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AGENDA

Committee	POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE
Date and Time of Meeting	TUESDAY, 31 MARCH 2015, 4.30 PM
Venue	COMMITTEE ROOM 4 - COUNTY HALL
Membership	Councillor Howells (Chair) Councillors Cowan, Goodway, Hunt, Lloyd, Love, McGarry, Murphy and Walker

Time approx.

1 **Apologies for Absence**

To receive apologies for absence.

2 **Declarations of Interest**

To be made at the start of the agenda item in question, in accordance with the Members' Code of Conduct.

3 **Minutes (To Follow) (Pages 1 - 18)**

To approve as a correct record the minutes of the meetings held on 9 February (attached) and 3 March 2015. (To Follow)

4 **Organisational Development Programme: Progress Report** (Pages 19 - 70)

4.35 pm

- (a) Councillor Graham Hinchey, Cabinet Member for Corporate Services and Performance, has been invited to attend for this item and may wish to make a statement;
- (b) Paul Orders, Chief Executive; Christine Salter, Corporate Director Resources; Sarah McGill, Director of Communities, Housing and Customer Services; Martin Hamilton, Chief Officer, Change & Improvement; and Barry Quirk, Peer Advisor Cardiff Challenge Forum, will be in attendance for this item;
- (c) Questions by Members of the Committee.

- 5 Welsh Government White Paper 'Reforming Local Government: Power to Local People' - Pre Decision Scrutiny** *(Pages 71 - 76)* 5.35 pm
- (a) Councillor Phil Bale, Leader, has been invited to attend for this item and may wish to make a statement.
 - (b) Marie Rosenthal, County Clerk and Monitoring Officer; and Gareth Newell, Cabinet Support, will be in attendance for this item;
 - (c) Questions by members of the Committee.
- 6 Improving Scrutiny Project** *(Pages 77 - 86)* 6.05 pm
- (a) Councillor Daniel De'Ath, Cabinet Member Safety, Engagement and Democracy, has been invited to attend for this item and may wish to make a statement.
 - (b) Marie Rosenthal, County Clerk and Monitoring Officer; and Paul Keeping, Operational Manager Scrutiny Services, will be in attendance for this item;
 - (c) Questions by members of the Committee.
- 7 Way Forward** 6.30 pm
- (a) Organisational Development Programme: Progress Report
 - (b) Cabinet Response - White Paper 'Reforming Local Government: Power to Local People'
 - (c) Improving Scrutiny Project
- 8 Correspondence - Information Report** *(Pages 87 - 114)* 6.50 pm
- 9 Date of next meeting**
- The next meeting is scheduled for 12 May 2015 at 4.30pm

Date of next meeting - Tuesday, 12 May 2015

Marie Rosenthal

County Clerk & Monitoring Officer

Date: Date Not Specified

Contact: Andrea Redmond, 029 2087 2434, a.redmond@cardiff.gov.uk

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

9 FEBRUARY 2015

Present: County Councillor Howells(Chairperson)
County Councillors Cowan, Goodway, Lloyd, McGarry, Murphy
and Walker

27 : APOLOGIES FOR ABSENCE

Councillors Hunt and Love

28 : DECLARATIONS OF INTEREST

The Chairperson advised Members that they had a responsibility under Article 16 of the Members Code of Conduct to declare any interests and complete Personal Interest Forms at the commencement of the agenda item in question.

The Chairperson reminded Members that if they had completed Annual Forms there was still a need to disclose any interest. Members were asked when declaring an interest to clearly inform the meeting of the interest in question, to complete a form and to indicate if they were withdrawing from the meeting.

29 : MINUTES

The Minutes of the meeting held on 6 January 2015 were approved as a correct record.

30 : CORPORATE PLAN 2015 - 2017

The Chairperson welcomed The Leader of the Council, Councillor Phil Bale, Paul Orders, Chief Executive and Martin Hamilton, Chief Officer Change and Improvement.

The Chairperson informed the Committee that this item gave Members the chance to consider the draft 2015-2017 Corporate Plan. The Committee's role was to consider the overall structure and direction of the Plan as the Council's main strategic document. It could also test the links between the Plan and the specific services which came under its remit, which Members could do when Cabinet Members and Directors later addressed Committee.

The Chairperson invited Councillor Bale to make a statement.

Councillor Bale explained this was a further opportunity for the Committee to scrutinise the Corporate Plan before a decision on the plan was taken in March, and further to the Committee's initial consideration of the Plan in December 2014. The Plan also provide information to prepare corporate planning undertaken in Cardiff with that undertaken in Core Cities, as Committee had requested.

The Committee received a presentation from Martin Hamilton which outlined the following:

- Development of Corporate Plan 2015 - 2017
- Hierarchy of Plans
- What Matters Outcomes
- Priorities: What we need to achieve
- Key Terms
- Stakeholder Engagement
- Challenge Forum Feedback
- Benchmark Data Rigorous Target Setting.

The Chairperson thanked Martin Hamilton for the informative presentation and invited Members to ask questions.

The Committee were pleased to have this opportunity to scrutinise the Corporate Plan and this was an opportunity to scrutinise the plan's values and priorities.

Members of the Committee were advised that the Corporate Plan reflected and responded to the Wales Audit Office's recommendations. The refreshed Plan would include a glossary of terms to address Wales Audit Office criticism in relation to confusion between "outcomes" and "objectives" and would be subject to an extensive programme of stakeholder engagement. The Plan would be finalised and adopted in March 2015 enabling Members to provide greater focus on the Plan.

The Committee was concerned with the dynamics of the Plan, drawing attention to the drivers behind the Plan reflecting Council Policy within its financial parameters. Members were of the view the Corporate Plan should reflect the budget with its aspirations set out accordingly. Members of the Committee saw the Corporate Plan as a document driven fundamentally by political and organisational priorities, and the budget as a companion document illustrating how those priorities would be put into practice.

Members were advised that the association between political and organisation priorities and the availability of resources would always be close and it was recognised that finance would inevitably be a factor in constraining ambitions. The Corporate Plan and Budget were developed hand in hand. To date focus was being directed towards achieving a balanced budget and finalisation of the Corporate Plan would follow in March 2015.

The Committee was concerned with the reliance being placed on the outcomes of the Cardiff Debate. This type of consultation process was not considered robust enough to obtain a wide-ranging collection of public opinion and could not be used as a reliable decision making tool.

The Committee was assured that this type of public consultation was part of the budget process and would be built into the narrative. Online public consultation was relied upon when setting last year's budget and the Cardiff Debate was an innovative method's to achieve public opinion and feedback, not simply a PR exercise.

Members of the Committee explained they had limited confidence in the Cardiff Debate, feeling that the process was not sufficiently rigorous. Members of the Committee acknowledged that 4,000 people had responded to the Cardiff Debate over six weeks, whereas in comparison 2,600 had voted in the Rhiwbina Community

Poll in a few hours. This lent weight to the view that the Cardiff Debate was not representative of the views of the entire population of Cardiff.

The Committee drew attention to Core Cities priorities and asked if Cardiff had signed up to the Core Cities local income tax scheme, or was an alternative solution being considered. In response it was advised that the introduction of a local income tax scheme was solely to be considered for English local authorities..

The Leader of the Council emphasised the importance of the Cardiff Debate as a mechanism to raise public awareness throughout the city, providing the public with an opportunity to have input into the budget process and be alerted to the challenges the Council faced. Community Groups had also been involved in the consultation process and their input was critical. Engagement overall was seen as supportive and both comments and feedback would be taken forward as one aspect of the evidence base.

The Committee made reference to the Challenge Forum and was concerned that information, especially minutes from the Challenge Forum had not been made available to the Committee. It was essential for Committee Members to see evidence of work being undertaken at the Challenge Forum as these outcomes and results would be built into the final Corporate Plan.

Martin Hamilton confirmed to the Committee that issues discussed at the Challenge Forum would be presented to Committee from Quarter 3 performance monitoring in March 2015.

Members of the Committee were pleased with the narrative in the "What Matters" Agenda and asked if a commitment was being maintained to support Adult Learners achieving their full potential. The Committee was reminded that priorities were essential and in some cases certain targets might be realigned for a particular period. In this financial climate flexibility was vital and indicators could vary.

The Committee continued to show concern with the synergy between the Corporate Plan and the Budget. They were of the view that commitments should firstly be agreed, followed by agreement of the budget in order to deliver these obligations. This current Plan could not support that process and was therefore seen as an aspirational document that relied on current financial circumstances. A Member considered that the Plan lacked vision and that the policies of the Council were not clearly or robustly set out in the Plan enough to be delivered.

Christine Salter explained that both the Corporate Plan and the Budget were being developed concurrently and a mapping exercise had been carried out to ensure the financial deliverability of the priorities.

Reference was made to overall Council performance against statutory indicators, with 44% of the measures being in the bottom quartile in Wales. Therefore, 66% of these statutory indicators were failing. Finally, further information was required on performance target tools and techniques being applied across the Council to improve these outcomes in key areas and how managers were being made accountable.

Martin Hamilton explained that Directorate Delivery Plans had been drafted and implemented across the Council to contribute towards improvement. The Personal

Performance Development Review programme had been established to analyse personal performance and achievements through implementation of this robust monitoring process, which recorded evidence of poor performance and under achievement.

The Leader of the Council explained the Corporate Plan was fundamentally prioritised towards partnership working in order to deliver and sustain valuable Council services. It was critical in this current financial environment that all partnership options be considered, and that reliance should be placed on outcomes rather than process.

The Committee was advised that Improving Council Performance had been set at March 2016 in order to implement a stronger compliance regime. The dynamics of the organisation would also be different then, and this would allow a leaner workforce time to adapt to these circumstances. Due to the improvements taking time to be realised March 2016 was envisaged as a milestone for this priority. Improvement was already beginning to take effect in some areas and this was being developed upon. PPDR compliance was rising and managers were developing robust monitoring tools to improve this ethos across the Council. This process was also being monitored by the Wales Audit Office and it was essential that improvement be a key driver for the organisation.

The Committee emphasised the importance of managerial accountability and how this could sometimes be lost in large organisations. Independent inspections carried out in the Council had recognised this failing and this was an issue that needed attention when measuring and applying robust performance practices and procedures.

RESOLVED: The Committee AGREED to outline the following:

- The Committee noted that the Plan would be finalised and adopted in March rather than at its traditional February slot, for the reasons set out by Martin Hamilton at the meeting that this would enable Members to provide greater focus on the Plan than would have been possible if it was subsumed within the wider Budget debate.
- The Committee asked to see the final draft Plan in March, partly to check that the observations of this and the other scrutiny committees have been taken on board in the final document, and partly to consider whether any significant changes have been made that could require fresh scrutiny.
- Members were keen to test the synergy between the Corporate Plan and Budget Proposals, and considered how far the Plan had shaped the budget proposals, or been shaped by them. Members heard that the relationship between political and organisation priorities and the availability of resources will always be a close one, and recognised that finance would inevitably be a factor in constraining an Administration's ambition. In point of principle the Committee sees a Corporate Plan as a document driven fundamentally by political and organisational priorities, and the Budget as a companion document illustrating how those priorities will be put into practice.

- Members noted a previous request for a suitable mechanism for issues discussed at the Challenge Forum to be reported back to the Scrutiny Committee. Members were pleased to have it confirmed by Martin Hamilton that this could begin from Quarter 3 performance monitoring in March 2015.
- Members also noted Martin's agreement with a Member's suggestion that inclusion of an indication of achievement of 2014/15 targets could be a useful addition to the Plan, and look forward to seeing how this manifests itself in the final draft.
- In recent months Committee has grown increasingly interested in the imperative for managers to hit agreed performance and financial targets, and the steps the Council could take to hold managers to account for these. Members were pleased to hear the Chief Executive allude to a range of tools available to him within the Council's performance management approach to achieve this. Recognising that over the passage of time there will be fewer "easy" options for the Council to reliably generate savings (and fewer resources to stretch performance targets) Committee felt that it would become more and more important to make use of these tools. To help deliver its role in challenging performance the Committee would like the Chief Executive to return to a future meeting to provide more detail on how this approach would manifest itself in the coming year, to discuss this in greater detail.
- Colleagues in Children and Young People Scrutiny Committee have already discussed in outline with the Cabinet Member for Education and Skills their wish to explore lessons to be learned from the recent Estyn inspection of Eastern High School. In terms of corporate performance management this Committee would also be interested to understand the steps being taken by the Council to address Estyn's concerns about governance and performance at the High School.

31 : BUDGET PROPOSALS 2015/2016

The Chairperson welcomed the Leader of the Council, Councillor Phil Bale, Councillor Graham Hinchey, Cabinet Member for Corporate Services and Performance and Christine Salter, Corporate Director Resources.

The Chairperson reminded Members that the Committee was unique in its twofold role in scrutinising the budget proposals. Firstly it can consider the proposals from a corporate point of view in terms of how they align to the Council's priorities. The Committee should also test the processes, consultation and assessment which the proposals have been subject to. Secondly the Committee can consider specific services' proposals how they align to the Corporate Plan and their impact on service delivery.

The Item would be split into two parts:

- An overview of the 2015/16 budget proposals from Councillor Hinchey and Christine Salter;
- Scrutiny of the Directorates which come under PRAP's remit with Cabinet Members and Directors.

Councillor Hinchey explained that it had been difficult to achieve a balanced budget. Some risks still remained, and a number of additional pressures had been identified relating to emerging directorate financial pressures. Work was ongoing with the Trade Unions in order to work in partnership on a programme of reform, known as the Partnership for Change Agenda. An in-principle capitalisation direction had been approved from Welsh Government which eased some of the pressures to a certain extent. The Medium Term Outlook was worsening and therefore it was essential to drive forward the Organisational Development Programme in order to re-design services and reshape services to achieve future objectives.

The Committee received a presentation on the Cabinet Draft Budget Proposals for 2015/16.

Members of the Committee noted that the 2014/15 savings target is expected to be underachieved by £7M, before the use of the £4M budgeted contingency .

Christine Salter drew attention to the Budget Strategy Planning Assumption – Balance Sheet Review, advising that £595k from Council Tax bad debt provision could be released following recent performance, and from an updated approach to the calculation method (based on the number of years arrears were classed as collectable).

Angie Shiels, GMB Union provided the following statement:

“GMB recognises the difficult position the Council is in, with savage cuts being forced on all Councils throughout the UK. Wales has for sometime been cushioned from these, however, we are now beginning to feel their impact.

There has been much talk across the city about the budget, with campaigns being set up to voice the community’s dissatisfaction at some proposals.

Libraries and Youth services, being two of the most vocal and, whilst we applaud our colleagues’ efforts, passion and commitment, there appears to be a group of our society which has been left without a voice - that of the most vulnerable in our society, the elderly.

The proposal to shut 4 day centres for the elderly, many with Alzheimer’s / dementia is at best misguided at worse obscene. The report provided from Health and Social Care makes much of provisions they are "looking at" and their "potential": what it does not say is what will happen to the 239 service users.

You simply do not stop a critical service like this until you are assured that you have a robust provision in place. The GMB does not believe that this has been illustrated in any reports. “Maybe”, “might”, “could happen” are simply not acceptable when a proposal of this magnitude is being tabled.

When you cease to provide a service like this, you do not just stop it for the main service user; you remove respite time for the carers. Carers save the economy billions, unpaid hard work, providing for their loved ones at home.

However, providing that care takes its toil. When a loved one attends a service such as we have in our day services, carers know that their loved ones are in save hands,

familiar surroundings, allowing the carer a few hours to be free of the intense responsibility that being a carer brings. Maybe a few hours needed, sleep a coffee with a friend, to you and I this may seem of little significance. Believe me, it makes all the difference.

Withdrawing this service may bring about an increase on the demands of our mental health service for carers who are already under too much pressure and many problems associated with depression. We implore the Council, do not cast our elderly aside, do not leave them even more vulnerable than they are already. They may not be able to March on County Hall; they may not be able to set up a campaign. They may not be able to express their concerns due to their medical condition, however, as a Council who prides itself on being decent, fair and protective of our most vulnerable, please be the voice of compassion and reject these short-sighted proposals.

The Drug and Alcohol Team again is a service providing a crucial service for vulnerable adults. Many of you will have seen articles in the press from concerned citizens. This cut in this service again is short sighted; the counselling service does incredible work and is an immeasurable preventive tool. A small sum of money compared to some cuts that keeps service users on the road to recovery. Although unpalatable to many, drug and alcohol abuse are illnesses and as such need the resources to help our service users.

Welsh Government has given CCC an additional £2.8 million. Also an additional £400,000 was found. Many of our members and non members deliver the above services; they are already being told their jobs are going, we cannot see why the additional funds on top of the autumn settlement of additional £10 million cannot go towards saving crucial life saving services.

Youth Services provide crucial support to the youth of the city. The Peer Review stated quite clearly that youngsters who are NEET should be prioritised; it does not appear that this recommendation is being taken on board. It is all well and good to say communities will take over services. There is no evidential support for this. The youth are our future, they need investing in, serious and careful consideration needs to be taken, a disenfranchised youth, is a disenfranchised future for the City.

The Cardiff Debate had significant resources in digital advertising, social media, Capital Times etc, but out of 330,000+ citizens only 4,00 responded. GMB are concerned that although well intentioned, it is profoundly naive to put one's faith in the assumption that volunteers will step forward to offer quality provisions and services. The Council offer support for taking over buildings, people being TUPE'd over, however, a sound business case both practical on service delivery and, also on sound financial basis needs to be provided.

Our members' jobs maybe affected, we cannot stand by and let them be part of some kind of Lost Horizon dream, where Shangri-La exists. People's pay, sickness, annual leave pension rights, payroll HR implications, all need clarification. We cannot allow for our services to be taken over by well-intentioned groups, who are not able to deliver. The Council has a duty to scrutinise especially where people's jobs are concerned.

GMB along with other unions have been consulted on varying projects that the Council are looking at in order to deliver services more effectively. Organisational Development was something we could not see measurable outcomes to begin with. We became rather suspicious, however, having had some in-depth discussions, we applaud the work of the OD team, in particular the pilot of the neighbourhood, cleansing/parks etc... Our members have engaged and, are informing the project proactively on how we can have in-house services. This is proper partnership working. Keeping services in-house, using technology, shared ideas, working to a 21st Council. This type of partnership working is one we embrace, it stops salami slicing, it helps deliver quality services, in a joined up fashion.”

The Chairperson thanked the GMB official for the informative presentation and invited the Committee to ask questions.

Following a question in respect of the name of the council, the Committee was advised that the legal title of the Council had not changed.

Members were reminded of the Wales Audit Office Corporate Assessment which identified issues of concern in respect of: “Uncertain prospect for achieving proposed savings from 2014/15 and responding to future funding levels”. It was recognised the current savings targets would not be achieved and this was undergoing constant scrutiny. An exercise had been carried out to assess why the savings were not being achieved in the current year and whether there was any impact on 2015/16. This had concluded that there was an issue with £217k and this had been added to the resource required for the 2015/16 budget but , there was no technical reason why the remainder of the savings could not realised. This was an example of the enhanced work being undertaken which would provide evidence to help address the Wales Audit Office comments in the Corporate Assessment..

Committee Members sought further information on the proposal to close Day Centres particularly in respect of support for those with dementia, the consultation that had been undertaken and future care provision to support this. In response Angie Shiels explained that a number of staff employed in specialist day centres were in the process of facing redeployment. There was no specific structure relating to the future of these services and no plans in place to support service users if these cuts were made. It was suggested that some miscommunication might have taken place with affected staff in Day Services and at Splott Play Centre to suggest to them that decisions had already been taken at an officer level that services would cease, prior to a political decision being made. Christine Salter outlined the agreed process for consulting staff at risk of being impacted by budget proposals.

Members of the Committee were advised that subject to review, the initial budget position was for £2.5M to be used via the Capitalisation Direction. As part of the Balance Sheet Review the Council Tax bad debt provision would release £595k for 2015/16 although this was a one-off adjustment and would need to be replaced in respect of 2016/17.

Members of the Committee continued to be concerned with issues raised by the GMB Union. A motion on Dementia Friends at Council had been carried, which should therefore be reflected in Council Policy. This type of service was essential for both carers and service users and to date this did not appear to have been recognised by the Council. It was acknowledged there was an increase in demand in

Health, Social Care and Wellbeing, but this was not unusual and this type of service provision continued to call for increased service delivery, which was not being adhered to.

CS assured Members of the Committee that a thorough consultation exercise had taken place in respect of day centres. The budget line had initially outlined £800k saving but following a due diligence exercise this figure was amended to £400k to reflect timing implications. All staff affected by these proposals were fully consulted upon and engaged in the consultation exercise. All Directors were asked to fully engage with staff affected by these budget proposals and this had been taken forward. The demand pressures on the Health & Social Care service was reflected in the realignment of £3.2million, but as a result of the demographical increase expected next year this trend of the need for increased funding would continue .

The Committee drew attention to the following statement relayed in the Corporate Director of Resources' presentation:

The Budget Report for 2015/16 will include the following message:

“As set out in the July 2014 Budget Strategy Report it is important to reiterate the materiality of the service choice ahead of the Council. In particular, anything other than a radical reduction and reset of the Council's services will over the life of the MTFP term lead to financial resilience issues for the Council. Against this backdrop members will need to consider whether the choices made to date are commensurate with the scale of the financial challenge ahead” – Section 151 Officer.

Members were extremely concerned with the above statement provided by the Section 151 Officer and asked if there was a possibility of the Council setting an illegal budget for 2015/2016.

Christine Salter emphasised to Members that the paragraph in the Budget Report was a strong message relating to the 2015/2016 position. The Medium Term outlook was worsening and it was essential that these issues be taken seriously, with extremely stark decisions to be made.

Members of the Committee felt that alternative budget proposals should have been considered. Concerns were also directed towards the statement provided by the Section 151 Officer. No justification had been provided to members of the Council why the savings for 2014/15 had not been achieved and why previous budget decisions had not been implemented. Decisions relating to the funding of St David's Hall and New Theatre had not been implemented once the six month window for arranging a new model of operation had been reached with Council subsidies continuing.

Christine Salter explained that a certain amount of time was required for these reductions to have an impact on the budget particularly where complex OJEU procurements were necessary. Commitments previously made to promoters would have made any savings from closure negligible in the current year .

Members still felt that some additional commitments were untenable in the current financial climate and needed to be recognised as an overspend on that particular

budget line. They asked how many more overspends had occurred without authority. Christine Salter assured the Committee that there were no significant overspends relating to these functions last year.

Councillor Hinchey outlined the financial challenges faced by the Council. No Member was comfortable with the idea of closing St David's Hall and the New Theatre, along with the possible funding cuts to other Council services, but in reality some of these provisions were deemed unsustainable. Robust plans were being put in place to address these issues and all services were subject to scrutiny. It was critical that change in service provision take place and this would result in alternative ways of working, including partnership and third sector involvement. These issues were not unique to Cardiff and could be seen across the UK. Rapid decision making was essential in these circumstances and Cardiff experienced additional pressures as a result of being the Capital City of Wales.

