ensure the Corporate Plan addresses public concerns, and that the Council focuses on the visibility of public services. We thank you for your offer to consider incorporating any indicators the Committee might wish to suggest within the Plan.

The Committee understands the Corporate Plan is a finite size, high-level document. However, we feel there is little context of how targets have been set within the Plan. We accept that such detail will be within Directorate Delivery Plans, and concur there is scope for greater scrutiny of Directorate Plans in the future.

Overarching Budget Proposals 2017-18

The Committee notes that the figure of £1.5million found from reserves to support the budget is the result of a three-stage analysis/review of earmarked reserves: those no longer required; those that can be reduced; and those no longer fit for purpose. We also note that overall reserves are comparatively low in Cardiff at £36million.

Members are a little concerned that £6million of the proposed budget savings have a risk assessment achievability of Red/Amber. We accept not all risks are the Council's risks, some risks involve our partners, are legal, or regulatory. We note the contingency is set at £3million, and this year it reflects due diligence applied throughout budget setting. Members were also reassured that 93% of savings have detailed plans in place for their delivery.

Members are keen to establish whether any savings themed '2nd and 3rd year of previous savings' have been written off; and whether the £5million proposed savings in social services are achievable.

The Committee feels that, given the significant schools maintenance backlog, it is surprising that budget planning has not targeted those specific schools with budget deficits. We are pleased to note these schools now have recovery plans in place and, in fact, some late changes have been made to the budget in respect of schools maintenance.

Members consider that there is a lack of clarity in the budget papers where services will be affected this year (2017/18) by the loss of one off financial resilience funding provided in the previous budget year (2016/17). For example, the £50,000 one-off allocation to Scrutiny in 2016/17. The Committee feels such examples should be listed clearly in budget papers. We therefore wish to recommend that future budget papers include a list highlighting such impact on services

Budget Consultation 2017/18– Changes for Cardiff

The Committee respectfully highlights that there were just 2,520 responses to the bespoke budget consultation – Changes for Cardiff- during November and December 2016. This response rate constitutes less than 1% of Cardiff's current population. Of particular concern to us is that the responses were skewed towards North and West Cardiff. We are also concerned about those groups whose views are under-represented. We are therefore pleased to hear that more targeted focus group work, together with the consultation work underway to satisfy the Well-being of Future Generations needs assessment requirements, will address the deficit. Our concern is whether the Council can have confidence in the results with such a low response rate, and that fundamentally the Council may not be getting value out of the survey in its current format. Members agree that the survey is one element used in the planning of services, and that its robustness is improved by direct public contact at venues such as supermarkets, in areas of the City from which the response has been poor.

Resources Proposals

The Committee was most interested in the budget proposal to introduce trainee apprenticeships in the Council. Members would appreciate further clarification on a number of matters as follows: how these new apprenticeships differ from the Council's existing two-year apprenticeships; and whether an individual is allowed to undertake more than one traineeship.

We understand from officers that there is no guarantee of a job at the end of a trainee apprenticeship. Members feel strongly that they should benefit the Council as well as the individual, and that the cost of training should not be an automatic loss to the Council at the end of the traineeship, should the trainee move directly to another organisation for example.

The Committee has a variety of concerns about ICT. Firstly, that budget arrangements make no provision for the depreciation of ICT assets. Secondly, that the Resources Directorate is downsizing whilst also supporting new technical requirements. Thirdly, whether the Council is currently creating savings from ICT solutions, and finally, that unresolved issues around CRM/SAP are delaying improvements the Council wishes to make. We will be interested in the future budget implications of resolving the CRM issues.

We note your explanation that the Council encourages employers and contractors it works with to adopt the living wage. Members would be grateful for more clarity on the definition of the Cardiff Living wage as compared with the National Living wage.

The Committee is keen to encourage the Council to consider further Robotic Process Automation (RPA), acknowledging that this has already been introduced successfully in some services such as Council Tax data input.