Christine Salter confirmed to Members of the Committee that the Month 9 monitoring position, would show a projected underachievement of planned budget savings of £7M before the application of the budgeted contingency of £4M. Further corporate adjustments such as a Council Tax recovery surplus would enable a projected balanced budget position at the year end.

Christine Salter drew attention to the following pressures affecting the budget for 2015/16:

- Employee Costs – increments
- The additional hour implementation for Workforce Package
- Schools Growth – protection.

The Committee recognised that the Council experienced pressures from Discretionary Inflationary, with a High Court Ruling affecting domiciliary care sleeping in arrangements.

Christine Salter assured the Committee that an analysis had been carried out on Agency Staff employed by the Council which amounted to a spend of £11.3M. Christine Salter emphasised to the Committee that as the Section 151 Officer it was a statutory obligation to provide advice to the Council. The details of the advice would be outlined in the Cabinet Report and the reasons as to why this advice was provided. It was essential that decisions were robust in order to achieve what was required in this financial climate, and decisions involving the medium term outlook needed transparency.

Consultation Results on the City of Cardiff Council's 2015/16 Budget Proposals

The Chairperson welcomed the Leader of the Council, Councillor Phil Bale, Christine Salter, Corporate Director Resources, Sarah McGill, Corporate Director Communities and Rachel Jones, Operational Manager.

The Committee received a presentation which outlined the Consultation Results.

The Chairperson invited the Committee to ask questions.

The Committee was advised that 4000 responses to the consultation had been received and it was hoped that these responses would be reflected in the final budget

papers. These results would be analysed and advice would be provided on a definitive budget position.

Members of the Committee were concerned with some of the comments directed towards Key Learning, and asked how this could be improved. Rachel Jones explained that low general awareness resulted in the need for an improved communication strategy. Key messages were being relayed to the public but unfortunately access to these messages could be limited, and this required a more wider robust communication mechanism. Neighbourhood Partnership areas were being encouraged to engage in these programmes and that was evident in the north of the city.

Sarah McGill explained the consultation covered all areas of the budget proposals, including the efficiency savings' impact on communities. The Cardiff Debate survey had achieved greater response levels than other examples cited of similar recent engagement exercises in other cities.

Members were of the view that a sound data base of Council service knowledge was required before being able to answer some of the questions. Some members of the public did not have in depth familiarity with Council Services and the construction of the questions required this knowledge. The length of the questions made it difficult to complete and consideration should be given in future to providing additional facilitation for those residents who would find this useful to enable them to complete the survey.

Rachel Jones recognised that some of the questions were detailed and distinct. However, public drop in events had taken place, being an ideal opportunity for members of the public with little knowledge in this area to seek the answers they required as the expertise was at hand if need be. There was also opportunity for meetings with stakeholders to outline the proposals further.

Some Members of the Committee thought the consultation exercise resembled a PR event and was being used as a propaganda tool. In some areas little public interest was shown to these events and very few people attended. The figures did not reflect the outcomes on the draft budget proposals with 33% responding to cuts in services and 37% supporting the Welsh Language Play Provision.

The Committee was advised that over the past seven weeks during the public consultation exercise people, including hard to reach groups had opened up and come forward with ideas and support on service delivery options. The Council had given the public the opportunity to engage in the Council process and provide valuable comments which would be taken on board.

Members felt that the public expressed enthusiasm for the importance of volunteering should be recognised before decisions were made on cutting services like Park Rangers, Libraries, Play and Youth. The added value that these services derive from volunteer hours was perhaps not yet fully understood. It was also recognised that there were limitations on what could be expected of volunteers need to be understood and that volunteers should not be expected to replace those kinds of services best delivered by professional public servants.

The Chairperson informed the Committee that they would now move on to scrutinise the specific services which came under their remit.

Economic Development Briefing

The Chairperson welcomed the Leader of the Council, Councillor Phil Bale, Christine Salter, Corporate Director Resources, Councillor Graham Hinchey and Neil Hanratty, Director Economic Development.

The Chairperson reminded Members that PRAP's remit only covered Property and International Policy within this Directorate.

The Committee received a presentation on the Economic Development Savings 2015/16.

Members of the Committee were concerned with the £160k reduction in funding to the Cardiff Business Council. Representations had also been received from the Business Council regarding this matter and Members emphasised that CBC was designed as a vehicle to leverage in external private investment, and it was hoped that the savings proposals would not impede the effectiveness of this and other kinds of "invest to save" initiatives.

The Leader of the Council explained that he has regular meetings with the Chairperson of the CBC Nigel Roberts and that they are aligned. The Leader explained that a letter in response to the consultation on the budget proposals had been received from the Chairman CBC, which they subsequently discussed and agreed at a meeting.

Members continued to be concerned with this proposal as a result of the staffing support being provided to the CBC in order to support the service. This sent a damaging signal to the Business Community, impacting the relationship between the Council and the private sector.

Neil Hanratty confirmed that 47% cuts were being made to Property. Areas of risk had been identified, £120k was part of the budget line and based on operations deemed deliverable.

Corporate Management Proposals

The Chairperson welcomed Councillor Graham Hinchey and Christine Salter, Corporate Director Resources

The Committee received a presentation on the Draft Corporate Management Proposal 2015/16

CS explained to Members of the Committee there were 3 factors to consider where savings had been proposed:

- Precepts & Levies = £149k

- Office Rationalisation = £104k
- Senior Management Restructure = £650k.

£250k saving as a result of Management de-layering was part of the Partnership for Change agreement rather than the Tier 1 proposal. Savings overall across the Council amounted to £650k for the Tier 1 Senior Management Review and this would be considered by Cabinet.

The Committee was advised that there was going to be an overall employee reduction across the Council currently at consultation stage.

Members of the Committee were concerned with the management de-layering proposal and asked if there would be sufficient management capacity to manage the Organisational Change Programme. This continued loss of management capacity would impact negatively on the Council's ability to deliver future savings and on the Council's achievement of in-year financial and performance targets.

Councillor Hinchey explained this proposal would mainly impact on managers with fewer than six officers in their span of control and perhaps affect just 9 posts.

The Committee drew attention to the Cardiff Enterprise Zone and were concerned with the funding being made available to support development commitments. It was essential that Cardiff was seen to be the lead driver in this field with a sound major development programme in place, especially as some neighbouring cities were seen to be moving ahead quite quickly.

Christine Salter confirmed that the cut of support to the Enterprise Zone was just a one year expedient, reflecting that there were not any specific commitments against that budget this year.

Resources Directorate Briefing

The Chairperson welcomed Councillor Graham Hinchey and Christine Salter, Corporate Director Resources

The Committee received a presentation on Resources Directorate.

Members were advised of the change implications being made in ICT, Customer Management Systems, Mobile & Scheduling and Electronic Records Management.

The CRM systems would enhance and support the C2C arrangements, contributing towards a 24/7 service. The SAP model was also supporting services with a Cloud based solution being developed. These were innovative systems designed to enhance improvement at a speedier pace enabling change to take place.

Members were advised that costs of these systems had been taken into consideration and it was essential that the Council have a sound back office support system which moved ahead and embraced change. Resources had been mapped and it was critical for the Council to maintain a strong control centre.

County Clerk and Monitoring Officer Directorate Proposals

The Chairperson welcomed Councillor De'Ath, Cabinet Member for Safety, Engagement & Democracy, Christine Salter, Corporate Director Resources and Marie Rosenthal, County Clerk and Monitoring Officer.

Marie Rosenthal explained to the Committee that the savings of 218k related to the following:

- Mini restructure to reduce administration
- Introduction of Modern.Gov
- Members ICT Project
- Savings from next year's investment
- Deletion of part time post in Legal Services
- Member Development – fewer external training.

Members of the Committee thanked Committee and Members' Services staff for all the support provided to Members over the years.

Committee Members were pleased that Councillors were using their ICT equipment at meetings and adapting well to new technology. These devices were providing savings in this area and it was essential that additional power points be provided at meetings to support use of the tablets.

Members were concerned that the Members' Dictation Bank was not operational and asked what type of provision was going to replace this service.

MR advised the Committee that alternative solutions to replace the Dictation Bank were being explored and a report would be brought to the Democratic Services Committee for consideration.

The Committee felt that the level of support in Democratic Services in general had reached a point where further cuts would impact on Member capability and governance. In light of the Wales Audit Office Corporate Assessment (and in recognition of the importance of the function to Members) the Committee sought assurance that given the pressure on the County Clerk to meet financial targets for the medium term, the Cabinet would make a decision to protect current resource levels during this medium term period.

The Committee stressed the importance of the role of County Clerk whom was not considered as servant of the Executive but the official whom supported and advised the Council as a whole. Since 1999 investment had been provided to Scrutiny and Members Services, which had eroded over the years.

Members of the Committee asked why no cuts had been made to Welsh Language provision, whilst it was recognised that Welsh Language fell under the Leader's portfolio. In response it was advised that protection to the Welsh Language Unit was

as a result the Council's Welsh Language Policy, and that the terms of the Policy could potentially be reviewed in the future.

MR explained that £273.550 in the budget was being allocated to bilingual and translator services. In response to questions from the Committee Marie Rosenthal confirmed that the translator support to the Council meeting was indeed an agency worker.

The Committee was concerned that vacant posts were being deleted and these resources would not be filled. Members Services and Scrutiny Services were currently providing a limited service as a result of on-going budget cuts, and if these cuts continued in the future they shared concern at how staff would cope with demand.

Communities, Housing and Customer Services Directorate Briefing

The Chairperson welcomed Councillor Peter Bradbury Cabinet Member for Community Development, Co-operatives & Social Enterprise, Christine Salter, Corporate Director Resources and Sarah McGill, Director Communities, Housing and Customer Services.

The Committee received a presentation on Communities, Housing & Customer Services.

Members of the Committee were concerned with the cuts in the Capital Programme which related to the schemes funded by Grants. In response Members were assured that these cuts were not permanent and would be reviewed.

The Committee was advised that the introduction of the "Super Hub" saving was as a result of library savings, with the resources currently being delivered at Marland House being re-located to Central Library. Marland House saw 600 people per day accessing its facilities and a city centre location was vital for support to these service users. There was capacity at Central Library to house this provision and this would potentially increase the footfall into the library, being more accessible for service users where multiple benefits were on offer.

Members considered the "Super Hub" proposal and expressed concern that the increase of Hub facilities in Central Library could diminish the current library provision.

Members of the Committee were also concerned that given Central Library's location so close to the retail heart of Cardiff, if savings had to be found at Central Library it may be more advantageous for the city if this space could be considered in terms of its potential to boost the city's economic capacity.

The Committee was advised that work was on-going to explore alternative locations for the hub in the city centre, including the potential of considering a location near the new transport hub.

The Committee drew attention the overall concerns about the proposed closure to libraries. A great number of these libraries were well used and it was essential that these services continued to be supported as a benefit to the community.

It was outlined to Members of the Committee that it was the intention to enhance library provision across the city, with the support of partnerships and agencies, including a neighbourhood librarian to support the service.

The Committee acknowledged the arrangements regarding libraries, youth centres, play centres and community halls with the time invested to date in identifying, nurturing and securing partnerships with community organisations. It was felt that sustainable transition to future models of management of stand alone libraries was not likely to be achieved in the foreseeable future.

Members of the Committee were assured that transitional support might be available to the Somali Advice Centre, but that space in the Super Hub was not likely to be made available to them.

The Committee was assured that endeavours were being made to ensure that the City's future equalities offer and third sector support arrangements would be preserved through the new specification of Infrastructure Support and that rigorous equality impact assessments would be produced to evidence this.

The Chairperson thanked all the witnesses for attending

RESOLVED: The Committee AGREED to outline the following:

- The Committee asked to view the final draft of the Corporate Plan should there be significant changes prior to its consideration at March Cabinet;
- The Committee looked forward to further advice on the Challenge Forum at their March 2015 meeting;
- The Committee would be interested to see indications of achievements of 2014/ 2015 targets in the Corporate Plan
- The Committee wished to schedule discussion of the suite of performance management tool that would be used to govern manager achievement of targets at a future meeting;
- The Committee looked forward to reviewing the Cardiff Debate in the future;
- The Committee asked that managers at the Splott Play Centres and in Day Services correctly advised staff around their potential redundancy from their posts;
- The Committee requested that should any of the financial pressures be accepted and any of the proposed cuts to Libraries, Play, Youth Service and Day Centres also be implemented, a short statement be provided to explain the synergy between these decisions and the Council's four key priorities;

- The Committee sought assurance that the respective Cabinet Member agreed with their concerns about the level of support provided to Scrutiny and Democratic Services, and confirm that he was seeking to protect these services in the medium term.

32 : CORRESPONDENCE - INFORMATION REPORT

The Chairperson advised Members this report was for information only.

The Committee noted the report.

33 : DATE OF NEXT MEETING

Tuesday 3 March 2015 – 5:30PM Committee Room 4, County Hall

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**CITY & COUNTY OF CARDIFF
DINAS A SIR CAERDYDD**

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE

31 MARCH 2015

ORGANISATIONAL DEVELOPMENT PROGRAMME UPDATE

Reason for the Report

1. To give Committee an opportunity to receive more detailed information on work to date to deliver the Organisational Development Programme, as requested following scrutiny in January 2015, in order to assure itself of the Council's progress in addressing the findings of the Wales Audit Office (WAO) Corporate Assessment of the City of Cardiff Council, September 2014.

Scope of the Scrutiny

2. This Committee's terms of reference empower the Committee to scrutinise:
 - the way the Council manages its performance and improvement;
 - how effectively the Council is implementing its policies; and
 - the effectiveness of the Council's systems of financial control, administration and human resources.
3. This item therefore gives Committee the opportunity to exercise this power by holding the Cabinet Member and officers to account for their delivery of the milestones set out for the Organisational Development Programme. Members may wish to relay any observations on the update report attached at **Appendix A**, which has been prepared by officers, and on the Council's effectiveness to date in delivering the Organisational Development Programme, as well as any suggestions on how to optimise that delivery in the coming months.

Background

4. In May 2014, the Council established an Organisational Development Programme, in response to the Welsh Local Government Association Peer Review. Following the WAO Corporate Assessment, the Organisational Development Programme was amended to ensure it addressed the range of issues identified by the Assessment. These issues are listed at **point 3** of the update report, **Appendix A**.

5. The update report attached at **Appendix A** provides details of:
 - The key impacts of the Organisational Development Programme – **points 12-18 Appendix A;**
 - The key changes achieved by each of the Programme's key work streams, namely: strategic commissioning; customers and community focus; assets and infrastructure; improving governance; and engagement and improvement – **Appendix 2 of Appendix A;**
 - The realignment of the Organisational Development Programme – **points 25 – 26 and Appendix 1 of Appendix A;**
 - The proposed next steps – **point 28, Appendix A.**

6. This Committee has previously received details of the proposed measures of success, objectives and milestones for each of these Programmes, as part of Committee Papers for 6 January 2015; these can be accessed from:
<https://www.cardiff.gov.uk/ENG/Your-Council/Councillors-and-meetings/CouncilMeetings/Pages/default.aspx#lists>

Previous Scrutiny

7. This Committee has concentrated a significant portion of its 2014/15 work programme to scrutinising the various Organisational Development work-streams as well as the overall delivery of the Organisational Development Programme, including:
 - May 2014 – scrutiny of the draft Cabinet report on the Programme of Organisational Change
 - November 2014 – scrutiny of the Strategic Commissioning work stream
 - January 2015 – scrutiny of progress overall with Programme
 - March 2015 – scrutiny of the Improving Governance work stream.

The letters following these scrutinies are attached at **Appendix B**, with responses where received.

8. This Committee has also undertaken other relevant scrutinies, including:
 - WAO Corporate Assessment - September 2014 and January 2015;
 - Quarterly performance reports – June 2014, September 2014, November 2014 and March 2015;
 - Budget Monitoring reports – July 2014, September 2014, December 2014, February 2015 and March 2015;
 - Cardiff Debate – November 2014.

Way Forward

9. Councillor Graham Hinchey, Cabinet Member for Corporate Services and Performance has been invited to attend for this item and may wish to make a statement. Paul Orders, Chief Executive, Christine Salter, Corporate Director Resources, Sarah McGill Director of Communities, Housing and Customer Services and Martin Hamilton, Chief Officer Change & Improvement, will be in attendance to give a presentation and to answer Members' questions on the delivery of the existing programme and the shape of the realigned programme. Barry Quirk, Peer Advisor Cardiff Challenge Forum, will also be at the meeting to share his reflections and views.

Legal Implications

10. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly

informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

11. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATIONS

The Committee is recommended to:

- i. consider the information presented in this report, appendices and at the meeting;
- ii. decide whether it wishes to make any recommendations to the Cabinet.

MARIE ROSENTHAL

County Clerk and Monitoring Officer
25 March 2015

Background papers:

- *"Establishing a Programme of Organisational Change for the City of Cardiff Council"* Cabinet report, 15 May 2014
- Wales Audit Office Annual Improvement Report including the Corporate Assessment 2014 The City of Cardiff Council, September 2014
- Wales Audit Office Corporate Assessment Cabinet report 18 September 2014
- City of Cardiff Council Audit Committee cover report on the Programme of Organisational Change and Wales Audit Office Corporate Assessment, 8 December 2014.

ORGANISATIONAL DEVELOPMENT PROGRAMME UPDATE

Reason for this Report

1. This report provides members with a summary of the impact of the Organisational Development Programme (ODP) to date to facilitate scrutiny of progress, and present details of the programme.

Background

2. In May 2014, prior to the publication of the Wales Audit Office Corporate Assessment, Cabinet established the Organisational Development Programme (ODP) as the delivery mechanism for a new organisational model, based on cooperative principles that will reposition the Council and enable it to respond positively and effectively to the challenges of rapid fiscal consolidation, growing service demand, and inadequate performance in key areas.
3. In September 2014, the Wales Audit Office published its Corporate Assessment of the Council, which drew the following conclusions:
 - Political and managerial instability over a number of years has meant that the Council has been unable to develop the culture and framework necessary for continuous improvement
 - The Council has identified what it wants to achieve for its citizens but has lacked an effective means of delivery
 - Some processes intended to ensure good governance have not been implemented, and decision-making processes are inefficient and lack transparency
 - Whilst there have been some recent changes, performance management has failed to consistently secure improvement in the past
 - Although the Council ensures a balanced budget, prospects for achieving proposed savings in 2014-15 are uncertain and the anticipated level of future funding means the current methods of service delivery are unsustainable
 - Corporate human resource arrangements are founded on positive practice but are not being implemented consistently
 - The Council is improving its use of information technology and its information arrangements
 - The Council is not managing its land and property assets well

- The Council engages well in collaboration with others and is able to demonstrate improved outcomes for citizens.
4. Following the Wales Audit Office Corporate Assessment, a further Cabinet Report was approved on 18 September 2014 setting out how the Council would ensure that the Council addressed the Auditor General's primary proposal for improvement, which was that "the Council ensures the implementation of its Organisational Development Plan resolves the range of issues identified in this assessment".
 5. Wales Audit office will conduct a further Corporate Assessment during 2015, when progress made by the Council in relation to their 2014 report will be reviewed.
 6. At its meeting on 6th January, Policy Review & Performance Scrutiny Committee considered a report updating on progress with the Organisational Development Programme. In considering the item, Committee requested a further, more detailed, update on progress alongside details of the new programme shape. In addition, Committee requested to hear directly from the peer advisors working with the Council on the Challenge Forum. Barry Quirk, Chief Executive of the London Borough of Lewisham, will be in attendance at the meeting to discuss his reflections on the challenges facing the Council and the progress being made.

Issues

7. Since May 2014 the Council has been engaged in a significant programme of change and improvement under the framework of the ODP. Through the programme work has been progressed to address the key issues identified in the May 2014 Cabinet report, and also in the September WAO report. In considering the impact of the Organisational Development Programme, it is insufficient to consider just whether actions have been implemented as planned - it is important to assess the combined impact that the whole range of actions within the programme has had. To this end, this report presents an update against each of the programme themes in terms of key changes achieved.
8. Appendix 2 of this report sets out an assessment of progress, structured around key work streams:
 - Engagement & Improvement
 - Customer & Community Focus
 - Assets & Infrastructure
 - Improving Governance
 - Strategic Commissioning
9. In designing the programme a conscious decision was made not to attach specific savings targets to individual actions or objectives within the programme. In a previous transformation programme this approach resulted in unproductive tension between the process of releasing savings from core business and releasing savings through transformation, with service quality

being hampered as a result. Rather, the programme has been designed to support and facilitate the release of savings identified by service Directors rather than supplement them.

10. As a result, the assessment of progress does not include savings released in many cases. Rather the outcomes are presented in terms of the changed state secured in terms of performance, customer experience, or governance.
11. The Committee will hear from Paul Orders, Chief Executive, Martin Hamilton, Chief Officer, Change & Improvement, and Barry Quirk, peer advisor on the Challenge Forum. Members will have the opportunity to test the evidence that underpins the draft narrative, and input into its further development. In addition, members will hear from Sarah McGill, Director of Communities, Housing & Customer Services regarding the Target Operating Model that the Council is migrating to, and the programme structure now being taken forward following the re-alignment.

OD Programme – Key impacts

12. Key achievements delivered through the OD Programme include tangible progress being made in key services targeted through the accelerated improvement methodology developed within the refreshed performance management arrangements. These include:
 - a. Education - the latest school performance figures show much stronger improvement than in recent years, closing the performance gap that exists between Cardiff and the rest of Wales. Performance in a number of key metrics has improved faster than other Welsh authorities, but the Council remains committed to securing yet faster improvement. Work with under-performing schools has intensified, and decisive action by the LEA can be evidenced. In March Esytyn reviewed the Council's performance management arrangements with a specific focus on Education and, if available, their assessment will be reported to Committee.
 - b. In Children's Services, decisive action has been taken to reduce caseloads and improve recruitment and retention of social workers. This has allowed progress against key performance indicators. In addition, an independent review of casework has identified good social work practice at the Intake & Assessment team. The August 2014 CSSIW review of safeguarding and care planning of looked after children found many positive aspects of the service and the October 2014 CSSIW performance evaluation for 2013-14 noted improvement in key areas of the service, with appropriate plans in place to address under performance.
 - c. For Health & Social Care and Children's Services, the CSSIW performance evaluation for 2013-14 noted improvement in key areas of the service, with clear strategies in place and with appropriate plans in place to address under performance.

- d. An HMI review of the Youth Offending Service, found Cardiff to be alone amongst the 30 sites visited nationally in applying a best practice independent 'Extended Learning Review' (ELR) following the suicide of a YP in February 13; other areas did not do so when they should have. The review noted that the process had demonstrated strong partnership between children's services and YOS.
13. In addition, progress has been made in respect of key HR metrics, including compliance with both sickness absence policy and PPDR requirements, meaning that we have staff better focused on the Council's objectives.
14. Release of office accommodation continues apace, with 17 office buildings now closed, and a further 6 scheduled for closure this year, resulting in lower operating costs and improved working environment for employees.
15. The Council was the first public sector body in Wales to undergo a Procurement Fitness Check in late 2013, with our performance ranked as "Developing towards Advanced". The Council continues to make significant progress towards further improving our already strong procurement performance, our improvement actions are set out in an Improvement Plan which has been submitted to the Welsh Government. The Council was ranked as advanced in three areas including procurement leadership and performance management.
16. In terms of developing alternative delivery models, members will be aware of ongoing work to develop models for Leisure, Culture, and Infrastructure services. In addition to these, Sports Development has now been successfully transferred to Cardiff Met.
17. During the last financial year, the Council has continued to implement the community Hub Programme. In June 2014, the Ely/Caerau Hub opened bringing together a variety of public services (Library, Housing, Into Work and partner services) into one purpose built facility. Since its opening, the hub has received 110,000 visitors with 6,000 customers receiving advice regarding Benefit matters. Library services are also popular at the Hub with 900 new library users, over 32,000 book issues and over 44,000 internet bookings so far in 2014/15.
18. The Hub programme is still ongoing and plans are in place to open hubs in Grangetown, Splott, Llandaff North, Fairwater and for an extension to be provided at the existing hub at St Mellons. This is also in addition to the development of a Community Partnership Hub in Rumney and the City Centre Super Hub.

Finance & Service Planning

19. In the Corporate Assessment, the Wales Audit Office cautioned that at the time of their assessment planning for savings delivery was not sufficiently advanced for all savings to have detailed plans behind them. As a consequence they concluded that there was “a high risk that savings targets for 2014-15 will not be achieved...” In setting the 2014-15 budget, the Council had recognised that a number of proposed savings did not have detailed delivery plans in place, and as such carried a risk of non-delivery. To mitigate this risk, a contingency of £4m was included within the budget to off set any partial, or full, non-delivery of particular items. Delivery of savings have been closely monitored throughout the year, and whilst at Month 9 the Council is projecting a balanced budget overall, within this position is some £7.2m of non-delivered savings. The majority of this is due to delays rather than un-achievability, and as such does not represent an ongoing budget pressure.
20. Actions continue to be taken by those directorates currently reporting a projected overspend in order to try to resolve the issues that led to the current position or alternatively to identify offsetting savings in other areas of the service during the remainder of the year. As part of this process the Cabinet Member for Corporate Services & Performance and the Corporate Director Resources hold challenge meetings with cabinet members and directors in those areas where significant overspends are reported and to review progress on the actions being taken.
21. Additionally, the Chief Executive implemented a number of management actions to reduce the level of spend across the Council with the intention of improving the overall position at the year end. Although at an overall level a balanced position is currently reported significant concerns remain in relation to the directorate spend. This has prompted further measures to be implemented by the Chief Executive in relation to the final quarter of the year including the requirement for directors to take personal responsibility for reviewing:
 - all recruitment requests to ensure they are vital to service delivery
 - agency placements
 - discretionary overtime
 - acceleration of VS releases
 - other ancillary employee expenditure
22. Levels of authorisation for purchases via the procurement system have also been increased and this will remain in place until 31st March 2015. Enhanced Management information reports are being produced weekly for monitoring by both directorates and overall at the Chief Executive’s Senior Management team meetings. In addition any non-essential spend on ICT equipment has also been suspended for the remainder of this financial year.
23. In preparing the 2015-16 budget, lessons have been learned from the 2014-15 experience and the level of challenge and due diligence checks increased

significantly to improve the level of assurance that could be provided regarding deliverability.

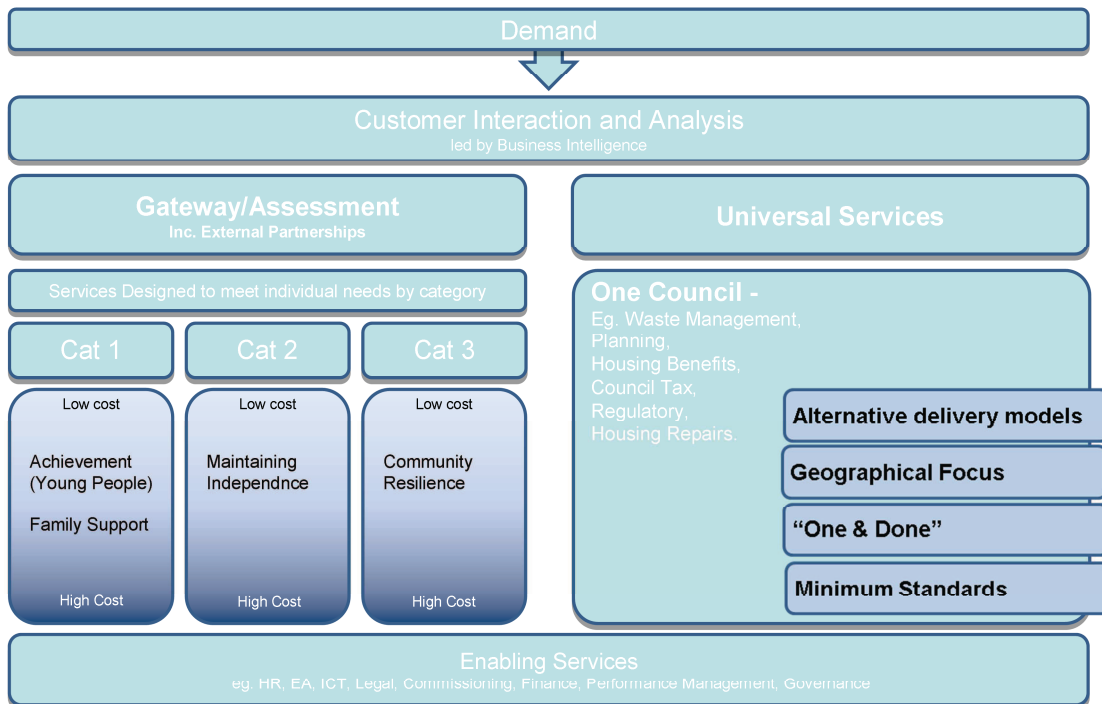
24. As set out in the 2015/16 Budget Report, enhanced work on financial resilience is being undertaken and will be reported to members on a regular basis in the new year.

Realignment of the Organisational Development Programme

25. Members were advised at their January meeting that the OD Programme was being re-aligned to focus on a smaller number of priorities. The new programme is presented diagrammatically in Appendix 1. The two programmes are designed to migrate the Council from its current state to a new target Operating Model, which is set out pictorially below and describes an organisation where:

- Customer contacts with the Council are managed in such a way that regardless of how the customer contacts the Council, information can be gathered and used to enable an appropriate response both now and in the future.
- Services are defined as either “Universal” or “Gateway”. Universal services are those available to every citizen, such as waste collection, highway maintenance, education, etc, and the model assumes that such services will be delivered in the most lean and cost effective way possible, with alternative delivery models being evaluated and utilised where appropriate. Gateway services, by contrast, are only available to individual on the basis of an assessment of need. Wherever possible, unified needs assessments would be used such that a citizen could “tell us once” to unlock access to services, rather than have separate assessments, and services would be designed around citizen needs rather than around organisational silos. The differentiation between universal and gateway services allows increasingly scarce resource to be targeted on those with the most complex needs, by reducing the cost of routine, transactional, services.
- Both gateway and universal services are underpinned by lean and proportionate support services, and by effective development of city wide opportunities (eg through economic development).

Target Operating Model



26. Within the new arrangements required to migrate to the Target Operating Model, there are two inter-related programmes:

- a. **Enablers and Commissioning** – led by Christine Salter, Director of Resources, this programme includes 5 work streams designed to collectively establish the operating infrastructure and culture required for successful delivery. The four work streams are:
 - i. **Assets & Property** - Progressing the work of the previous work stream, with a sharp focus on strategic management of both operational and non operational property, and the School Organisation Plan;
 - ii. **Corporate Commercialisation** – through which the council will identify and exploit commercial opportunities including trading existing services;
 - iii. **Engagement & Improvement** – continuing the development of performance management practice and culture, workforce planning, employee engagement and internal communications;
 - iv. **Governance & Member Engagement** – Addressing improved decision making, member development, scrutiny and public engagement and communication;
 - v. **Strategic Commissioning** – which will focus on building the Council’s commissioning capacity, developing asset management IT capacity, and completing the Culture and Leisure Alternative Delivery Model process.

b. Shaping Services – led by Sarah McGill, Director of Communities, Housing & Customer Services, this programme has 4 work streams through which enabling technologies will be developed and used to support the reshaping of key services in order to better manage demand, align services currently delivered across a number of service “silos”, and deliver services at reduced overall cost. Due to the nature of the services prioritised for inclusion in the programme, the management arrangements for these work streams have been aligned to the work streams established under the Cardiff Partnership Board in order to remove duplication and harness partnership effort. The four work streams are:

- i. **Customer Focus & Enabling Technology** – Tasked with establishing and exploiting standard technology solutions across the Council to maximise the capture and use of customer data, this stream includes development of online services, document management, debt & income management, customer services strategy and delivery of the community hubs programme.
- ii. **Infrastructure & neighbourhood Delivery** – tasked with delivery of the Neighbourhood Services project, Infrastructure ADM, and rationalisation of neighbourhood services back office.
- iii. **Services for Vulnerable Adults** - tasked with demand management and service reshaping in relation to Assessment & Care Management, Hospital Discharge, service gateway, self service, accommodation and deployment of mobile & scheduling technology across health & social care.
- iv. **Services to Vulnerable Children** – tasked with developing projects to deliver improved outcomes through closer working across services in relation to supporting vulnerable families, Adolescent Resource Centre, Multi-Agency Safeguarding Hub, services for disabled children and young people, accommodation & support for children, and business process improvements.

Programme Management Arrangements

27. Programme Boards have been established for the two programmes, reporting into the Organisational Development Board, chaired by the Chief Executive. Within each Programme, each work stream likewise has a management board tasked with securing the timely delivery of milestones set out in the individual project plans.

Next Steps

28. Officers intend to submit a further iteration of the OD Programme to Cabinet in June 2015, expanding the work streams outlined above to provide a detailed set of milestones, and associated project benefits, stretching over the next 2-3 years. It is proposed to work up this detail in consultation with elected members in order to ensure cross party political buy in to the programme and

awareness of the challenges faced and the solutions being actioned. In order to progress this, the following events will be arranged;

- Cabinet & Director workshop
- All Member Workshop
- Challenge Forum – Consideration of detailed plan
- PRAP - consideration of detailed plan
- Cabinet - consideration of detailed plan

Legal Implications

29. There are no direct legal implications arising from this report.

Financial Implications

30. There are no direct financial implications arising from this report.

RECOMMENDATION

31. The Committee notes the content of this report and provide comment on the analysis presented, and on the future direction of the Organisational Development Programme.

Martin Hamilton
Chief Officer – Change & Improvement

Appendix 1

Portfolio Structure Chart (Draft), 25 March 2015

EC - Assets & Property	EC - Corporate Commercialisation	EC - Engagement & Improvement	EC - Governance and Member Engagement	EC - Strategic Commissioning	RS - Customer Focus & Enabling Technology	RS - Infrastructure & Neighbourhood Delivery	RS - Services for Vulnerable Adults	RS - Services for Vulnerable Children																																																																																																																																																																																																																																																																																																																																		
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APPENDIX 2

Work Stream 1 - Engagement & Improvement

1. This work stream of the OD Programme directly addressed the WAO criticisms regarding the effectiveness of performance management arrangements in the Council, and sought to address corporate planning, performance management, workforce planning, and employee engagement.
2. The OD programme adopted by Cabinet in May 2014 identified indicators of success which included:
 - Values and mission statements of the Council are owned, understood and role modelled;
 - Improved performance across a range of services, with a move out of the bottom quartile for Wales;
 - Reduced sickness absence
 - Improved PPDR compliance & quality

Values & Mission Statement

3. The Council has adopted a clear vision, to make Cardiff “Europe’s most liveable Capital city”, and has structured its corporate and service planning around this vision. Employees have been engaged in defining a new set of values for the Council, which are reflected in key documents and are the focus of a communication strategy. They are also central to the Employee Charter which defines the expectations of and on employees, managers, and senior managers.
4. A key test of the extent to which the vision and values are owned, understood, and modelled will be the outcome of the 2015 Employee Survey, but feedback from employees who have attended the employee road-shows does indicate a positive reaction to these developments.

Performance Management

5. The Council has embarked on a significant culture change programme with regards to performance management, with a focus on having candid discussions about performance challenges, with clear accountability for meeting targets. This has included introduction of much greater officer and member challenge of performance data, with two significant additions to the Council’s performance management toolkit – Cabinet Star Chambers, where Cabinet Members and Directors are challenged on performance on a quarterly basis, and remedial actions are agreed; & Improvement Boards, chaired by the Chief Executive, which provide intensive review of performance and improvement at Directorate management team level.
6. The Corporate Plan for 2015-17 has been produced with a strong focus on 4 priorities, with non-priority services having deliberately low prominence in the plan. The plan has involved greater scrutiny and challenge than has previously been the practice, including specific challenge around target setting, and an

articulation of clear ambition regarding PAM & NSI performance due to the relatively poor historic performance in these indicators, and seeking to build on the 2013-14 outturn which showed improvement in 73% of our NSI's and PAMS .

7. Directorate Delivery Plans for 2015-17 are being drafted to capture not only the delivery of corporate priorities, but also the key service priorities, and as such are crucial documents in terms of directorate performance management.
8. A benchmarking strategy has been agreed, and work is ongoing to establish good benchmarking practice
9. A Challenge Forum has been established through which senior members, officers, and peer advisors can assess and challenge both the direction and rate of change and improvement in the Council. Through this Forum, the Council commissioned a review of performance management arrangements, resulting in a further strengthening of the challenge provided in member and officer fora, as well as supporting scrutiny to improve the effectiveness of their role in performance management.
10. Service Improvement Boards, chaired by the Chief Executive and involving service management teams and external peer advisors, have been established to secure rapid improvement in key services– Education, Children's Services and Health & Social Care.
11. During 2014-15 the Council has secured a step change in PPDR compliance, with 90% of staff having objectives set and reviewed. This provides assurance that more staff will have been clear about their objectives and how they relate to the work of the Council than in previous years. Our priority now is to focus on the quality of the review discussions in order to better facilitate performance improvement.
12. All of the above represent process changes introduced to drive a change in culture, and secure a step change in the level of challenge and accountability around performance. However the key measure of impact is on the impact on outcomes secured, and the 2014-15 outturn performance data which will be available in April/May will provide an objective measure of achievement. However, prior to that data becoming available, the following improvements can be identified:
 - In Education, the latest school performance figures show much stronger improvement than in recent years, closing the performance gap that exists between Cardiff and the rest of Wales. Performance in a number of key metrics has improved faster than other Welsh authorities, but the Council remains committed to securing yet faster improvement. Work with under-performing schools has intensified, and decisive action by the LEA can be evidenced. In March Esytyn reviewed the Council's performance management arrangements with a specific focus on Education and, if available, their assessment will be reported to Committee.

- In Children's Services, decisive action has been taken to reduce caseloads and improve recruitment and retention of social workers. This has allowed progress against key performance indicators. In addition, an independent review of casework has identified good social work practice at the Intake & Assessment team. The August 2014 CSSIW review of safeguarding and care planning of looked after children found many positive aspects of the service and the October 2014 CSSIW performance evaluation for 2013-14 noted improvement in key areas of the service, with appropriate plans in place to address under performance.
- For Health & Social Care and Children's Services, the CSSIW performance evaluation for 2013-14 noted improvement in key areas of the service, with clear strategies in place and with appropriate plans in place to address under performance.
- An HMI review of the YOS Service, found Cardiff to be alone amongst the 30 sites visited nationally in applying a best practice independent 'Extended Learning Review' (ELR) following the suicide of a YP in February 13; other areas did not do so when they should have. The review noted that the process had demonstrated strong partnership between children's services and YOS.
- Sickness - sickness absence is at its lowest level for some years. Compliance with the policy is strong, with around 90% of return to work interviews being completed within the required timescales. The impact on absence levels has plateaued, and as a result Cabinet has commissioned a review of the Attendance and Wellbeing Policy and to bring forward options for additional policy levers that can be used to address this issue. Comparison with Core City approaches is being made and suggestions received from APSE will also be incorporated
- The Council was the first public sector body in Wales to undergo a Procurement Fitness Check in late 2013, with our performance ranked as "Developing towards Advanced". The Council continues to make significant progress towards further improving our already strong procurement performance, our improvement actions are set out in an Improvement Plan which has been submitted to the Welsh Government. The Council was ranked as advanced in three areas including procurement leadership and performance management.

Employee Engagement

13. The Council has taken steps to fundamentally change its approach to employee engagement, recognising that an informed and motivated workforce is essential to sustained performance improvement. The main elements to this work are outlined below.
14. The Chief Executive has established a rolling programme of employee road-shows to meet directly with groups of employees and explore key issues which affect them. Directors have also been required to establish their own

programmes of engagement. Through these initiatives, the Council will increase employee awareness of the Council's challenges, priorities, and direction of travel. From the initial road-shows a network of "ambassadors" has been established, with employees at various levels within the organisation committing to work with managers to develop further our employee engagement work.

15. A Workforce Strategy has been developed which is aligned to the Corporate plan and the Organisational Development Programme and is underpinned by the Council's vision together with its values of "Open, Fair and Together". The strategy sets out clearly the key priorities providing an explanation for each, along with an indication of the current position, what we need to focus on, how we are going to achieve this and the outcomes being sought.

16. The key priorities of the strategy include:

- Workforce Planning- a process for identifying and addressing the gaps between the workforce of today and the human resources needs of tomorrow.
- Partnership working with the Trade Unions – recognition of the importance of maintaining positive relationships with trade unions and employees.
- Employee Voice – creating a positive and enabling culture to ensure that the "employee voice" (views, suggestions) is listened to and acted upon.
- Learning & Development- improving the skills of our workforce in order to meet the needs and expectations of our customers and the changing requirements of the Council.
- Employee Charter- a statement setting out what the mutual expectations are between the Council, managers and employees.
- Performance Review- strengthening the link between the contribution of employees (including behaviours) and the delivery of Council priorities.
- Health & Wellbeing – developing an approach which ensures the health and wellbeing of employees is maintained.

10. The Strategy also reflects elements of the Partnership for Change : Reform Agenda report which Cabinet agreed on 26 January 2015. Whilst relating to budget proposals for 2015/16, the Partnership for Change report also puts in place a negotiation framework to assist with the reform of Council services. Key elements of that document are also reflected in the Workforce Strategy, namely new ways of working, partnership working with the trade unions and employees, flexible working arrangements, the move towards total reward approach and health & wellbeing.

17. A Cardiff Manager programme has been established, targeting the Council's grade 8-10 "middle managers". This is a tier of employee who are essential to the Council's improvement agenda as they have a key role in interpreting organisational priorities to make them relevant to the day to day work of front line staff. There are approximately 350 employees at this level, and to date around 300 are progressing through the programme which covers a range of change and

performance management perspectives. The programme itself has 4 themes covering: Solving Problems & Making Decisions; Understanding Innovation & Change; Financial Skills in the Public Sector; and, Behavioural Change. Part of the programme includes the completion of assignments which are aimed at service improvement.

Next Steps

18. Whilst progress can be tracked against the success measures set out in the OD Programme, work on this work-stream is by no means complete, with further effort required to ensure that the change in culture around performance management and accountability is further developed and sustained. This work will continue through the **Enablers & Commissioning Programme** of the ongoing organisational development work. In particular, attention is now focussed on:

- The focus of PPDR development across the Council need to shift from compliance to quality, ensuring that appropriate conversations happen consistently across directorates in setting objectives, reviewing progress and either celebrating success or addressing under performance
- Benchmarking is not yet well established across the Council and work on this needs to be accelerated, led by individual directors in line with the agreed corporate approach.
- Once out-turn performance data becomes available, this will be rigorously reviewed within each directorate, and a clear improvement plan put in place to address any areas of under performance or performance improving at too slow a rate.
- Build on Challenge Forum and improvement boards to include stronger role for opposition members and scrutiny chairs, in order to strengthen both challenge and awareness of the Council's performance profile.
- Build on existing challenge arrangements to strengthen the culture of performance management;
- Following the Quarter 4 performance report, complete the review of the Attendance & Wellbeing Policy and rapidly roll out any amendments required;
- Through implementation of the Workforce Strategy ensure we have the right people with the right skills doing the right jobs to maximise organisational effectiveness.
- Through implementation of the Employee Charter, further develop the Council's employee engagement and communication work.
- Measure progress on Employee Engagement through May/June Employee Survey establishing base line to monitor

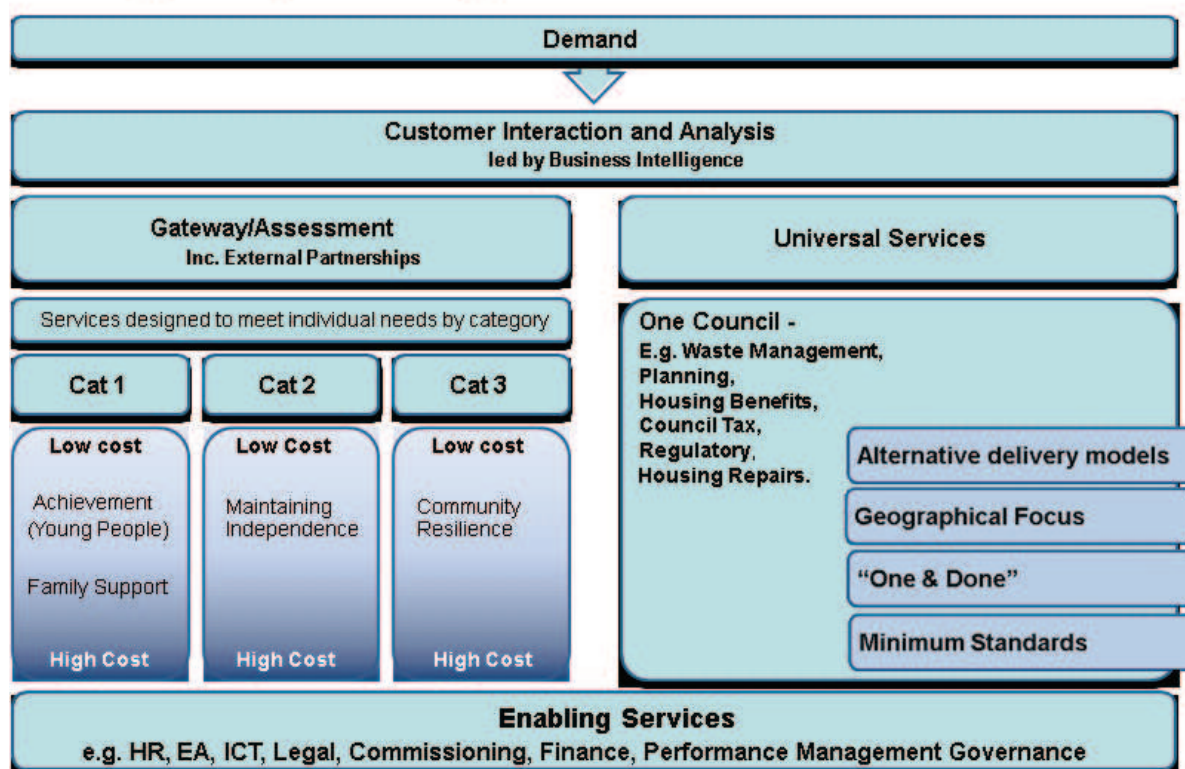
Work Stream 2 - Customer & Community Focus

19. The Customer & Community Focus work stream was established to facilitate the redesign of services such that the an individual could easily secure the right service, or the right intervention, at the right time, from the most appropriate provider. It sought to facilitate this by establishing the ability to harness excellent citizen and community intelligence, reduce complexity, duplication and failure demand.
20. At its core, this work-stream set out to establish both IT solutions and behaviour changes in service delivery to ensure that excellent data about customers is captured and used, and that similar functions are delivered through unified systems.
21. The programme identified success indicators which included improved customer satisfaction, unified first point of contact across a full range of channels, the number of customers who can “tell us once”, reduced back office and administrative costs, and reduced failure demand.