Economic Development Proposals

The Committee wishes to make an observation as to the general performance of the Economic Development Directorate. Given the span of the Directorate, and therefore Cabinet responsibility, Members consider a coherent strategic approach and ownership of this Directorate is complex. We take on board your view that breaking down barriers is a critical approach of the Council, and that you consider it is important that Scrutiny Committees embrace a similar approach.

Members consider that the commercialisation targets in this Directorate are moderate. We note that security services and building cleaning processes will be further analysed over time, but at present realistic targets are required. We acknowledge the officers explanation of the moderate savings, that the Directorate's total budget is £75million, of which £62million is income.

The Committee is seeking reassurance that line 47 of the Capital Programme – £200,000 to meet the capital expenditure implications and accommodation rationalisation is adequate.

Additionally the Members are concerned that the £100,000 allocation for Community Asset Transfers (line 48) to community groups may not be sufficient to enable the Council's aspiration to make Communities more self-sufficient. We note that in reality much lower sums are allocated (eg £5,000 - £10,000).

Governance & Legal Services Proposals

The Committee was pleased to hear the Cabinet Member is confident the proposed savings within this Directorate can be made without making an impact on public services. We note there has been a line-by-line review of the Directorate's budget and welcome the proposal to increase the Members support service.

Members note accountants are currently working to centralise external legal support budgets, and the Committee would be grateful to receive an indication of the Council's total legal spend, when it becomes available. Officers clarified there will be improved commissioning and procurement of legal advice where necessary, and legal work will be undertaken more cost effectively in-house. Legal teams are currently overstretched, and we note that in taking this approach some risk will transfer to legal services. It is hoped therefore that over time a reserve can be built to mitigate such risk.

The Committee is interested that there have been informal discussions with other authorities to collaborate on legal services provision, and note the officer's view that this would entail significant start-up costs to deliver a shared service.

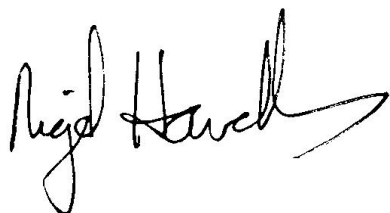
Members take on board that the centralisation of external legal spend will have particular benefits in respect of children's legal work. We understand the aspiration is to create two trainee solicitor posts, with the intention of developing the Council's internal expertise. This particular area of legal practice has become front loaded with strict time limits, leading to issues of recruitment for local authorities. We note therefore that the Director anticipates some difficulty recruiting experienced legal experts in this field.

Members were initially delighted to see that Scrutiny budgets appeared unaffected by the review and budget proposals. However, we take on board your explanation that, in fact Scrutiny will be affected, as there was a one off financial resilience commitment in the 2016/17 budget whilst the service was reviewed. Our principal concern as mentioned above is that, had we not asked this question, it would not have been evident within these budget papers.

The Committee is keen to understand how core business can be successfully maintained whilst also delivering efficiencies. We note the proposal includes widespread use of electronic papers, and particularly changes to the volume of hard copy papers distributed to Members in relation to items such as Planning Guidance.

May I thank you once again for the time you and your Cabinet have committed to enable scrutiny consideration of the Corporate Plan 2017-19 and Budget Proposals 2017-18 at all five Scrutiny Committees this week.

Yours sincerely



COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Councillor Graham Hinchey, Cabinet Member Corporate Services & Performance
Councillor Dan De'Ath, Cabinet Member Skills, Safety, Engagement & Democracy
Paul Orders, Chief Executive
Christine Salter, Section 151 Officer
Neil Hanratty, Director of Economic Development
Davina Fiore, Director of Governance & Legal Services
Joseph Reay, Head of Performance & Partnerships
Philip Lenz, Chief Human Resources Officer
Ian Allwood, Head of Finance
Tara King, Assistant Director, Commercial
Gareth Newell, Partnership and Community Engagement Manager
Dylan Owen, Head of Cabinet Office
Claire Deguara, Cabinet Support Office
Naomi Evans, PA to Leader
Members of the Policy Review & Performance Scrutiny Committee