Target Operating Model

22. At the heart of this work stream, and informing much of the other OD work streams, has been the creation of a clear Target Operating Model for the organisation which describes the organisation’s future form. The Target Operating Model, which is set out pictorially below describes an organisation where:
 - Customer contacts with the Council are managed in such a way that regardless of how the customer contacts the Council, information can be gathered and used to enable an appropriate response both now and in the future.
 - Services are defined as either “Universal” or “Gateway”. Universal services are those available to every citizen, such as waste collection, highway maintenance, education, etc, and the model assumes that such services will be delivered in the most lean and cost effective way possible, with alternative delivery models being evaluated and utilised where appropriate. Gateway services, by contrast, are only available to individual on the basis of an assessment of need. Wherever possible, unified needs assessments would be used such that a citizen could “tell us once” to unlock access to services, rather than have separate assessments, and services would be designed around citizen needs rather than around organisational silos.
 - Both gateway and universal services are underpinned by lean and proportionate support services, and by effective development of city wide opportunities (eg through economic development).

Target Operating Model



23. Delivery across the model requires investment in a range of enabling technologies such as Customer Relationship Management, Mobile & Scheduling, and Document Management software. Additionally, the model involves enabling people to access more services on line, and this is not only rapidly becoming the channel of choice for the public, but is also represents a substantially lower cost to the Council than e-mail, phone or face to face contact.

Progress to date

24. The Council's website was re-launched in May 2014 and in March 2015 was awarded 4 stars in a SOCITM Better Connected Survey. The Cardiff Council site is the only 4 star rated site in Wales. By way of context, 2 years ago the website was awarded 1 star status.

25. Online payment of Council Tax bills has been facilitated, with over 500 people going online to set up direct debit payments within the first 9 days since the issuing of bills.

26. A business case for investment in Customer Relationship Management (CRM) software has been developed and approved, and CRM will be live in C2C from September 2015. This will enable a significant improvement in customer experience, with greatly improved capture and utilisation of data, and tracking of customer requests from initial contact to completion. A phased roll out across the organisation is then in place.

27. Following the roll out of Mobile & Scheduling technology in Community Maintenance Services, the same technology is now being implemented for Adult Services home care workers. The project is on target to go live by August 2015, releasing a saving of £500k in 2017-18.
28. A Community Hub Strategy has been adopted and the Council has continued to implement the community Hub Programme. In June 2014, the Ely/Caerau Hub opened bringing together a variety of public services (Library, Housing, Into Work and partner services) into one purpose built facility. Since its opening, the hub has received 110,000 visitors with 6,000 customers receiving advice regarding Benefit matters. Library services are also popular at the Hub with 900 new library users, over 32,000 book issues and over 44,000 internet bookings so far in 2014/15.
29. The Hub programme is still ongoing and plans are in place to open hubs in Grangetown, Splott, Llandaff North, Fairwater and for an extension to be provided at the existing hub at St Mellons. This is also in addition to the development of a Community Partnership Hub in Rumney and the City Centre Super Hub.
30. The Community Asset Transfer approach has been accelerated to support community delivery of services. Resources have been allocated to support communities including creating a [Stepping Up Toolkit](#) as a guide for community groups interested in developing and managing services and asset.
31. The Toolkit was launched in October 2014 and has been accompanied by 2 workshops for elected members in November, 6 introductory workshops for the community in January and February 2015 and a series of independent 1-2-1 support sessions for the community with community development professionals. These workshops and support sessions have explained some of the key issues which community groups need to consider when developing a proposal to manage a service or asset and where further support and assistance can be found. The feedback from both the budget consultation and the [workshops](#) have also been used to inform the new Community Redesign of Services resource to provide additional support and capacity to community groups in 2015/16.

Next Steps

32. Going forward, the Community and Customer Focus work stream is incorporated into the **Shaping Services Programme**. The work involved in putting in place the key technologies and associated change will be managed through a work stream called Customer Focus & Enabling Technology, whilst the work on reshaping gateway and universal services will be managed through work streams on Infrastructure & Neighbourhood Delivery, Services to Vulnerable Adults and Services to Vulnerable Children. Committee will receive a presentation covering the programme at its meeting on 31st March.
33. The objectives around community focus centre on developing a range of unified channels for customer contact based on customer requirements, and using the customer and community intelligence to inform future service development. All

activity undertaken as part of the CF&ET Programme will be aligned with the Five Key Principles for 'One Council' Change.

- The Citizen is at the heart of everything we do
- Consistent quality whatever service or channel a citizen chooses
- Decisions are made to provide maximum benefit for the whole Council
- Common business activities should be done in a common way
- Information is an asset that has measurable value to the Council

34. Key deliverables will be:

- Online Services (CRM & Web) - Deliver the implementation of the first phase of CRM including self-service capability and organisational roll out, together with functional development of the Website to deliver a unified Customer and Channel experience for Customers, including self service.
- Document Management (EDRMS) - Drive the roll out of SharePoint EDRMS model aligned to Corporate Priority Areas to support document and record management and manage all additional supporting capabilities delivered via Share Point platform.
- Debt & Income Management - Development of standardised income management and payment processes including the implementation of all supporting technology.
- Customer Services Strategy - The production of a Corporate Customer Services Strategy for all customer facing activity across the organisation including all required governance and deliver models.
- Hub Delivery - Manage all aspects of the delivery of the Community Hubs Programme through the exiting Hub Programme Board.

Work Stream 3 – Assets & Infrastructure

35. The Assets & Infrastructure work stream recognised the importance of the Council's operational estate in supporting the Council's transition into a modern, fit-for purpose organisation, and set out a programme of estate rationalisation and modernisation. The work stream also recognised the opportunities that exist within the non-operational estate in ensuring maximum yield both in terms of revenue and capital.
36. Success criteria identified at the outset included reduced operating costs, reduced maintenance backlog, increased yield, and improved customer satisfaction.
37. The May 2014 iteration of the OD Programme included key infrastructure developments including Central Square and Dumballs Road, but these were subsequently removed from the programme to focus purely on the improving the management of the Council's estate..
38. In November 2014 Cabinet approved a new Corporate Property Strategy: Fewer But Better Buildings. The Strategy seeks to improve the way in which the Council manages its estate and in doing so will directly address the weaknesses identified by both the WAO Peer Review and subsequently by the Wales Audit Office. The reconstituted Asset Management Board, chaired by the Chief Executive, now provides strategic and corporate overview of a programme of property related improvements and actions. Operational co-ordination is managed through an Asset Management Working Group, involving senior officers drawn from all property occupying Directorates, who seek out opportunities for collaborative use of property, and evaluate mechanisms for making more efficient use of buildings.
39. The schools estate remains, by far, the largest component of the Council's property holdings, and the Schools Organisation Plan has been refreshed to ensure more effective delivery of fit for purpose schools through which the Council will continue its programme of improving educational outcomes. One of the long term aims of the Property Strategy is to establish a network of community hubs based around new secondary school campuses across the city.
40. Work is well advanced to reduce the footprint of the operational estate with a programme on track to continue the work of radically reducing the number of Council offices by making more effective and efficient use of retained stock and by adopting modern ways of working, e.g. hot-desking and homeworking where appropriate, and more intensive occupation of retained buildings such as County Hall. Since 2012, 17 buildings have been closed. Over the course of the next financial year a further 6 office buildings will close, with the majority of staff being relocated to County Hall. The six buildings being closed in the current year are:
- ***Alexander House, Excelsior Rd***
 - ***St. Davids House***
 - ***Charles Street***

- *Mynachdy*
- *Howardian*
- *Global Link*

Next Steps:

41. Ongoing work on Asset Management is included in the **Enablers and Commissioning** programme, with key deliverables including:

- Prepare a Corporate Asset Management Plan for Cabinet consideration in Q1, and continue the roll out of a more dynamic approach to asset management with property occupying directorates. The plan will be the principal vehicle for delivering the property strategy. Whilst having a three year medium term span, its key focus will be upon clearly setting out what improvements will be undertaken during the year, how these improvements will be delivered, and, most importantly, it will put in place measures to assess the impact these improvements will have on front line service delivery and implementation of the plan itself.
- The Asset Management Board, which now meets monthly, is extending its membership to all other property occupying public sector organisations across the city. On a bi-monthly basis senior managers from these bodies will attend Board meetings to continue the work of exploring opportunities for co-location of services and collaborative use of buildings, and investigating the potential for promoting joint land assembly initiatives for redevelopment of surplus land.
- A key focus will be the continuation of an ambitious programme of property disposals. This will not only reduce the property footprint, the maintenance backlog and the running cost of the estate, but will also generate significant capital receipts which will be used to modernise the remaining estate, provide new facilities, reduce debt, and help to support the revenue budget.
- Service Area Property Plans will be produced on an annual basis. to help inform the compilation of the buildings capital programme, and will provide a sharper, more focused approach to forward planning of future service needs in a more coordinated manner.
- The concept of property partners within Strategic Estates has been adopted whereby each valuer has been assigned a property occupying directorate and a Neighbourhood Management Area with the objective of ensuring an improved working relationships are forged and mutual awareness of emerging opportunities for more effective use of property are positively exploited.

- A two year programme of Fitness for Purpose Assessments of all operational properties is being launched in April. This will be a joint exercise led by Strategic Estates, but working closely with property occupying Directorates. These will build on existing condition surveys and will enable a more holistic evaluation to be made of the value of individual buildings to the council and from which a transparent prioritised programme of continuing review can be developed.
- An implementation plan for the future management of the non-operational investment estate is currently being prepared for Cabinet consideration in June 2015. This will develop an alternative delivery model to ensure the recommendations arising from a recent independent review of the estate to be taken forward.
- Capacity is being put into place to enable acceleration of community asset transfers to ensure the sustainability and deliverability of community proposals for the future use of potentially surplus Council buildings or delivery of Council services which the Council no longer intends to provide.

Work Stream 4 – Improved Governance

42. The Improved Governance work stream was initially created to ensure that the Council's governance arrangements were fit for purpose, and enabled good decision making and sound systems of accountability. The Corporate Assessment identified key weaknesses in governance arrangements, including committee meeting minutes not being published in a timely manner, delays in Cabinet responding to scrutiny reports, overly long agenda, and individuals not being adequately held to account following service failures. In the light of the WAO Corporate Assessment, the Governance work stream was extended to address these wider issues as well as work on citizen engagement through the Cardiff Debate, and risk management.
43. The success criteria agreed for this work stream included improved annual perceptions of the public, improved public engagement in the running of the Council and improved performance across a range of services.

Progress to date

Democratic Arrangements

- In July 2014 Council approved the Scheme of Delegations, following a review which focussed on roles and responsibilities of the Executive, Scrutiny, and officer functions
- In terms of developing clarity and understanding of key challenges and pressures within the Council, and clarity of accountability for addressing these, arrangements have been put in place to foster cross party working and collective leadership, with meetings of group leaders being established, and Leader /Scrutiny Chair meetings taking place, as well as the continuation of well established whips meetings. All of these afford opportunities for cross party discussion on priorities and challenges.
- Each Scrutiny Committee has a clear and published work programme which is regularly updated and communicated. A training programme has been put in place to further strengthen the scrutiny function, and the Centre for Public Scrutiny has conducted a wide ranging review of Scrutiny in Cardiff in order to inform the next stage of its development. The CfPS report will be published in May 2015.
- Arrangements have been put in place through the Cabinet Support Office to ensure the timely consideration of Scrutiny reports and Chair's Letters by Cabinet, and delays in the system have been removed; Likewise, arrangements have been put in place to ensure prompt publication of minutes and decision registers. The Council has invested in Modern.Gov to provide greatly improved committee management, and ensure timely, visible agenda, reports, and minutes are available. Modern.Gov will be fully operational from April 2015.
- The Council has good visibility of compliance across a wide range of key processes ranging from processes around HR, to procurement, and financial

management. SMT receive regular compliance reports and are challenged to improve where compliance is inadequate. Immediate impacts can be seen in PPDR compliance, compliance with sickness absence procedure, and procurement rule compliance; The visibility and challenge of compliance at SMT is underpinned by training to improve compliance (eg Cardiff Manager Programme).

Cardiff Debate

- Cardiff Debate was launched in the summer of 2014 as a 3 year conversation with our citizens, communities and partners regarding the future of public services in Cardiff. As part of the engagement programme, a range of ideas are being explored as to how savings and income can be maximised. The public are also being asked about which services matter most to people and their views on which services need to be protected and how this can be best achieved.
- The first phase of the Cardiff Debate took place between June and September 2014 and included **37 events** in every ward and Neighbourhood Partnership area across the city – including leisure centres, shopping centres, community buildings and local community events. The ‘on-street’ engagement sessions and ‘drop-in workshops’ have been supported by staff from the City of Cardiff Council as well as colleagues from Cardiff and Vale University Health Board, South Wales Police and the third sector. Interest in the events has been high with over **3000 postcards** completed by people and over **6,600 votes** cast for people’s top three services. Health Services (12.9%), Education and Skills (9.8%) and Keeping Children Safer (9.5%) were identified as the areas of overall highest concern, although a range of specific issues were also identifiable at a community level.
- The public, stakeholders and elected members were also invited to take part in Vox Pops and a [short film](#) was created which has been made available via social media, the Cardiff Debate [website](#) and also shown at Cardiff Debate events.
- A full report of the Cardiff Debate methodology and results of the Phase 1 engagement can be seen [here](#)
- The City of Cardiff Council has utilised the Cardiff Debate to carry out the most extensive consultation on the draft budget ever undertaken in the city. As part of the 7 week consultation (21st November 2014-12th January 2015) on city-wide proposals, a consultation document was prepared to show proposals by neighbourhoods to enable the collective community impact to be demonstrated.
- 11 Community consultation events were held in each Neighbourhood Partnership area and with young people, 50+ Forums and the Cardiff Access Forum. To encourage a greater awareness of the budget consultation across Cardiff, the Council also used its networks, media contacts and distribution lists to potentially reach approximately 510,736 stakeholders. In addition a short [video](#) on the ‘£124m’ budget challenge was produced to raise awareness amongst the public of the need to deliver services in a different way in future.

- In response to the consultation, over 500 people attended events, 4,192 people responded to the questionnaire, 766 pieces of correspondence were received, over 20,000 people signed petitions, 1 community poll was held and 91,418 visited the Council's budget webpage.
- A full report of the [results of the budget consultation](#) was prepared for Scrutiny and Cabinet and led to a number of changes being made to the final budget agreed by Council on 26th February 2015.

Risk Management

- The key improvement regarding risk management has been progressing corporate work on Business Continuity Planning, with clear plans in place across the Council for the recovery of key services following a major failure event.

Holding to Account

- The Council's disciplinary process and profile have been reviewed, and a report will be brought forward during the first quarter of 2015-16 so that the findings and recommendations can be considered, however as an immediate improvement arrangements have been made to facilitate corporate reporting of disciplinary and grievance cases, affording senior managers and members with visibility on the number of cases coming forward (by directorate), time taken to investigate, and the outcomes determined. Reporting will commence at Quarter 2 of 2015-16.

Next Steps

Further work on governance will be progressed within the **Enablers & Commissioning Programme**, with projects being taken forward on:

- Improved Decision Making and Ethical Governance
- Member Development & Engagement
- Improving Scrutiny
- Public Engagement & Communication

These will address, inter alia, the following:

- Take further action to improve agenda management, report quality, and professional officer advice to scrutiny committees
- Following publication of the 2015-17 Corporate Plan, Scrutiny & Audit Committees need to be supported to prepare work programmes with a clear focus on the Council's priorities;
- Take further action to improve agenda management, report quality, and professional officer advice to scrutiny committees, ensuring parity of quality control in the preparation of reports for scrutiny & cabinet;

- Establish a clear plan for the future development of scrutiny, which is owned by members, building on CfPS review.
- Build on the Cardiff Debate and secure improvement in the public facing communication by the Council.

Work Stream 5 – Strategic Commissioning

44. The Strategic Commissioning work stream was established to ensure that the Council had a more consistent and evidence based approach to the design and delivery of services to address the needs of communities and citizens. The approach involves objective assessment of need and reviewing how best to deliver priority outcomes. The work stream envisaged the creation of a “mixed economy” of provision, involving in house delivery, community led delivery, and delivery which is commissioned in the open market.
45. Following the publication of the Corporate Assessment, this work stream was expanded to include work to more directly address financial stability, developing new income streams, the exploitation of more commercial approaches, and further development of robust budget management.
46. Success criteria included timely completion of option appraisals and implementation of new ways of working at reduced cost to the Council.

Progress to Date

- The Council has established both a service review methodology and an evaluation matrix to support the task of evaluating different service delivery models. A prioritised programme of service reviews is being developed and will feature in the OD Milestone Plan submitted to Cabinet in June.
- The Council is currently progressing the development of a variety **Alternative Delivery Models** for a range of services:
 - Leisure
 - Culture
 - Infrastructure Services
 - Youth Services
 - Play Services
 - Heritage Assets
- Resources Service Reviews - reviews have been carried out in the Resources Directorate for the Finance Service, HR and ICT and are nearing completion in Legal Services. These reviews have used common processes to establish the strengths of the service and areas where improvements can be made in a documented process allowing them to be externally scrutinised and the existing delivery method verified as capable of delivering savings. The associated action plans will now be used as the mechanism to deliver significant savings over a three year period.
- As set out in the 2015/16 Budget Report, enhanced work on financial resilience is being undertaken and will be reported to members on a regular basis in the new year

Next Steps

47. The work commenced in this work stream will now be progressed through both the **Enabling & Commissioning Programme** and the **Shaping Services Programme**.
48. Work is well advanced with developing alternative delivery models and opportunities for community asset transfer, but these work streams need to progress to completion, with services either transferring out of the Council to release savings, or being retained as a positive choice underpinned by robust business cases. Priorities for completion within the Enabling & Commissioning Programme include the Leisure & Culture ADMs.
49. A service review methodology has been agreed to ensure that each service is subject to consistent review, with a view to ensuring that the most effective form of service delivery is in place. Whilst reviews have been completed for Infrastructure Services and for Finance/HR/ICT, other service reviews now need to be programmed such that there is a manageable programme of reviews covering the whole council in a reasonable time frame. This is being managed within the Enabling and Commissioning Programme, as is work to develop commercial opportunities to secure additional revenue streams for the Council
50. Within the Shaping Services Programme, work will be progressed which relates to Infrastructure ADM, and the associated remodelling of the service around the Neighbourhood Management Areas. This is consistent with the Programmes focus on designing services around outcomes to maximise the impact of scarce resources by removing as far as practical departmental boundaries in the planning and delivery of efficient services, and reducing demand. The other two major priorities within the Shaping Services Programme are the redesign of Services for Vulnerable Adults and Services to Vulnerable Children.
51. In each instance a mix of lean reviews, use of customer and community information, demand management, and deployment of technology will be used to ensure effective service delivery at reduced cost to the Council.
52. Additionally, close monitoring and challenge of directorate budgets by the Cabinet Member for Corporate Services and Performance, and the S151 officer will remain in place throughout 2015-16, with regular reports to members on financial performance being generated. Specific objectives will continue to be set for Directors around financial management, articulating their accountability for delivering to budget;

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

Date: 8 May 2014



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Councillor Phil Bale
Leader, Cardiff Council
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Dear Councillor Bale,

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 6 May 2014 Organisational Change Draft Cabinet Report

On behalf of the Committee, thank you for attending the Policy Review and Performance Scrutiny Committee to enable pre-decision scrutiny of the draft 'Organisational Change' Cabinet report. Please also pass Members' thanks to the Cabinet Member for Corporate Services and Performance, the Chief Executive and the Assistant Director for Sport, Leisure and Culture.

There is an evident recognition, shared by this Committee, that the Council needs to change, partly in response to external pressures, but also in order to address its internal challenges. The draft report sets out a frank opinion that Cardiff Council is currently characterised by a 'top down, silo-based approach to service delivery', an assessment which several Committee members recognised. The Committee therefore welcomed the proposal to implement an Organisational Development programme. However, we will look to see its outcomes and potential cashable savings more clearly set out as the scope of the workstreams and projects is defined, given that a considerable fund of £1.7 million has been set aside for this work.

There are – as highlighted during the meeting – a number of areas that will be tackled by the Programme to which this Committee has drawn attention in the past. Among others, these include employee and public engagement; workforce planning; asset management; performance management; web and customer management. The Committee looks forward to scrutinising those workstreams, service reviews and projects which fall under its remit in more depth, to provide support and challenge as the Programme progresses. We will start on our Committee work programming after Annual Council, so will look to schedule items at appropriate points. I'm confident that you will agree that Scrutiny engagement will be crucial to the Programme's development and implementation.

Members queried whether there was still an appetite for change within the Council particularly below Operational Manager level. We hope that the Employee Engagement project will provide a sustained mechanism to make the most of the valuable experience and knowledge of Council staff, as well as to gauge staff opinion and morale. As highlighted by one Member, staff should be part of a team identifying and taking ownership of issues and helping to develop solutions. We would like to



consider the results of forthcoming engagement activity as relevant as we consider Organisational Development projects in more depth.

The Committee noted the emphasis on a Strategic Commissioning approach contained in the report and recommend that as proposals develop you engage fully with relevant Scrutiny Committees. Members further recommend that a strong 'feedback' mechanism is built into the Commissioning cycle. Communities need to know that we have taken ideas on board and acted as appropriate, once we have analysed their needs. However, the Committee welcomes the overall focus on engaging communities in the design, and potentially the delivery, of services. We recommend that the Cabinet considers bringing together a team within the Council to enable and support communities in developing alternative delivery method proposals. This could draw upon expertise already within the Council, for example Finance, Legal, Procurement, and Grants officers, as well as Learning, Training & Enterprise and Neighbourhood officers. Such a team could assist in identifying and developing suitable models for the delivery of a particular service, give advice on accessing funding and information, and act as a central contact point. We would hope that such a team could be a valuable resource in building links with communities, developing community capacity and ensuring a smooth transition of services where necessary.

The Committee further supports the establishment of a 'Cardiff Debate', having as you will recall, emphasised the need for effective citizen engagement on many occasions when you sat on the Committee. As stated above, Members are clear that effective community engagement must involve a feedback mechanism to demonstrate where engagement has resulted in change. We also hope that the Debate will aim to hear from a wide-range of citizens and communities, and not just the 'usual suspects'.

In terms of the resourcing of the Programme, the Committee would like more clarity, in order to determine the potential impact on the delivery of other services, given that capacity is already stretched in some Directorates. We would also like to have greater understanding of the Earmarked Reserve which has been established and what is meant by 'technical, professional and specialist support'.

In terms of the Peer Challenge Group, the Committee recommends that its Terms of Reference are further refined. If its remit is to provide 'advice', 'challenge', 'critical friendship' and signposting to good practice, then, as Members commented at the meeting, the Committee feels that an external Chair should be appointed to ensure that the Group provides an independent voice. Members also recommend that a formalised reporting mechanism should be established to both formal Cabinet business meetings and this Committee, so that there is wider corporate and public visibility and opportunity for shared learning from the Group's advice. Finally, the Committee felt that the frequency of meetings should be formally set out, rather than left to be scheduled 'as required' to ensure that the Group's momentum is kept up.

There are several recommendations and requests for further information included in this letter, so I would be grateful for your response. Thank you again for attending the Committee meeting and I look forward to working with you in future as these initiatives develop further.

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 Councillor Graham Hinchey, Cabinet Member for Corporate Services & Performance
Paul Orders, Chief Executive
Martin Hamilton, Assistant Director – Sport, Leisure and Culture
Cabinet Office
Members of the Policy Review & Performance Scrutiny Committee

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[Handwritten signature]

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Fy Nghyf / My Ref: CM27698

Dyddiad / Date: 26th June 2014

Councillor Nigel Howells
Chair, Policy Review and Performance Scrutiny Committee
City of Cardiff Council
county Hall
Atlantic Wharf
Cardiff
CF10 4UW

Annwyl / Dear Councillor Howells,

**Re: Policy Review and Scrutiny Committee- 6th May 2014
Organisational Change Draft Cabinet Report**

Thank you for your letter of May 8th setting out the Committee's comments and recommendations regarding the 'Organisational Change' draft Cabinet report.

I have previously expressed the importance of a strong scrutiny function for the effective governance of the Council. Having served on the Policy Review and Performance Committee I am aware of the insight and commitment that exists. I am firmly of the opinion that scrutiny has an important role to play in delivering the Organisational Change Programme and other major policy initiatives.

I am pleased to say that the report included a number of issues previously raised by the Committee, such as workforce planning, asset management, performance management and customer engagement. I also agree with the Committee that Scrutiny engagement will be crucial to the Programme's development and implementation. In view of this, Cabinet Members and Officers will be happy to work with Scrutiny to ensure that the work-streams falling under the Organisational Development Programme 2014-17 can be considered by Scrutiny as and when appropriate.

In relation to the issue of an appetite for change within the organisation, I can assure the Committee that the Chief Executive has a strong senior management team in place ready to lead this change programme. The Chief Executive has also undertaken sessions with operational managers at Senior Management Forum as part of the organisational development process. The feedback was very positive with a desire, particularly at operational manager level, to be empowered to take forward a positive programme of change and improvement.

I would also emphasise that the Co-operative values that underpin our approach will play an important part in engaging staff. The report makes clear that success will be dependent on

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the talent and commitment of Council employees. That is why I felt it was very important that the Chief Executive launch a programme of staff engagement. The Staff Roadshows which have taken place demonstrates this commitment to better engagement and staff development, which will be at the centre of how we will plan and implement changes.

In line with your recommendation, work will also be undertaken to ensure that a feedback mechanism is built into the commissioning cycle, and we will engage with the committee again as this work is developed.

The Committee's recommendation that the Council mobilise resources to support communities to develop alternative delivery models has also been included in the Organisational Development Programme, and we will explore an appropriate approach for taking this forward.

With regards to the Cardiff Debate, the engagement programme will ensure that as many people as possible are given the opportunity to feed in to the process. The approach will also draw on the Neighbourhood Partnerships in Cardiff, to enable as many people as possible are given the opportunity to contribute. Close work with existing community and third sector organisations, and their representatives, will be important however this is only one aspect of the Cardiff Debate. Specific community events will allow us to engage directly with citizens and easy-to-overlook groups as part of a comprehensive approach to engaging with communities on the issues that matter to them. It will include on street activity as well as opportunities to engage through a range of social media.

A briefing for all members will also be arranged on the Cardiff Debate to assist them, in their role as community champions, to encourage people to get involved in shaping the services they receive.

I recognise also the need for external representation on the Peer Challenge Group, however as this programme is central to the long term sustainability of service delivery, it must be led by the organisation's leadership who are accountable to the public. We will have external representative on the Group to provide independent voice and challenge, but the Chair must sit within the organisation. In terms of reporting, both Cabinet and scrutiny will receive regular and detailed updates as well as an opportunity to challenge.

To provide greater clarity on resources, including the Earmarked Reserve, the Committee will be presented with more detailed information at an upcoming meeting. With regards to the Committee's recommendation that there needs to be a formal schedule of meetings, it has been agreed that the Group will meet quarterly.

I look forward to working closely with the Committee in future as we implement the programme- your involvement will be important in making this a success.

Yn gywir,
Yours sincerely,



**CYNGHORYDD / COUNCILLOR PHIL BALE
ARWEINYDD, CYNGOR DINAS CAERDYDD
LEADER OF THE CITY OF CARDIFF COUNCIL**

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

Date: 13 November 2014



County Hall
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Neuadd y Sir
Caerdydd,
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Councillor Graham Hinchey
Cabinet Member for Corporate Services and Performance
City of Cardiff Council
County Hall
Cardiff
CF10 4UW

Dear Councillor Hinchey,

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 4 November 2014

Thank you for attending this month's Policy Review and Performance Scrutiny Committee meeting. I will deal with Members comments and recommendations on each item in turn. Firstly however, I must point out that although Members agreed to accommodate the delay to the drafting of the Property Strategy by deferring it from last month's meeting and adding it to this month's agenda (dropping other items to enable this), we were disappointed to have to do so. Although Members agreed to alter the meeting start time to allow sufficient time to deal with each item in depth, it still resulted in a longer than ideal agenda. We are keen to avoid this re-occurring, given the Wales Audit Office's comments about agenda length, and we hope that you and your officers will work to improve Cabinet forward planning to ensure we are not put in such a position again.

Draft Property Strategy

Given that the Committee has waited for eighteen months to scrutinise a draft Property Strategy and experienced numerous delays, Members were disappointed by the content of what was eventually presented to them. We therefore welcomed the Director for Economic Development's comment that this was still a draft which could be amended. Whilst noting officer's comments that the Strategy was intended to be 'high-level' and that much work has gone on behind the scenes, Members had anticipated that far more detail would be included in the Strategy, particularly in terms of the Council's direction of travel in managing its estate. We noted that clear intentions have been set in terms of reducing the operational estate, but feel that this was lacking in other areas. The Strategy gives the impression of being an 'interim' document which provides little new information and leaves much still to be determined.

It is evident that several pieces of work which could inform and set out the Council's strategy have not yet been completed. We were informed at the meeting that the consultant-led review of the investment estate has not yet been completed. We



would like to scrutinise the results and any subsequent recommendations before they go to the Cabinet for decision. I would therefore be grateful if you would give a firm date for its availability so that we can accommodate it into our work programme while keeping agenda lengths reasonable. We further noted that work is still ongoing in the development of a multi-purpose arena, as well as the Director for Economic Development's comment that his advice that an alternative for County Hall should be sought is still applicable. As a detailed business case is being developed, we ask that Scrutiny is fully engaged via pre-decision consideration of any proposals. The proposed annual Corporate Asset Management Plan is something which we will consider in future work programming discussions. We were also informed that the Schools Review will report in December, and have referred this to the Children and Young People Scrutiny Committee.

There were some positives in the draft Strategy, such as the aim to improve partnership working in the management of the estate, which this Committee has previously recommended. However, when the Committee has considered property issues in the last two years Members have made clear that they recommend a firm statement of the Council's intention to use its estate for social, community and economic advantage, as well as for short-term financial gain. We don't feel that this has been given sufficient attention. Members were also concerned that a long-term vision has not been established to guide the irrevocable decisions around property disposals which are soon to be made. Although there are evident budget pressures, Members were concerned that short-term financial gain may be placed above the longer-term community value of our estate. We recommend that the draft Strategy is amended to give clear priority to the community benefits of the estate and clear political steer for the long-term approach to rationalisation.

The Committee has also previously recommended that comparative and benchmarking data should be incorporated. Although these aspects are referred to in the draft Strategy, we had expected more detailed information to have been compiled by now. Likewise, we have emphasised the need for transparency and appropriate engagement with local Ward Members as disposals are progressed. We do not believe that the reference contained in the Strategy to Member Engagement sets out a sufficiently robust engagement process. We recommend that both of these issues are addressed in the final document.

Finally, on a governance note, Members queried the 'confidential' papers which were referred to in the draft Cabinet cover report presented. We would be grateful if these could be circulated to the Committee in order to support future scrutiny of these issues. We also recommend that the draft Cabinet report is corrected to set out the justification for any exemption from publication. We were disappointed not to have access to this supplementary information ourselves.

Organisational Development - Strategic Commissioning & Service Reviews

Please pass our thanks on to the officers who attended with you to set out Council's developing approach to Strategic Commissioning. We noted the clear statement that this is very much about commissioning rather than procurement, as well as the shift towards co-production. We welcome the outward-looking stance which has been taken, with officers aiming to learn from experiences elsewhere in developing Cardiff's approach. We think that more concrete examples of what has and hasn't

worked for other local authorities, particularly the Core Cities and other relevant comparators, would be useful and ask that these are investigated and that knowledge shared.

It was clear that the capacity to handle the shifting approach within the Commissioning and Procurement team is strained. The Committee has previously recommended that the Council builds a team to provide support and capacity-building for communities as more and more services move towards alternative delivery methods. This could include legal, economic development, commissioning and neighbourhood officers. Members are concerned that where the most appropriate way forward for a service seems to be delivery within communities rather than by the Council, communities may be unprepared to deal with the inevitable challenges involved in doing so. This could lead to gaps in service provision or ongoing budget pressures for the Council. We recommend that this is addressed as soon as possible. Members also noted that the Service Review toolkit has to date largely been developed within the Commissioning and Procurement team and recommend that this work should in future be pursued as part of the wider service planning framework and within the Change & Improvement function, as this would seem to be a more appropriate setting for it.

Internal capacity to manage within the change process, as well as develop new ideas for service delivery, is also needed. Members discussed the new Council values which have been introduced when the Chief Executive kindly joined the discussion. We hope that the Chief Officer for Change & Improvement's assessment is accurate that Council staff are not concerned about speaking out where changes are needed. We noted that the Cardiff Manager Programme is commencing and is aimed at developing the skills of managers at Grades 8, 9, and 10. We would recommend that the programme is extended below these grades to all line-managers or supervisors.

Members discussed the Community Asset Transfer process and noted officers' comment that a revised toolkit is under development. We would be grateful for confirmation of the timescale for producing this, given that budget pressures may lead the Council to seek to transfer an increasing number of assets. Members are concerned that the current process may be too cumbersome.

Finally Members were very interested in the discussion of John Hallett's work with time-banking, and would like to have a briefing on this in the future. We may seek to schedule this into our consideration of social inclusion later in the year.

Performance Report Qtr 2 2014/15 and Challenge Forum update

The Committee noted your comment that there has been some positive progress in Quarter 2 of this financial year, albeit that the budget position remains of significant concern. We noted the areas highlighted by the Chief Executive: the financial position; the management of demand in Health and Social Care; sickness absence; and pressures in Children Services. We have scheduled a more detailed consideration of the budget monitoring position once the full Month 6 report is released, so will scrutinise this in more depth then, as will the other Scrutiny Committees according to their terms of reference. The Chief Officer for Change & Improvement provided an additional report setting out some of the key performance issues facing the Council which may not have been immediately evident from the

performance report itself. As many fell outside this Committee's remit, we have referred this document to the other Committees to support their detailed consideration of performance.

Members had a number of comments about the Corporate Overview section. The Committee welcomed the inclusion of details regarding the outcome agreement, as well as the risk information added in Quarter 1 (albeit that the risk ratings seemed to be absent from this report). There are some sections where the information available has reduced, however, and we would recommend that it is reinstated. This includes data around overtime and agency budgets and expenditure. The Committee has also requested on several occasions that the customer point of view is built into the report. We do not feel that this has been addressed and recommend that it is by Quarter 3. Similarly, in response to our comments regarding the Members Enquiry line during the scrutiny of the 2013/14 quarter 4 performance report, you agreed to add commentary from Quarter 2 onwards to explain the deficiencies in this data. As this was not done, we recommend that this is addressed in the Quarter 3 report.

Members have queried the credibility of the target-setting approach previously and discussed it again at this meeting. We noted the Chief Officer's assertion that this is being addressed through the corporate and service planning approach. We are fully aware that a 'stretched' target during a time of budget pressures may be one that remains at the same level as previous periods. This area may be one which our Performance Panel explores in more depth.

Both you and the Chief Executive have emphasised the importance of Personal Performance Development Reviews. While it is encouraging that compliance is increasing, Members have heard for several quarters that 'dip testing' of the quality of PPDRs is underway, but have yet to hear the outcome of this. We would appreciate further detail.

We have not yet received a response to our 10 September 2014 letter regarding Quarter 1 performance, in which we asked whether it would be possible for Members of the Committee to attend the 'star chamber' challenge sessions in order to reassure themselves that the challenge process is effective. I would reiterate this request now. Some Members have also expressed an interest in attending the Challenge Forum sessions. I would appreciate your response.

Finally, the Committee was informed that a 'public facing' version of the performance report is under development (during our consideration of the 2013/14 outturn) and would like an update on progress.

Thank you again for attending the Committee meeting. As there are recommendations and requests for information included in this letter, we would be grateful for a formal response.

Yours sincerely,



**COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc Councillor Phil Bale, Leader of the City of Cardiff Council
Neil Hanratty, Director Economic Development
Charles Coats, Corporate Property & Estates Manager
Christine Salter, Corporate Director Resources
Steve Robinson, Operational Manager Commissioning and Procurement
Paul Orders, Chief Executive
Martin Hamilton, Chief Officer Change & Improvement
Marie Rosenthal, County Clerk and Monitoring Officer
Cabinet Office
Members of the Policy Review & Performance Scrutiny Committee



My Ref / Fy Ref: CM29153
Your Ref / Eich Ref: T: Scrutiny/PR&P/
Comm Papers/
Correspondence

Date / Dyddiad: 05 December 2014

Councillor Nigel Howells
Chair, Policy Review & Performance Scrutiny Committee
Scrutiny Services
Room 243
County Hall
Cardiff
CF10 4UW

Dear Councillor Howells

Policy Review & Performance Scrutiny Committee - 04 November 2014

Thank you for your letter and for the useful debate with Members at the November Committee meeting. I do appreciate that the short delay in finalising the report caused you some problems with managing your agenda and I can only thank you for being so accommodating.

Draft Corporate Property Strategy

I have asked officers to take account of the key suggestions raised in your letter and also in the debate at Committee in finalising the draft. In particular, there was a strong suggestion made by Committee for the report to articulate a clear direction of travel for the management of the estate. I believe the strategy is / was clear, encapsulated by the title – *'fewer, but better buildings'* – and the three key components of the strategy: modernisation; rationalisation; and collaboration. However, to illustrate the point further, we have now included a conceptual illustration of a neighbourhood to demonstrate how we expect the provision of public sector buildings in communities to change over time. In many respects this is common sense given the on-going changes to public sector funding.

The point you raised regarding the level of detail in the report and the 'interim' status of the document is acknowledged but not accepted. The Corporate Property Strategy (CPS) is a strategic document that provides a framework and vision for improving the performance of the Council's estate. It is not an action plan. Detailed actions will be provided through the annual Corporate Asset Management Plan (CAMP) which will be subject to further engagement and scrutiny by Members. The CAMP will outline the Council's intended work

PLEASE REPLY TO / ATEBWCH I: Cabinet Support Office / Swyddfa Cymorth Y Cabinet,
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CF10 4UW Tel / Ffon (029) 2087 2479



programme for the forthcoming year and will report on the performance of the previous year. There will be a detailed review of performance that will be benchmarked against relevant local authority comparators. The CAMP will also articulate the detailed process for disposals and how Members will be involved. I am happy that the Strategy has been pitched at the right level and that it will provide the basis for a significant shift to the way in which property is managed by the Council by enabling property to be dealt with as a 'corporate' asset, with decisions taken for the good of the Council as a whole.

Further to this, on the point you raised regarding clarity of intention/vision and in particular the importance of considering social, economic and environmental priorities in addition to financial ones, I do not feel it is necessary to make significant adjustments to the document as the strategy does not suggest at all that there will be a fire-sale of the Council's assets to meet financial pressures. In terms of the operational estate, the financial driver is to reduce operational costs, i.e. *'fewer, but better buildings'*. What happens to buildings once they are deemed surplus to operational requirement will be the subject of detailed assessment and engagement with Members that will consider a range of potential uses/opportunities.

With regard to the point you raise regarding access to confidential papers, I will ask officers to forward you a copy, but would ask that you continue to treat them as confidential. The papers capture the first stage of a high level review undertaken by officers which is based only on a review of property condition. Further work will need to be undertaken on the condition of buildings through Fitness for Purpose Assessments and the purpose of this initial work was to identify priorities for this further work. There has been no engagement with Cabinet or local Members at this stage.

On the issue you raise regarding the Investment Portfolio, we had hoped the independent review would have been concluded in time to report the findings at the same time as the Property Strategy and this was part of the reason for the short delay. However, I am assured that the Leader will be presenting the findings to Cabinet in January and as such it has been pencilled in to the agenda for PRAP scrutiny in January.

Finally you asked for the Committee to be fully engaged in the work to determine whether there should be a new core office building (County Hall). I can confirm that the findings of the detailed business case will be presented to Committee in due course before a decision is made on this important matter.

Organisational Development - Strategic Commissioning & Service Reviews

Officers are pleased to note the positive response from Scrutiny in terms of the approach being taken to develop our strategic commissioning approach and agree that practical examples of what the various approaches have delivered would be useful. We will look to compile these examples and share with Scrutiny.

The need for a Council resource to provide support and capacity building for communities has been recognised and a new post has been funded with the Communities Directorate to start this enhanced approach.

Performance Report Quarter 2 2014/15 & Challenge Forum Update

I thank you for the Committee's comments and trust you have now received the response to the 10 September 2014 letter. I have asked for the requests for information you have requested to be brought to Committee once available.

I trust this information is of assistance, and once again thank the Committee for their comments.

Yours sincerely,
Yn gwyir,



Councillor / Y Cynghorydd Graham Hincley
Cabinet Member for Corporate Services & Performance
Aelod Cabinet dros Wasanaethau Corfforaethol a Perfformiad

Cc Councillor Phil Bale, Leader of the City of Cardiff Council
Neil Hanratty, Director Economic Development
Charles Coats, Corporate Property & Estates Manger
Christine Salter, Corporate Director Resources
Steve Robinson, Operational Manager Commissioning & Procurement
Paul Orders, Chief Executive
Martin Hamilton, Chief Officer Change & Improvement
Marie Rosenthal, County Clerk and Monitoring Officer
Cabinet Office
Members of the Policy Review & Performance Scrutiny Committee

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

Date: 21 January 2015



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Neuadd y Sir
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Councillor Graham Hinchey
Cabinet Member for Corporate Services and Performance
City of Cardiff Council
County Hall
Cardiff
CF10 4UW

Dear Councillor Hinchey,

**POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 6 January 2015
Organisational Development Programme /Wales Audit Office Corporate
Assessment update**

Many thanks again for attending this month's Policy Review and Performance Scrutiny Committee meeting. I have written to you separately regarding the Voluntary Severance and Employee Costs items in order to feed in to the Cabinet's discussions of these matters, but would also like to convey the Committee's comments regarding progress in implementing the Organisational Development programme and in responding to the findings of the Corporate Assessment.

Members welcomed the update given by officers. This is obviously an important issue given the imminent return of the Wales Audit Office and the Committee has committed a significant portion of its work programme for this year to scrutinising the Programme. Officers informed Committee that the Programme has reached a certain point in delivering the objectives which were originally set in May last year and that these had been to a great extent front-loaded. We noted that the Programme will now be re-focussed on a smaller number of functions and services in order to drive forward change in the medium term. The Committee felt that in order to satisfy the Wales Audit Office, and indeed to satisfy Committee members that the shortcomings identified by the Corporate Assessment are being addressed and the Council's overall performance is improving, a greater evidence base than was presented at this meeting is needed. We therefore welcomed the offer of an additional scrutiny session prior to a further report being presented to Cabinet in March or April to set out the new direction for the Organisational Development Programme. We anticipate seeing greater evidence of progress delivering outcomes at that point.

We have previously asked if the Peer Advisors sitting on the Challenge Forum can brief the Committee on their work and advice, so very much welcome the offer to hear directly from them at that meeting. Members of the Committee are concerned that the Challenge Forum should be as open as possible, noting the Chief Executive's comment that he is relaxed about sharing this information. We have asked for regular updates on the Forum's work with quarterly performance reports,



so look forward to receiving more detail of their findings and recommendations with Quarter Three.

The Committee discussed the critical issue of how directorate budgets, and more specifically directorate overspends, will be managed. Given the emphasis laid by the Auditor General on the achievability of savings in the current financial year, Members would like a more detailed understanding of how the Cabinet is challenging senior managers to ensure that budget issues are addressed.

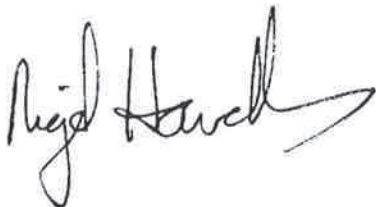
Members discussed the issue of staff morale at some length during the meeting. You commented that local government is in an unprecedented situation and that the extent of the change required will inevitably have an impact on morale. It is clear to the Committee that the Council needs positive leadership through this period, and that how change is managed and communicated is key. The manager training which is now in place, along with efforts to improve internal communication, form only a part of the response to the situation. We hope that momentum in this area is not lost as budgetary considerations take priority.

Finally, we note that the Chief Executive's review of senior management is almost complete, and look forward to considering this as part of the 2015/16 Budget Proposals.

We would appreciate a response to the points raised in this letter. To re-cap for ease of reference, Members:

- Look forward to receiving a more detailed update on progress in March or April, prior to a refreshed Organisational Development Programme being presented for Cabinet approval. We will look for clear evidence of delivery against intended outcomes at this meeting, and would like to hear directly from the Challenge Forum Peer Advisors;
- Request a detailed report regarding the work and recommendations of the Challenge Forum with the Quarter Three Performance Report in order to ensure transparency in its work;
- Anticipate receiving more detailed evidence of how directorate overspends are being challenged and managed;
- Recommend that staff morale and the positive management of change remain high up the Cabinet's and Chief Executive's agendas.

Yours sincerely,



**COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc Councillor Phil Bale, Leader of the City of Cardiff Council
Paul Orders, Chief Executive
Martin Hamilton, Chief Officer Change & Improvement
Cabinet Office
Members of the Policy Review & Performance Scrutiny Committee



Date: 12 March 2015

Marie Rosenthal
County Clerk and Monitoring Officer
County Hall
Cardiff
CF10 4UW

Dear Marie,

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 3 MARCH 2015

Members ask that you pass our best wishes on to Councillor De'Ath and his family, with our hopes for a speedy recovery.

Members thank you and Paul Keeping for attending the above meeting to discuss progress on the Improved Governance - Organisational Development Programme and for preparing the update report on this.

With regard to the 'Improved Decision Making and Ethical Culture' project, Members ask that you pass our sincere thanks and appreciation on to Gill Nurton, Graham Porter and Kate Rees for all their hard work and efforts in ensuring that Modern.Gov is operational and user-friendly. Members believe that e-modernisation is both necessary and helpful in enabling effective local democracy.

Also within this project, Members note there is an action on 'Executive Decision Making and Forward Plan' and wish to highlight to you that the current Forward Plan published on the Council's website runs from October 2014 – March 2015. Members recommend that you investigate the reasons why an updated Forward Plan has not been published and ask that the situation is rectified.

As part of the 'Member Development and Engagement' project, Members recommend that officers look at the work other local authorities have done in using social media and web-based tools to widen participation in Member training, for example Monmouthshire Council's use of YouTube. Members were pleased to note that, in our discussion on this, you stated that this would be an action in next year's programme.

During our discussion on the 'Improving Scrutiny' project, Members were interested to hear that the Welsh Government is currently consulting on their White Paper 'Reforming Local Government: Power to Local People' and that a report is due to be taken to Cabinet on this, detailing the proposed response from Cardiff Council. The deadline for consultation responses is 28 April 2015 and Members would like to know

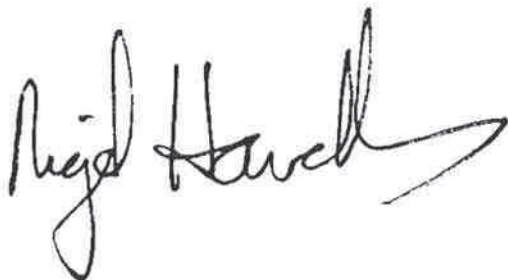


how the wider member body will be engaged in the process of formulating a response; we would welcome being involved in this process.

To recap, this letter contains the following points and recommendations and requires a response:

- Please pass on our thanks and appreciation to Gill Nurton, Graham Porter and Kate Rees for all their work re Modern.gov.
- Members recommend that you investigate the reasons why an updated Forward Plan has not been published and ask that the situation is rectified.
- Members recommend that officers look at the work of other local authorities regarding the use of social media and web based tools in member training.
- Members would like to know how the wider member body will be engaged in the process of formulating a response to the Welsh Government White Paper 'Reforming Local Government: Power to Local People'.

Yours sincerely,



COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

Cc: Cllr De'Ath Paul Keeping
 Alison Taylor Jayne Davis

CITY & COUNTY OF CARDIFF
DINAS A SIR CAERDYDD

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE

31 March 2015

‘REFORMING LOCAL GOVERNMENT: POWER TO LOCAL PEOPLE’

Reason for the Report

1. To give the Committee the opportunity to scrutinise the Council Response to the Welsh Government’s White Paper ‘Reforming Local Government: Power to Local People’, which is due to be considered at Cabinet on 2 April 2015, and provide scrutiny viewpoints to the Council Leader and officers to help shape the Council’s response.

Background

2. The draft Cabinet Report, attached at **Appendix 1 (to follow)**, sets out the background for the publication of the Welsh Government White Paper. This includes the Williams Commission report in 2014, the Welsh Government response to this report and the subsequent White Paper ‘Devolution, Democracy and Delivery – Improving Public Services for People in Wales’ published in July 2014. Links to these documents are provided at the end of this report, in the ‘background papers’ section.
3. The Council’s response to the first White Paper was approved by Cabinet on 9 October 2014 and is available for Members to access at:
<https://www.cardiff.gov.uk/ENG/Your-Council/Councillors-and-meetings/CouncilMeetings/Pages/default.aspx#lists>
4. The Welsh Government has now published a second White Paper, entitled ‘Devolution, Democracy and Delivery – Reforming Local Government: Power to Local People’, on 3 February 2015. This was emailed to Members of this

Committee on 4th March 2015 and a hyperlink to the document is provided below:

<http://wales.gov.uk/docs/dsjlg/consultation/150203-power-to-local-people-full-en.pdf>

5. The White Paper is supported by a detailed consultation survey, which is the Welsh Government's preferred method of response. The deadline for the submission of responses to the Welsh Government consultation on the White Paper is 28 April 2015.

6. The 'Power to Local People' White Paper sets out proposals to improve the democratic leadership, diversity and governance of local authorities and to improve the performance of councils. The consultation survey seeks views on specific proposals, covering the following areas:
 - Chapter 2: Balancing the Responsibilities of National and Local Government – including local authority constitutions
 - Chapter 3: Renewing Democracy – including elections, roles and responsibilities, standards committee, elected members, term limits and remuneration.
 - Chapter 4: Connecting with Communities – area boards and community councils
 - Chapter 5: Power to Local Communities – community participation, property transfer and community ownership
 - Chapter 6: Corporate Governance and Improvement – the Local Government (Wales) Measure 2009, corporate governance, audit committees, self assessment, peer review and ministerial intervention
 - Chapter 7: Performance in Local Government – corporate planning, single information portal, minimum performance outcomes and financial penalties, complaints
 - Chapter 8: Strengthening the Role of Review –scrutiny, democratic services, encouraging public voice, strengthening links between external scrutiny and the external review framework.
 - Chapter 9: Reforming Local Government Finance – vision, proposed approach, local taxation, distribution, governance and accounting.

7. A report on the above has been taken to Constitution Committee 19 March 2015, focusing in particular on Chapter 2 Local Authority Constitutions. The report highlights that the White Paper suggests local authority constitutions are lengthy documents that do not help local people understand their Authority and that the White Paper is seeking views on whether there is merit in developing a more stream lined model of Local Authority Constitution.

8. The report to the Constitution Committee states:

'It is suggested that the council welcomes the proposals to develop a more stream lined model Local Authority Constitution. However there should remain scope for councils to introduce local variation e.g. in relation to committee structure and composition and as Cardiff have done in relation to Oral Questions. '

'Members may also wish to suggest that any new approach also needs to recognise advances in technology allowing the public to participate in e petitions and by asking Public Questions by email. Many members also prefer to receive council papers and communicate by email. Council procedures need to recognise this.'

9. A report on the White Paper was also taken to Democratic Services Committee 25 March 2015, focusing in particular on Chapter 3 and the Democratic Services section of Chapter 8. The report recommended that the Committee *'consider what comments if any to refer to the Cabinet in drawing up the City of Cardiff Council's submission in response to the Welsh Government consultation on the 'Power to Local People' White Paper.'* Feedback from this meeting, and the Constitution Committee, will be available at this Committee meeting from Marie Rosenthal, County Clerk and Monitoring Officer; papers for these meetings may be accessed via:

<https://www.cardiff.gov.uk/ENG/Your-Council/Councillors-and-meetings/CouncilMeetings/Pages/default.aspx#lists>

Way Forward

10. Councillor Phil Bale, the Leader, has been invited to attend the meeting and may wish to make a statement. Marie Rosenthal, County Clerk and Monitoring Officer and Gareth Newell, Cabinet Support, will be in attendance to answer Members' questions.

Legal Implications

11. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

12. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with

recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATIONS

The Committee is recommended to:

- i. consider the information presented in this report and at this meeting;
- ii. discuss how the wider Membership of the Council could be involved in debate on issues stemming from the review; and
- iii. decide whether it wishes to make any comments or recommendations to the Cabinet on the proposed response to the White Paper.

MARIE ROSENTHAL

County Clerk and Monitoring Officer
25 March 2015

Background papers:

Report of the Commission on Public Service Governance and Delivery
(‘Williams Commission’)

<http://wales.gov.uk/topics/improvingservices/public-service-governance-and-delivery/report/?lang=en>

Devolution, Democracy and Delivery – Improving Public Services for People in Wales

<http://wales.gov.uk/docs/dpsp/publications/140708-response-to-commission-en.pdf>

Devolution, Democracy and Delivery White Paper –
Reforming Local Government: Power to Local People

<http://wales.gov.uk/docs/dsjlg/consultation/150203-power-to-local-people-full-en.pdf>

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POWER TO LOCAL PEOPLE WHITE PAPER

REPORT OF THE CHIEF EXECUTIVE

AGENDA ITEM: 4

PORTFOLIO: LEADER (ECONOMIC DEVELOPMENT & PARTNERSHIP)

Reason for this Report

1. To consider the City of Cardiff Council's response to the 'Power to Local People' White Paper issued by the Welsh Government.

Background

2. In April 2013, the Welsh Government announced the establishment of the Commission on Public Service Governance and Delivery, chaired by Sir Paul Williams (also known as the 'Williams Commission'), to examine all aspects of governance and delivery in the devolved public sector in Wales. The Williams Commission published its report on 20 January 2014, which made 62 recommendations, including proposals for local government reorganisation in Wales through the merger of local authorities.
3. The Welsh Government published its response to the Williams Commission's recommendations, entitled 'Devolution, Democracy and Delivery – Improving Public Services for People in Wales', on 8 July 2014. This report included a summary of actions to be taken forward by the Welsh Government.
4. On the same date, the Welsh Government also published a White Paper, entitled 'Devolution, Democracy and Delivery – Reforming Local Government'. The White Paper set out proposals for local government in Wales in the 21st Century and focused mainly on future legislation to support the proposed merger of local authorities in Wales. The Council's response to this White Paper was approved by Cabinet on 9 October 2014.
5. The Welsh Government published a second White Paper, entitled 'Devolution, Democracy and Delivery – Reforming Local Government: Power to Local People', on 3 February 2015. The deadline for the submission of responses to the Welsh Government consultation on the White Paper is 28 April 2015.

Issues

6. The 'Power to Local People' White Paper addresses many of the previous recommendations of the Williams Commission and sets out proposals to improve the democratic leadership, diversity and governance of local authorities and to improve the performance of councils. It is supported by a detailed consultation survey, which is the Welsh Government's preferred method of response and includes specific questions on the following issues:

Chapter 2: Balancing the Responsibilities of National and Local Government

- Status of reformed Authorities (page 20)
- General power of competence (page 21)
- Deregulation and Contracting Out Act 1994 (page 22)
- Local Authority constitutions (pages 22-23)
- Legislative burdens and review of the body of Local Government legislation (page 23)

Chapter 3: Renewing Democracy

- Local Government elections (pages 25-26)
- The roles & responsibilities of Leaders, Cabinet Members and Elected Members (pages 26-30)
- Standards Committees (page 31)
- Diversity of Elected Members (pages 31-33)
- Remuneration of Elected Members (pages 33-34)
- Number of Elected Members (page 34)
- Restrictions on Elected Members and Electoral qualification (pages 34-36)
- Recall of Elected Members (page 35)
- The role and responsibilities of Chief Executives (pages 37-38)
- Term limits for Chief Executives (pages 38-39)
- Remuneration and appointment of senior officers (pages 39-42)

Chapter 4: Connecting with Communities

- Member-led Area Boards (pages 49-50)
- The reform of Community Councils (pages 50-54)

Chapter 5: Power to Local Communities

- Community participation (page 57)
- Property transfer and community ownership (pages 57-60)

Chapter 6: Corporate Governance and Improvement

- The Local Government (Wales) Measure 2009 (pages 63-64)
- Strengthening the role of Corporate Governance and Audit Committees (pages 64-65)
- Self-assessment and peer review (pages 65-66)
- Ministerial intervention (pages 66-67)

Chapter 7: Performance in Local Government

- Corporate planning (pages 69-71)
- Single information portal (pages 71-72)
- Minimum performance outcomes and financial penalties (page 72)
- Complaints (pages 73-74)

Chapter 8: Strengthening the Role of Review

- Strengthening internal scrutiny (pages 76-81)
- Democratic services (page 79)
- Encouraging public voice (pages 81-82)
- Regional scrutiny arrangements (page 82)
- Strengthening links between external scrutiny (pages 83-84)
- The external review framework (pages 84-85)

Chapter 9: Reforming Local Government Finance

- The Welsh Government's vision and the proposed phased approach (pages 88-90)
 - Balance of funding and flexibility (page 90)
 - General revenue funding – local taxation (pages 90-91)
 - General revenue funding – distribution (pages 91-92)
 - Financial governance and accounting arrangements (pages 94-95)
7. The White Paper was considered by the Council's Democratic Services Committee on 25 March 2015 and will be considered by the Policy Review and Performance Scrutiny Committee on 31 March 2015.

Reason for Recommendations

8. To approve the City of Cardiff Council's submission in response to the Welsh Government consultation on the 'Power to Local People' White Paper.

Financial Implications

9. The financial elements of this consultation are covered in the response set out in Appendix A. There are no direct financial implications arising from this report.

Legal Implications

10. The response which has been developed in respect of the proposals contained in the consultation and which is recommended for approval for submission reflects the legal implications of those proposals.

RECOMMENDATIONS

Cabinet is recommended to:

1. approve the submission (Appendix A) to the Welsh Government in response to the 'Power to Local People' White Paper; and

2. delegate authority to the Leader of the Council and Chief Executive to make any further amendments to the Council's response to the Welsh Government prior to submission by 28 April 2015.

PAUL ORDERS

Chief Executive

27 March 2015

The following appendix is attached:

Appendix A: Power to Local People White Paper – Consultation Response by the City of Cardiff Council (*to follow*)

The following background papers have been taken into account:

Report of the Commission on Public Service Governance and Delivery ('Williams Commission')

<http://wales.gov.uk/topics/improvingservices/public-service-governance-and-delivery/report/?lang=en>

Devolution, Democracy and Delivery – Improving Public Services for People in Wales

<http://wales.gov.uk/docs/dpsp/publications/140708-response-to-commission-en.pdf>

Devolution, Democracy and Delivery White Paper – Reforming Local Government: Power to Local People

<http://wales.gov.uk/docs/dsjlg/consultation/150203-power-to-local-people-full-en.pdf>

POWER TO LOCAL PEOPLE WHITE PAPER CITY OF CARDIFF COUNCIL DRAFT RESPONSE

Introduction

1. The City of Cardiff Council welcomes the ambition of the White Paper, and is supportive of a number of the principles put forward in the paper for renewing local democracy and reforming local public services.
2. The financial landscape for public service delivery has changed dramatically. The Council alone has had to make over £85m savings during the last three years. Over the next 3 years the figure will be around £120m, including around £41.1m in the next financial year.
3. This financial challenge is set to continue with the Council facing a long period of severe budget constraint at a time when the demand for many services will be outstripping the resources available to deliver them. This is particularly true in Cardiff, with the capital city of Wales projected to be the fastest growing major UK city¹ over the next 15 years. In this context it is becoming increasingly clear that conventional, top-down and silo-based service delivery models are struggling to deal with complex, cross-public sector issues.
4. The Council therefore agrees with the thrust of the White Paper that the way in which public services are delivered in Wales needs to change, with a greater emphasis on partnership working, engaging with citizens to design services and introduce new models of service delivery. The Council has put in place an Organisational Development Programme to manage this transition over the next 3 years. It is vital that any process of local government re-organisation does not distract or hinder this programme.
5. Similarly, the Council agrees with the focus in the White Paper on the need to improve the standard of services. The City of Cardiff Council has recognised that performance in key services has, for a number of years, been far from satisfactory and has put in place robust performance and improvement measures to tackle this underperformance. Whilst we are now turning services around, it is imperative that any improvement is not jeopardised by a focus on structural reform.

¹ Cardiff predicted to be the fastest growing major UK city in percentage terms.

6. The Council agrees with the need for greater diversity in local government, so that the Council chamber is reflective of the communities it serves. However, the Council believes that some of the proposals for reform in this area (set out in Chapter 3 of the White Paper) are overly prescriptive, and run counter to the principle of making decisions as closely as possible to local residents, which the White Paper explicitly supports. Indeed, the Council has concerns that some of the proposed changes will not lead to increased diversity or local democratic engagement, and would encourage the Welsh Government to look again at this issue. The Council would therefore welcome the opportunity to work with Welsh Government to identify appropriate community based activity to encourage and promote democratic engagement.
7. The Council believes that greater local power and responsibility is the best way to strengthen local democracy, giving people a stake in their own future, trusting them to make the right choices for where they live. The White Paper proposal to explicitly rule out further devolution of powers to local authorities until any structural reforms have been undertaken therefore runs contrary to the desire to renew and reinvigorate local democracy.
8. Furthermore, this has the potential to place Cardiff and the Cardiff Capital Region at a competitive disadvantage against other UK Core Cities that are being given greater freedom and flexibilities - in areas such as local business rate retention - to drive their city-regional economies.
9. The Council welcomes many of the principles and recommendations contained in the White Paper in relation to Corporate Planning, improvement and review, but would argue strongly that the proposals should be proportionate to risk.
10. Medium and long term planning can only be done effectively if it is aligned with financial planning. The Council therefore calls for multi-year budget settlements for Welsh local authorities to be introduced. To enable greater flexibility in responding to the unprecedented budgetary pressures local authorities face, the Council would also call for Welsh Government to follow the precedent set in England and Scotland and move rapidly to de-hypothecate all specific grants.
11. The Cabinet has made clear its commitment to Cardiff becoming a 'Co-operative Council,' including a commitment to openness and a greater involvement of citizens, communities and staff in decision making, service design and delivery.
12. The White Paper recognises that the Co-operative Council approach rests on a clear definition and articulation of authorities' public service values. The City of Cardiff Council has recently established a new set of organisational values which were developed through Employee Engagement Road Shows and a series of workshops with employee ambassadors, senior management team and the Council's Cabinet. These values have been communicated widely within the organisation and placed at the heart of the new Corporate Plan and Organisational Development Programme.

13. The repositioning of Cardiff as a Cooperative Council is also being guided and supported by a step change in engagement with local communities, most notably through the 'Cardiff Debate' and through the 'Stepping Up' approach to community delivery (Chapter 4 & 5). Much of this has been necessitated by the scale and pace of funding reductions experienced by local government.
14. Whilst being committed to the spirit and values of being a Co-operative Council, the Council recognises that new models of service delivery cannot always be built around enabling community bodies to manage services, or by creating co-operatives or mutuals. Local discretion and flexibility in designing, delivering and commissioning services in accordance with local need will be key in ensuring sustainable, high quality public services. Public Sector Partnerships must also play a key role in securing high quality public services.
15. Finally, and perhaps most importantly, the Council agrees with the view set out in the White Paper that the role of the Welsh Government is to set national strategic direction and it is for Local Government to set its local objectives, responsive to local need and subject to local accountability. While supportive of the principles outlined in the White Paper the Council is concerned that some of the proposals are overly prescriptive and run counter to the principle of local discretion and the goal of renewing local democracy.

Chapter 2: Balancing the Responsibilities of National and Local Government

The Roles of Central and Local Government

16. The Council welcomes the recognition in the White Paper that the role of the Welsh Government is to set strategic direction, define a limited number of national expectations and to put in place the policy and regulatory framework within which local government will set its local objectives and deliver local services that are responsive to local need and subject to local accountability.
17. The Council therefore welcomes the support for the principle of local action ('subsidiarity') that is emphasised in the White Paper. The Council agrees that local people want choice over local priorities, and so the national framework must be flexible enough to allow this to happen, and to recognise that in many cases what is right for Cardigan and Caernarfon will not be right for the capital city.
18. The Council similarly recognises that this principle of local action places the responsibility for service delivery firmly on the shoulders of local delivery organisations, and these organisations must be accountable if local services are found to be failing local people.
19. While supporting the principles the Council has concerns that some of the proposals (in particular relating to 'Chapter 3: Renewing Democracy' and Chapter 6, 7 and 8 on Performance and Improvement) in the White Paper run contrary to the principle of local discretion and local action ("subsidiarity"), and to the framework for Central and Local Government relations outlined in Chapter 2. Furthermore, the Council believes that the Welsh Government should go further in giving local authorities greater responsibilities and financial flexibilities. In particular, multi-year budget settlements must be brought in to allow for effective medium to long term planning.

Central / Local Relations

20. The City of Cardiff Council believes that the reform of local government and the improvement of public services at a time of radical public sector austerity will require a strong partnership between the Welsh Government and local government.
21. The WLGA should continue to act as a representative body to lead engagement and liaison between the Welsh Government and local government. Whilst, the WLGA is well placed to represent all Welsh Local Authorities on certain issues, the Council would note that is not necessarily best placed to represent a large urban authority and the capital city of Wales on other matters, not least relating to urban policy and city management. The Council also supports the reform of existing Partnership Council membership or the establishment of a specific new local government forum to debate matters relating to the proposed mergers, which would involve the Leaders of all councils which are subject to merger.

Working Together to Reform Public Services

22. The City of Cardiff Council agrees that public service providers need to work together and with providers from other services and the third sector, breaking down unnecessary barriers and breaking out of silos. In short, partnership working, with other public service and third sector organisations, and with citizens and communities must be central to how public services are reformed to meet the challenges they face.
23. The City of Cardiff Council has been at the forefront of regional working in South East Wales in areas such as regulatory services and regional waste, and so recognises the benefits of working together with neighbouring authorities. The Council recognises the value in the White Paper's proposals of moving towards regionalising back-office functions; however, given the focus over recent budget cycles on radically reducing in-house administrative costs, the Council would suggest that the potential level of further savings available in this area would need to be tested.

Powering the Welsh Economy

24. The Council agrees that the role of Local Government is of particular importance in the context of the Welsh Government's city regions approach, and welcomed the recognition in the White Paper that the 'core cities' – including Cardiff – are expected to be the main source of new jobs and growth in the UK over the coming decades. This is consistent with the policy position at UK and European level, which is equally clear that the 'city-region' or 'metropolitan' level is the most appropriate spatial level for approaching economic and spatial development issues (economic development, transport, housing, planning).
25. The Council therefore supports the shift from 'regional' policy to one which recognises and seeks to exploit the strength of the city as the driver of growth, whilst ensuring that the benefits of growth are felt across the city-region.
26. One of the major challenges in the implementation of this shift is that the administrative boundaries of cities and metropolitan areas no longer reflect the physical, social, economic, cultural or environmental reality.
27. It can be anticipated that this will still be the case following any mergers of councils in South East Wales. The Council therefore believes that there is a need for governance arrangements to reflect the city-region, and that these should be established in advance of and run in parallel to, any programme of local government re-organisation.
28. Evidence from international city-regions suggests that those city-regions with a greater level of discretion and freedom from central control - within a framework of strong, accountable governance - are those that are doing better. The evidence also suggests that contractual arrangements where responsibilities for results, sanctions and incentives are clear and agreed – but where local partners have freedom to determine the best way of delivering them – are better than national governments attempting to micro-

control local partners.² The UK is one of, if not the most, centralised developed states in the OECD according to recent reports. It is essential we learn from international evidence and allow greater local discretion.

29. The Council is therefore clear that the evidence and experience from UK and international city-regions points towards the need for city-regional governance in the Cardiff Capital Region that is Local Government-led, with the private sector and the Welsh Government playing important partnership roles.
30. On the nature of the governance arrangements lessons can be learnt from Cardiff's natural comparators, the UK Core Cities, where Combined Authorities have emerged as a proven model for city-regional delivery. The recent announcements of devolution of further powers and responsibilities to these Combined Authorities is a testament to their track record and to the robustness of this approach in the eyes of the UK Government.
31. The Council believes that the option of pursuing a Combined Authority approach should be available to Welsh local authorities, as it is in other Core Cities across the UK. The Council would therefore ask the Welsh Government to reconsider its decision to not enable the creation of Combined Authorities in Wales as stated in the White Paper. This is a rapidly evolving area, and needs to be underpinned by an evidence base.

Status of Reformed Authorities

32. The City of Cardiff Council supports the move towards consistency of titles for comparable local authorities across Wales. However, given the recognised importance of cities in driving economic growth, and the role that Cardiff as the capital city should play as a leading economic and cultural brand for Wales, the flexibility should exist for the 'City of Cardiff Council' name to be retained.
33. The City of Cardiff Council supports the approach of removing unnecessary constraints on the ability of local authorities to take appropriate actions to fulfil their role and/or to pursue improvements (whether they directly or indirectly benefit the public) including changes to services and/or reductions to the public cost of services.
34. The current framework within which authorities are expected to operate does not promote a balanced approach to risk. Uncertainty in the interpretation of legislative drafting, adverse judicial interpretation and often conflicting or equivocal guidance, means that risk levels hinder and prevent local government delivering innovative solutions to local problems. The lack of multi-year budgets is just one example of how the current framework hinders local authorities.
35. If a general power of competence is introduced then when considering whether to follow the example of the one introduced in England through the Localism Act the following points should be considered:

² State of the English Cities, Parkinson (ODPM, 2006)

- Until the Brent case the well-being powers were considered by government and local government as being wide powers. The Brent case emphasises the risk that the judiciary will always seek to interpret narrowly any legislation which imbues on local government a general power. Local authorities will therefore need to carefully consider plans when exploring new and innovative ways to deliver services, particularly those involving alternative service delivery models.
- It is arguable that it is unnecessary to impose any express restrictions on any such power. The usual public law principles, such as proportionality and rationality, will still apply to the use of the power in any event (see opinion of Tim Kerr QC on the general power of competence).
- If limitations or restrictions are nevertheless considered necessary then it should be recognised that they may create doubt and potential for conflicting interpretations. Therefore any such limitations need to be set out very precisely rather than generically.
- The suggestion above reflects the implied acknowledgement in the consultation that the body of local government law contains a vast expanse of statutes, statutory instruments and statutory guidance with layers of amendments, part revocations and additions often confounding intelligible meaning. That is the reason for suggesting codification. Failure to identify precisely the limitation contained in any earlier statute which is intended to limit the power of general competence has the potential to critically undermine the power.
- Is it necessary that powers to trade should be limited to being undertaken via another corporate vehicle? Some existing express powers do not have such a limitation – e.g. power to trade through the Local Authorities (Goods and Services) Act, surplus capacity for IT, theatres and leisure. Setting up companies can create additional complications such as the conflict with aims of efficiency when intending to use surplus capacity. In any event why limit it to such specific corporate vehicles when LLPs and other formats may be more appropriate?
- Any new power needs to be developed so it is consistent with and part of a coherent legislative framework. Consideration needs to be given therefore to the relationship with other legislation such as the Social Services and Well-being (Wales) Act 2014, the Well-being of Future Generations (Wales) Bill and other powers referring to well-being of the area (eg General Disposal Consent and powers to acquire land..
- It is important not to lose the additional power under section 9 of the Local Government Wales Measure 2009 which offered potential capability to do certain things in pursuit of continuous improvement. Had such power been available to Brent it would have permitted the Council to have relied on the aim of generating “savings” to set up the proposed joint insurance company.

36. The Act provides a useful mechanism to supplement the mechanisms under the 1972 and 2000 Acts relating to delegation and contracting out of powers
37. The Council supports a review being undertaken of the current provisions to identify whether more generic delegations could be applied to avoid the need to seek or rely upon Welsh Government to introduce additional specific orders.
38. A variety of models for delivering public services are being considered and developed across local government. It is inevitable that in the context of establishing arrangements for the delivery of services by such models, there will be an increasing need to consider whether the arrangements should include delegation of decision making and/or other functions. This is particularly the case with so called “Teckal” vehicles where the company will in any event be acting like a department of the public body.
39. Whilst currently a local authority can seek an order to be made by Welsh Government, the additional work and time involved in obtaining such an order obstructs more effective use of such arrangements
40. Any review should however ensure that the availability of such general powers do not undermine the principle of local democracy and accountability or the electorate’s trust in such matters. The fundamental principle which must be protected is that in the main, decisions affecting public services should not be made by third party organisations which are not directly accountable to the electorate. Consequently any changes must provide satisfactory assurance to the general public as to the sufficiency of the governance arrangements.

Local Authority Constitutions

41. The City of Cardiff Council believes that the purpose of the Council’s Constitution is first and foremost to set out the standing orders and rules relating to procedures, conduct, remuneration and role specifications relating to the governance, administration, finances, commercial and collaborative activities.
42. That said, the Council recognises that more could be done to explain clearly and simply to the public how the Council operates, so that citizens can more easily understand and engage with the decision making process. This would be in line with the Cabinet’s commitment to becoming a ‘co-operative council’ with an emphasis on becoming a more open, transparent and engaged organisation. There are a number of examples of co-operative council constitutions that have been reviewed in this manner, and it is felt these could be used as a starting point in providing an easier to understand public document.

Legislative burdens and review of Local Government Legislation

43. The body of local government legislation is vast and complex involving as it does legislation covering the 19th century and onwards (even without

considering some local acts which continue to apply). The Council therefore supports the principle of codifying and updating the legislation to take into account case law.

44. However, it will be necessary to consider the potential disadvantages of developing the legislative framework in a way which will increase apparent divergence between local government law in England and Wales, particularly if it becomes more difficult to compare respective positions. It may be appropriate therefore to seek to collaborate with others in codifying local government law.

Chapter 3: Renewing Democracy

45. The City of Cardiff Council agrees that healthy democracy depends on the public taking a vital interest in the work of their council and councillors. The Council therefore welcomes the aspiration to get more people involved in local politics, and particularly to ensure that the Council chamber reflects the views, and the make-up of local communities.
46. However, the Council would argue that some of the interventions put forward in the White Paper to increase engagement and diversity are potentially ineffective tools and may be overly prescriptive in nature. The Council would support any action to promote the work councillors undertake to support local democracy, helping bring greater visibility to the role and encouraging awareness amongst communities.
47. Furthermore, the Council believes that the overwhelming majority of councillors do a valuable job on behalf of their communities, and are trusted, hardworking and respected by their constituents. Whilst there is a recognised need to rapidly improve services in some areas, there are a number of examples of good performance. Evidence, particularly citizen satisfaction surveys with public services, supports this view and in Cardiff citizen satisfaction with Council services stood at 80.8% in 2014.

Local Government Elections

48. The Council is content with the current system of 4 years, but sees the merit of a 5 year cycle to align with UK and Welsh Government elections, providing a clearly defined polling day which would focus on local government. The Council believes that fixed term electoral cycles, of either 4 or 5 years, are needed to provide medium term stability and therefore sees little strength in the argument for phased elections as suggested in the White Paper.
49. Indeed, the Council would note that Birmingham City Council has been ordered to overhaul its election system in a bid to tackle "deep-rooted" issues. A report published last month by Sir Bob Kerslake on Birmingham Council, where a third of councillors are voted in each year, concluded the council's current election system had not helped "strategic decisions". Under the new approach, the entire council would be up for re-election every four years

Defining the Roles and Responsibilities of the Leader, Cabinet Members, Elected Members and Senior Officers

50. The Council is broadly supportive of the proposals put forward in the White Paper, with many of these already in place in Cardiff (objectives being set for Cabinet Members and Chief Executive; the appointment of Deputy Cabinet Members as a means for developing the next generation of Cabinet Members). However, the Council believes strongly that the level of detail and prescription put forward runs contrary to the principle of subsidiarity, and of the roles and responsibilities of each level of government, outlined earlier in the White Paper.

Furthermore, the Council would make the following points:

- The Council sees no need to reduce the maximum number of Cabinet Members (currently 10), particularly given the proposed move to establish fewer, larger authorities. A reduction would also be to the disadvantage of those local authorities with more services maintained in-house.
- The number and nature of Cabinet posts within these reformed authorities should be left to the discretion of each local authority.
- That the appointment of Deputy Cabinet members should be encouraged as a professional development opportunity; Deputy Cabinet Members should not be seen as a replacement for full time Cabinet Members.
- The ability for a local authority to control the appointment of its Chief Executive or of senior managers should remain a fundamental principle of local democratic choice.
- The Council also disagrees with the need for term limits for Chief Executives. The Council would however support the introduction of fixed term contracts, and would welcome further the exploration of a system of review and reappointment after 5 years as outlined in the White Paper.

Term Limits

51. The Council is opposed to the introduction of term limits of any kind: for Leader; Cabinet Members; Elected Members; or for Chief Executives. The Council believes that their introduction would be an anti-democratic step; and furthermore that their introduction in local government and not in other levels of Government would run counter to the principle of subsidiarity that the White Paper puts forward so powerfully.

Standards Committees and the Right of Recall

52. The Council supports the principle of enhanced powers for Standards Committees. However, the Council would suggest that care be taken over any unintended consequences. In particular, the criteria by which a Councillor may be judged as 'failing' in their duties must be set so as not to be open to abuse. The risk and cost to the Council of having the right of recall abused or exploited inappropriately is a concern, and provisions should be in place to guard against this.
53. The Council believes that in Welsh local government that the Code of Conduct for Elected Members of local authorities is fit for purpose.

Equality and Diversity

54. The Council supports the proposal for Leaders to have explicit duties in respect of diversity. Indeed such duties are already set out in the Code of Conduct for Members. It should be the discretion of each local authority whether the Leader should co-opt members to ensure a more diverse Cabinet.
55. The Council welcomes the Welsh Government's aspiration of increasing diversity so that councils more closely reflect the communities they serve. Much of this reflects the recent report of the Expert Group on Diversity in Local Government which made several recommendations for the Welsh

Government, Local Authorities, the Welsh Local Government Association, political parties and councillors themselves. The Council would however suggest that there are other, potentially more appropriate interventions to increase diversity, which are also included in report by the Expert Group on Local Government Diversity “On Balance.”

56. While recognising that there are undoubtedly additional barriers to overcome for women and people from ethnic minority groups to become councillors, Cardiff Council is only marginally under-represented in terms of ethnic minority representation. Similarly, 29 of 75 (39%) councillors in Cardiff are women, which - though the third highest proportion in Wales is lower than the Council would hope. In respect of age, 45% of Councillors in Cardiff are under the age of 54. Cardiff Council is therefore well positioned in terms of diversity, though it is recognised that much more must be done to ensure sustained progress and welcomes the White Paper’s focus on this area. It is further recognised that political parties should reflect on how they address this issue through candidate selection and support.
57. In terms of unintended consequences, it also possible that reduced remuneration for Councillors will negatively impact on the diversity of likely candidates, particularly those in careers which do not provide a level of flexibility to accommodate such a role.
58. The Council supports the requirement for each local authority to establish a Youth Council.

Remuneration and Number of Elected Members

59. The Council believes that reducing the remuneration of Councillors may prove to be a disincentive to engagement with local politics and attracting talented professional people into local government leadership positions. Furthermore, with the stated goals of creating fewer, larger Councils, any reduction in remuneration can be anticipated to coincide with an increase in responsibility.
60. Members allowances are already subject to annual review in Wales by the Independent Remuneration Panel (IRP). The Council believes that there seems to be little value of another review as suggested by the White Paper until any authorities are established.
61. The Council would also note that in terms of comparability, a backbench AM in Welsh Government receives £54,000 and a MP gets £67,060. Assembly members who are not re-elected are also entitled to a Resettlement grant to the value of one calendar month’s salary for each completed year of service subject to a maximum payment equal to six months’ salary.
62. Unelected chairs of LHBs also get a range between £69,840 on the top end to £59,760 for smaller boards for 15 days a month. In terms of the scale and breadth of responsibility, it could be argued that a Council Leader or Cabinet Member on a straightforward “job evaluation” basis carries much more responsibility than either a back bench AM or MP.

Number of Elected Members

63. The Council requests that a definitive view on council structures be reached before the question of councillor numbers can be answered.

Electoral Qualifications

64. The Council believes that serving members of Local Authorities should not be able to serve as Assembly Members and continue their position in the Local Authority. In relation to local government employees (other than those in restricted posts) being able to stand for election and only resign if elected, the Council is supportive.

Chapter 4: Connecting with Communities and Chapter 5: Power to Local Communities

New Approaches to Service Delivery

65. The City of Cardiff Council welcomes Welsh Government's understanding that *'rising pressures on public services and diminishing resources means in future Local Authorities may have to do less directly in some areas themselves'* and agrees that Councils should be *'agents of change in communities'*. The Council is therefore committed to being an activist Council that works with our communities to offer modern, accessible and high quality services in line with our values as a co-operative council.
66. The City of Cardiff Council recognises that it cannot simply do the things it has done in the past and has placed an enhanced focus on enabling and supporting communities to do more for themselves, and in some instances, to play an active role in service delivery. The Council recognises in doing so it will need to provide the leadership and expertise to empower and build resilience within communities and to promote co-operatives, mutual and social enterprises.
67. In Cardiff, the Council published a 'Stepping Up' Toolkit in October 2014 as a guide to help communities and groups who may be interested in delivering or managing services or assets. As part of the 'Stepping Up' work, a number of Introductory workshops have been held with the community to provide assistance and to also get a better understanding of the barriers which people face – a report of the workshops has been produced which highlights some of the key issues and can be found [here](#). Further 1-2-1 support sessions are being held and details can be found [here](#). It will be essential to support community groups with financial, legal and HR expertise and ensure effective transition arrangements for any transfer of services or assets are in place, as well as ensuring the rights of children and young people and Welsh language speakers, amongst others, are protected.
68. The resource implications of this will need to be factored in, and it is perhaps worth considering pan-Wales support, to ensure groups have effective financial management and governance in place.
69. That being said, innovative approaches to new models of service delivery will not always be built around enabling community bodies to manage services or by creating co-operatives or mutuals, and local discretion and flexibility will be key in ensuring sustainable, high quality public services.

Community Involvement

70. The Council is committed to co-operative values of fairness, openness and working together with partners and communities, and agrees with the principle of putting people at the heart of public services. Residents and communities should be included in decisions affecting them and in the various stages of preparing, designing and delivering services where possible. The Cardiff Debate has been an ongoing conversation with residents on the future of services, visiting each area of the city over the last 9 months, and it will continue. It will be the local mechanism to involve service users in the

commissioning and design of services, but it must be noted this has been a resource intensive and challenging exercise.

71. Through the introduction of the Stepping Up Toolkit and associated support specified above, the Council has been able to help a number of residents and community groups in taking the first steps towards taking on greater responsibility for assets or services. There is, whilst recognising the role of the Council in providing advice and support, a need to ensure that groups are in a suitable position to take on this responsibility.
72. The Council agrees strongly that Community Bodies should demonstrate all four of the competencies identified in the White Paper before they can take a more active role in service delivery or take over an asset. However, the process of assessment must not become overly bureaucratic and burdensome or it will have the dual effect of placing additional strain on local authorities and risks community groups disengaging.
73. The Council also welcomes the proposals for eligible community bodies to start the process of asset transfer. There are already instances where this is occurring in Cardiff, and the Council has adopted a responsive approach, responding positively and being as supportive as reasonably possible when requests are made.
74. As regards the right of first refusal on assets which are on the private market, in the first instance there would need to be a mechanism to independently determine what constitutes a community asset if this is in private ownership, and that would not be a straightforward process. Second, the Council would feel uncomfortable with any concept of interference with the private open market; if community bodies wish to express an interest they should do so through the process prescribed by the vendor for the sale of the property.
75. The focus also shouldn't be on the building but instead the service. There are sometimes opportunities for services to be delivered from a different building in a more integrated and sustainable way. It may be better for the Council to consider a commercial offer for an asset as long as the service can be provided elsewhere. It must also be noted that the financial pressures facing local authorities mean that sometimes it will necessitate assets being either transferred or sold, and the proposal to 'guarantee community bodies a certain amount of time in which to develop their plans' will need clarification to ensure it is viable. Asset transfer, from the Council's experience, can be a time consuming and difficult process and any support that could help expedite this process, both for Councils and community bodies, would be welcome.
76. That said, the Council agrees with the principle that communities should be offered sufficient opportunity to take over appropriate public assets, or alternatively be granted the option to obtain a licence to operate from an asset.

Area Boards and Community Partnership Working

77. With respect to the proposals to introduce Area Boards, Cardiff welcomes a move towards greater community governance of this nature, something that will become more important if there are fewer, larger Local Authorities. Local

Authorities, in partnership with local people and other public service partners, will be best placed to determine whether area boards should be established and if so, where these communities should be.

78. Cardiff has successfully delivered a Neighbourhood Partnership model which has played a key role in targeting multi-agency intervention and delivering the What Matters Single Integrated Plan. This is recognised in the White Paper, with Cardiff's approach cited as a case study. The Neighbourhood Partnerships have focussed on problem solving local issues and practical actions which can be undertaken by partners. There has also been significant success in aligning resources at a Neighbourhood level through the delivery of Programmes such as Flying Start, Communities First and Families First.
79. Moving from a Neighbourhood Partnership model to an Area Board model would likely place increased pressure on the resources which would be required to successfully support public meetings and the capacity of partners to attend and effectively contribute. Additional support would be needed to provide robust management and accountability of arrangements including legal, finance and committee service resource to provide advice and formal recording of decisions made. Work previously undertaken in Cardiff (2011) to look at the cost of resourcing formal Area Boards/Partnerships estimated this cost to be **£1m per year** in Bristol based on staffing and support arrangements.
80. It should be noted that there is also potentially an issue in relation to silos being created at a Neighbourhood level and there being a loss of economies of scale at a city-wide level if budgets were devolved for some services. This is something that would need to be explored further ahead of introducing new arrangements. In developing new Community Governance arrangements the Council would seek to ensure a strong focus on evidence-based community needs was maintained.

Chapter 6: Corporate Governance and Improvement

Managing Improvement: Self-Assessment, Peer Review & Corporate Assessment

81. The Council welcomes the broad principles laid out within the White Paper (below), and of an approach to managing improvement which combines self-improvement, peer-review and external review:
- *“Rapid and responsive: providing timely and relevant evidence to management and members.*
 - *Risk based: focused on where there are problems or weaknesses.*
 - *Trusted and respected: commanding the confidence of those who are subject to the arrangements and those who use the data.*
 - *Open and transparent: outcomes from the work must be frank, honest, clear and in plain language.*
 - *Consistent and mutually reinforcing: avoiding duplication and nugatory work.”*
82. There are, however, some real concerns that the approach put forward is not proportionate to risk, and in practice will be resource intensive, bureaucratic and complex.
83. Under current proposals, Local Authorities would face a significant number of assessments, potentially two or more a year.

Current Proposals

Year 1	Year 2	Year 3	Year 4	Year 5
Self-Assessment	Self-Assessment	Self-Assessment	Self-Assessment	Self-Assessment
Peer Review	WAO	Peer Review	WAO	Peer Review

84. The Council would suggest a more streamlined approach that maintains the rigour of the White Paper’s proposal but does not place the same intensive resource pressure on serving two major assessments (internal and external) every year. The Council proposes a rolling cycle of self-assessment undertaken every two years, interspersed with external assessment undertaken by independent peers and the Welsh Audit office, outlined below. This proposal would be accompanied by the publication of the annual report against the Corporate Plan.

Proposed arrangements

Year 1	Year 2	Year 3	Year 4	Year 5
Self-Assessment	Commissioned Peer Review	WAO	Self-Assessment	Commissioned Peer Review Or WAO review

85. The proposed approach would maintain the focus on governance and performance improvement with rigorous self-appraisal and critical external analysis without being subject to an overly prescriptive performance regime. The focus should then be on supporting authorities where failure or significant risk is recognised.
86. The Council would also make the following points in relation to the proposals contained in the White Paper for Managing Improvement:
- The Chief Executive should have the discretion to commission the peer-review, focusing on areas identified by the self-assessment and Wales Audit Office as requiring improvement.
 - Local Authorities should not be compelled to respond separately to Self-Assessment, Peer Review and WAO report as it will create a fragmented policy position that is ultimately unworkable. The 3 reviews should be mutually re-enforcing and inform the Corporate Plan.
 - The 3 assessments should be subject to consideration by the relevant scrutiny committee

Power to Intervene

87. The Council would agree that in some circumstances Ministers should intervene where a Local Authority is showing signs of failure, however only under extreme circumstances and as a last resort.
88. The Council also believes that commissioning an independent review would represent excessive oversight and be unnecessary given that the self-assessment, peer-review and independent audit would already constitute a balanced and comprehensive performance inspection regime. The Council believes that at a time of diminishing resources, Ministers should consider deploying additional resources to support local authorities in areas where they are considered to be failing, rather than allocate resources towards reviews. This would represent a more collaborative position, with intervention representing a last resort.

Role of Audit Committee

89. The Council agrees that the proportion of independent members sitting on a Local Authority's Audit Committee should be increased, with existing arrangements with regards to independent committee members in Cardiff already benefiting the Council. Even before the Local Government Measure, the Council had more than one independent member (currently 4).

Independent members bring a wealth of experience from a range of disciplines and helps ensure the Committee remains apolitical.

90. The Council also agrees that the chair of a Local Authority's Audit Committee should be an independent member, and would note that Cardiff's Audit Committee currently has an independent chair. The Council currently has 8 Councillors and 4 Independents on its Audit Committee and we would consider this 2:1 ratio to work well. The Council believe that Elected Members provide local knowledge and experience whilst independent members can offer an external perspective from a wide range of disciplines as well as experiences from other organisations and sectors. By way of example of the calibre of independent members that the role can attract, the Council currently have as independent Audit Committee members a former Permanent Secretary at the Welsh Office, a former Chief Executive of a large Welsh Authority, a Professor in Accountancy and an ex-Chief Constable.

Chapter 7: Performance in Local Government

91. The City of Cardiff Council agrees with the statement that '*Local Authorities should be required to produce a Corporate Plan*'.
92. The Corporate Plan has to translate political priorities into organisational objectives and it should set out the strategic direction of the organisation, rather than be an exhaustive list of everything the Council does. The proposals to include all stated categories (and within the proposed level of detail) will produce a comprehensive plan. However, whilst development of the Corporate Plan should take account of all of the proposed categories, in its proposed format the document risks being extremely resource intensive to develop, highly technical and will fail to engage with local residents. If the Corporate Plan is to be a document which engages the public, it needs to be concise, high level and focused on key priorities.
93. The Council would agree that the Corporate Plan should include detailed information on the short and medium term priorities of the organisation, as well as emphasising the Council's commitment to the local Well-being Plan. It should support the Well-being Plan, which is a long term plan focused on improving outcomes for residents, as opposed to outlining long term organisational goals. The Corporate Plan cannot be a long term document as Local Authorities are subject to election cycles and annual budgets.
94. Furthermore, there is a clear disconnection between the expectation in the White Paper that the Corporate Plan is a long term document and the absence of a commitment to move towards a longer term financial planning regime.
95. Crucially it is important that the Welsh Government recognise the distinction between area wide outcomes and organisational effectiveness. Achieving area wide outcomes is a collective and long term endeavour, whereas organisational effectiveness is measured by more immediate performance indicators. The lines between the two should not be blurred. The Corporate Plan must be about organisational effectiveness measured through performance information. It contributes to wider outcomes measured by broader "macro level" data.

Fewer, more meaningful measures

96. The City of Cardiff Council agrees in principle to the establishment of consistent data definitions and performance information. This should form part of a process of rationalising and aligning the many different sets of performance measures and the Council fully endorses a new approach to performance data that will start from the premise that 'we must collect fewer, more meaningful measures'. We suggest that local authorities should be fully engaged in the process of establishing these data sets.
97. Whilst this will allow for effective benchmarking at a Wales-wide level, it would be useful for these data definitions to mirror those used elsewhere where appropriate. If we are going to deliver excellent public services then we need to learn and compare ourselves to the best in the world – and the ability to benchmark with others on comparable performance data would be welcomed.

Having explored benchmarking with UK Core Cities we would emphasise that this is an exercise that requires resource, capacity and expertise.

Minimum Performance Outcomes

98. The Council is not opposed in principle to the setting of minimum performance outcomes or standards, if used appropriately. Mutually agreed minimum standards could provide Welsh Government with the certainty that national priorities are being delivered and provide a framework and flexibility for a substantial degree of local freedom.
99. If minimum standards are to be developed then there will be a need to take into account that all Local Authorities are unique in makeup and face local issues. A “one-size fits all approach” will not always be suitable and it must be taken into account that not all Local Authorities will start from the same place on certain issues.
100. Local Authorities would need to be involved in the development of minimum performance outcomes/standards and there should be absolute clarity over the process by which the Welsh Government will review performance against these.
101. In reviewing performance against minimum standards there should be a clear support process in place and only in exceptional circumstances Ministers should have the power to intervene. It should be noted that the City of Cardiff Council would emphasise that intervention is a more meaningful consequence than a fine. The reputational damage of an intervention far outweighs the potential financial cost and having a clear support process in place should enable improvement before an intervention becomes necessary. Again, the Council would emphasise that any intervention should be a measure of last resort and pursued only in the most extreme circumstance. Strong partnerships and collaboration for improvement represent a much more productive approach to driving up standards.
102. There would also need to be agreement on the measurement of minimum standards, and we would argue that they need to relate to organisational performance measured by performance indicators. The selected performance indicators must be making a contribution to wider outcomes, but local authorities should only be held accountable for what is within their gift to deliver.

Digital Councils

103. The City of Cardiff Council already makes extensive use of digital and social media channels, and is committed to building on this approach. The Council already has over 36,000 twitter followers, was ranked in the top 10 Councils for use of twitter in 2014³, and has the only website ranked as a 4-star site by SOCITM in Wales. Welsh Government could encourage greater use by providing support and expertise in respect to developing online processes,

³ Trinity Mirror, 2014

coding, programming and engagement via social media – this will help address a skills gap.

104. Cardiff's status as a super connected city offering high-speed, high-quality seamless broadband is an important enabler of this agenda. Around 150 public buildings now offer free Wi-Fi across Cardiff including two traveller sites, homeless hostels and residential homes. Residents and visitors can also now access free Wi-Fi in the city centre and Cardiff Bay. Allowing and enabling high quality digital access for communities will help encourage digital engagement.

Complaints

105. The Council would like to emphasise that it already has both an online and paper based complaints process, and produces an annual complaints report. Local Authorities should be transparent and obliged to report on complaints made to all service areas and to provide information on how quickly complaints are responded to. The equivalent of the Council's Audit Committee is the best placed to consider reports on complaints.
106. In addition to the collection of data on complaints, the Council would support greater dissemination of complaints resolution. Lessons can be learned from examples such as the Financial Ombudsman Service, which produces a regular newsletter to industry to help share learning and reduce root cause of complaints.

Chapter 8: Strengthening the Role of Review

107. The Council fully endorses the need for strong review, particularly in relation to performance and improvement.
108. The Council agrees with the White Paper in that “the cost of scrutiny, audit and inspection should be proportionate” which is why the Council has suggested the revised approach to self-assessment, peer-review and external audit which captures the benefits of the White Paper proposals but reduces the potentially substantial requirements of the White Paper proposals.
109. Equally, the principal of strengthening scrutiny and widening participation is welcomed, but this should be balanced with the recognition that such arrangements are resource intensive. The Council would urge Welsh Government to make further resources immediately available to facilitate the accelerated roll out of webcasts of scrutiny and other council business in advance of any of the requirements placed through legislation.
110. Cardiff Council agrees with the need to better coordinate external regulators, notably the WAO, CSSIW and Estyn. The principle of the proposed ‘whole system assessment’ of authorities jointly undertaken by the main regulatory bodies is much welcomed.

Strengthening Democratic Services

111. The Council agrees that the requirement preventing the Monitoring Officer from also being the Head of Democratic Services be removed.
112. The Council is supportive of the introduction of a system of key decisions, and that only key decisions should be subject to pre-decision scrutiny and call-in. This would support effective Cabinet Forward Planning, and thus also support Scrutiny’s ability to plan effectively. If introduced, a statutory notice period of 28 days, as in England, would be an appropriate period for publication of key decisions.
113. The Council agrees that the Scrutiny Committees should be required to publish their scrutiny plans. In terms of Scrutiny Committees being required to establish short, medium and long term scrutiny plans we would note that Scrutiny Committees already publish short term (monthly) and medium term (annual forward plans), based on the Corporate Plan and What Matters strategy. Anything beyond this would be unworkable in terms of forward planning.
114. In relation to the use of external expertise, Cardiff’s five Committees already regularly invite third sector, academic and professional stakeholders as witnesses to meetings and inquiries.

Local Public Accounts Committees

115. Until the Designated Person’s Order is placed by Welsh Government, local scrutiny committees have no power to compel health, police and other

strategic partners to appear before them, or take their recommendations into account.

Giving Communities a Voice in Scrutiny

116. Cardiff has a track record of working with a number of third sector partners and stakeholders from professional and community bodies. While seeing Cardiff's Neighbourhood Partnership Areas as valid methods of engaging with people on a local geographical basis, it would seem counter-productive to restrict calls for evidence to these bodies. Scrutiny has regularly received over 3000 responses to surveys on topics such as litter and the night time economy, and has always taken a bespoke methodology to target responses by approaching communities relevant to the topic under consideration, rather than being shackled by a narrow geographical focus.

Regional Scrutiny Arrangements

117. Scrutiny members have recently supported the principle of a regional scrutiny committee to support the governance of the Regional Regulatory Collaboration. Cardiff has previously been involved in the 5 authority Prosiect Gwyrdd Scrutiny Panel. The Council would therefore be supportive in principal of Welsh Government's intention for a joint scrutiny committee to be established where a regional delivery mechanism is established. However, because local scrutiny is essential, any emerging regional scrutiny arrangements would need to be proportionate.

Strengthening the Role of Audit and Inspection

118. The Council fully endorses the need for strong review, particularly in relation to performance and improvement. We also contest that "audit and inspection have too often been the first line of defence against poor performance", but welcome a collaborative approach to strengthen the role of internal and external review.
119. The Council also agrees with the White Paper that "the cost of scrutiny, audit and inspection should be proportionate" which is why the Council has suggested the revised approach to self-assessment, peer-review and external audit which captures the benefits of the White Paper proposals but reduces the potentially heavy burden on authorities.
120. Equally, the principal of strengthening scrutiny and wider participation is to be welcomed, but this must be balanced with the recognition that such arrangements are resource intensive. We would therefore suggest that an overly prescriptive set of requirements would stretch resources too thinly and not allow local authorities and their partners to collectively focus efforts on areas that require the greatest improvement.
121. The Council agrees with the need to better coordinate external regulators, notably the WAO, CSSIW and Estyn. The principle of the proposed 'whole system assessment' of authorities jointly undertaken by the main regulatory bodies is much welcomed. However, as we have argued in paragraph 68 we do not believe that a biennial assessment as outlined in the White Paper is

“proportionate to risk”. It is also resource intensive in its requirements and care should be taken that this does not place significant additional burden on authorities.

122. The Council would welcome further dialogue with Welsh Government about how the work of the WAO, CSSIW and Estyn could be better coordinated, with the potential for merging these organisations into a single body being worth further exploration. This could assist with ensuring greater coordination of inspection, release financial savings and progress many of the principles advocated by the White Paper.

Strengthening the Links Between External and Internal Review

123. The Council supports the proposal that internal and external review should be encouraged and required to work seamlessly and effectively together. The Council is currently spearheading a Welsh Government funded research project to seek support across the sector for optimisation of good working relations between local authority scrutiny and Audit, Inspection and Review bodies. Initial findings from this research suggest that the WAO, CSSIW and Estyn already share their findings with Scrutiny Committees on request. The Council recommends that the Welsh Government consider the findings and recommendations of this project in further strengthening this relationship across Wales.

Chapter 9: Finance

General Revenue Funding – distribution

Sources of funding

124. The acceptance to take a more strategic and longer term approach to the reform of the finance system is welcomed. The Council recognises the points made in connection with volatility as a result of frequent movements of funding between public service organisations. However these elements of volatility sometimes relate to similarly volatile increases in need and associated demand within councils. The system of funding distribution already delays moving funds into growing areas of need due to the historical nature of the distribution mechanism and therefore additional measures, such as floor mechanisms, impact further on mismatching the distribution of funding. Therefore any solutions to a strategic, longer term solution should look to address this point. The Council would also support broader Welsh Government policy objectives expressed through legislation such as the Wellbeing of Future Generations Bill.
125. Whilst acknowledging that opportunities for further funding are limited it should be noted that the costs and timescales of merging councils will need to be considered alongside that of reforming local government finance. For example terms and conditions, ICT systems, compliance and council tax levels. The Council feels there is also an opportunity for Welsh Government to explore the use of the Wales Bill to devolve local taxation and freedom around income generation to support local authorities. Four UK areas will be given autonomy to collect and keep 100 per cent of business rates as announced by the Chancellor's recent budget. Cambridgeshire, Peterborough, Greater Manchester and Cheshire East will all start receiving the business rates paid in their areas from April in a trial that could be rolled out across the country, potentially providing areas in England with the tools to drive forward growth not available in Wales.

General Revenue Funding – local taxation

126. The value of income collected by Welsh Local Government is significantly higher than the estimated £200 million included in the new devolved taxes which the new Welsh Revenue Authority will be responsible for. Currently Welsh Authorities collect £1,300 million in Council Tax and £895 million in business rates. Collection rates overall are also extremely high and there is an opportunity to learn from the experience of Local Government. Our concern would be that the timescales that WG are working to do not give us enough time to consider models for delivery.
127. Consideration should be given to the localisation of business rates with Local Authorities as an incentive to promote economic development and as an opportunity to raise additional taxation to help pay for services. Cardiff is a net contributor to the pool every year and the total yield from business rates has grown significantly.

128. Business rates have become increasingly complex in recent years with the number of reliefs available increasing making the system more bureaucratic to administer and more complicated for business to understand. A good example of this is the Retail Relief Scheme which was application only for 2014/15. Many businesses already in receipt of Small Business Rate Relief didn't realise that they could also claim this relief. Simplifying the system would be supported. In addition more local flexibility should be introduced in the level of the multiplier to give Local Government more control over the total yield. Consideration could be given to linking the percentage increase in the multiplier to that of Council Tax. This should only be considered as part of the Localisation agenda which should be prioritised.

General Revenue Funding – Distribution

129. The intention to retain a needs-based formula is recognised as is the requirement to develop a new basis for distributing funding. The complexity of moving from a system based on past spending patterns to a more outcome-based approach should not be underestimated and time and resource needs to be factored into both Welsh and local government to ensure that a fit for purpose alternative distribution system can be developed. The role of the distribution sub group and the principles upon which it operates should be maintained and resourced whilst a solution is developed.

General Revenue Funding – Council tax

130. Council Tax was revalued in 2005 and revised bandings were agreed on a national basis which did not reflect regional variances in value for similar property types. As a result even though the yield in Wales increased by only 0.5% the yield in Cardiff went up by 6.5% or 13 times the Welsh average. This resulted in 86,000 households increasing in band with many occupiers being asset rich but income poor. Any change to the system in future should take into account regional variations as one size clearly does not fit all.
131. Local Authorities should also be given greater flexibility to vary or remove discounts and exemptions. The additional income generated should not be included in the Council Tax Base calculation as Local Authorities should be able to use any increase in yield to help fund services. An example of this is the single person discount which is currently 25% and cost £15 million a year in Cardiff. Therefore a reduction to 20% would generate an additional £3 million in income each year.

Other Revenue Funding and Flexibility

132. The Council welcomes that the White Paper acknowledges that specific grants as hypothecated funding carry administrative overheads and that councils want greater flexibility in relation to this funding. In addition the Council welcomes the proposal for greater local flexibility over setting fees and charges to assist councils in managing financial challenges.

133. We would request that wherever possible specific grants are added into non-hypothecated aggregate external finance funding to allow as much flexibility for local decision making as possible. Holding significant sums within Welsh Government for specific grants aligned to national priorities and new initiatives runs the risk of compromising councils' longer term planning ability. Councils need this flexibility, particularly currently, as they are making significant decisions to ensure that they can realign themselves to a lower, sustainable resource base over the medium term. For those specific grants that remain the process of audit should be streamlined wherever possible to reduce audit fees whilst ensuring that financial probity in the handling of public finance is maintained.
134. This flexibility request should extend to councils being judged as being able to work strategically across councils impacted by local government reorganisation. In addition opportunities for capitalisation directions should be considered whenever appropriate to help manage the costs of reform and reorganisation.

Funding other tiers of Local Government

135. We would welcome the proposal to making funding arrangements for other tiers of local government more coherent and consistent.

Financial Governance

136. The Council has engaged proactively and extensively with its residents, businesses and partners. The Cardiff Debate enabled this process and was supported by a seven week period of debate on the 2015/16 budget proposals known as Changes for Cardiff. The Council would like to put forward this model as an example of best practice and can provide further information as required. The outcome of the consultation process can be found on the following web-links; <http://cardiffdebate.co.uk/> and www.cardiff.gov.uk/budget
137. The key to engaging more effectively with all key stakeholders prior to determining spending priorities is to allow opportunities for early engagement. This opportunity should allow open discussion in respect of the redesign of services and the opportunities available for co-production where applicable.

Accounting, accountability and engagement

138. We note Welsh Government's intention of issuing statutory guidance on how councils engage with the local community when determining their annual budget and council tax to improve transparency and accessibility to budgets, balances and past expenditure levels. We consider that our approach to these matters is already transparent and that a requirement to issue further statutory guidance is unnecessary. We would however be able to share how we make publically available significant amounts of budgetary information to aid engagement and decision-making.
139. For example the Council issues budgetary analysis sheets which breakdown income and expenditure against all sub-divisions of service and map savings

against them. This enables engagement of where savings are being taken, against what budgets and within the context of overall budgets.

Financial Planning

140. Financial planning should be robust, strategic and sustainable. To enable councils to do this Welsh Government should maximise the amount of non-hypothecated funding that it can make available. It should also ensure that wherever possible indicative funding profiles are provided over a number of years.

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**CITY & COUNTY OF CARDIFF
DINAS A SIR CAERDYDD**

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE:

31 MARCH 2015

IMPROVING SCRUTINY PROJECT

Purpose of Report

1. To advise Scrutiny Members of the progress made to date in delivering the Council's Improving Scrutiny Project, and to seek views on the timing and next steps to bring the Project to conclusion.

Background

2. In May 2014 the Cabinet agreed a Programme of Organisational Change which was designed to meet the challenges set out in the Welsh Local Government Association's 23 September 2013 Peer Review report on this Council. One of the five programmes of change within the overall Programme is "Improved Governance", and within this Programme is a Project described as "*Strengthen the Scrutiny Function*".
3. The Peer Review report was complimentary of Cardiff's Scrutiny Function, noting:

*"The Team saw Scrutiny in action, and were impressed. There is indeed much other authorities can learn from the way Scrutiny is undertaken in Cardiff Council."*¹

The Council's five Scrutiny Committee Chairs, however, were mindful of significant plans in place to transform the Council, the pace of development of alternative delivery models, the growth of collaborative service delivery and

¹ <http://www.wlga.gov.uk/wlga-peer-reviews-reports/cardiff-c-wlga-peer-review-report>

governance, the potential for local government reform in Wales, and the changes in Welsh Government and public expectations of public scrutiny evidenced through the 2011 Local Government Measure and subsequent Simpson Review. They therefore felt it appropriate to consider ways that scrutiny could adapt to stay ahead of the curve, in delivering effective non-Executive challenge to the Cabinet and the complex range of emerging executive delivery arrangements likely to stem from these changes.

4. The Chairs consequently agreed in August 2014 to spearhead a bid for Cardiff to be included in a UK-wide research programme then being developed by the Centre for Public Scrutiny (CfPS), which was designed to assess the role of scrutiny in supporting transformational change within local authorities at a time of change and austerity. The bid document was signed by the Council Leader and Chief Executive, and the Council was advised in September that it had been agreed for Cardiff to be one of nine case studies included in the research programme. This would see the CfPS' providing support to the '*Strengthen the Scrutiny Function*' Project.
5. The three key aims of the Project were identified as:
 - a. To equip Cardiff's Scrutiny function to meet the current needs and anticipated future challenges facing the Council's Executive and non-Executive Members.
 - b. To ensure that the Council's scrutiny structure enables Members to provide robust and effective overview and scrutiny that is relevant to the priorities of the organisation's Corporate Plan and operational challenges.
 - c. To seek evidence to support recommendations for Members to agree any potential changes to current governance arrangements, as part of a wider major transformation of the City of Cardiff Council's services and structures.

6. The three key objectives of the Project were identified as:
 - a. To take forward the learning from Cardiff's participation in the 2013 Wales Audit Office *Improving Scrutiny* Study, especially by using the 15 characteristics in the newly developed "Framework for Effective Scrutiny in Wales" as a mechanism for self-evaluation of the quality of scrutiny in Cardiff, and the planning of future Scrutiny Work Programmes.
 - b. To assess and make recommendations on the structures and arrangements that will be most appropriate to manage the scrutiny of the Council's transformation in coming years. To consult upon politically and organisationally, and take proposals forward for inclusion in the Council's 2016/17 Budget proposals.
 - c. To address recommendations in the Local Government Measure (Wales) 2011, and subsequent recommendations in the Williams Review, to consider opportunities for improvement to current collaborative scrutiny arrangements with partners.

Progress to Date

7. Between November and January 2015, CfPS advised on the scope of the project and met the Scrutiny Chairs, Council Leader, Opposition Leaders, the Chief Executive and selected Directors, plus a small number of key external stakeholders to gather evidence.
8. Key elements of the Project Plan attached at **Appendix A** include:
 - a. Desk research undertaken by the Scrutiny Research Team to benchmark Cardiff's current approach to scrutiny with that of other leading scrutiny authorities, and an analysis of leading practice in scrutiny practice in England and Wales;
 - b. A workshop for Scrutiny Members to provide their views on a number of themes and issues connected with the Project;

- c. A Conference for Scrutiny Chairs and Members to engage with the Cabinet and political groups to gain consensus around a number of early key findings.

Issues for Member Consideration

9. The period leading up to the General Election may not be conducive to seeking to engage Members extensively in a Project of this importance and scale. The Council is now moving towards its Annual Meeting in May. It is suggested that some of the outputs set out in the Project Plan might be more easily and effectively achieved if moved to the period following Annual Council. It will, however, be important to maintain focus on the Project delivery.
10. While officers will continue to work towards delivering these outputs within the original planned timescales, it will be helpful if Members could provide their views on the following potential revisions to the Project Plan. It is considered that the revised timescale set out below would still enable the Project to meet the aims and objectives set out in paragraphs five and six above:
 - a. Joint Scrutiny Task and Finish Inquiry initiated in May 2015
 - b. Desk Research completed in April.
 - c. Project Workshop for Scrutiny Members to be arranged in early June
 - d. Scrutiny Conference (engagement with Cabinet and political groups) to be undertaken in late June 2015.
 - e. Draft key findings circulated late July 2015
 - f. Task and Finish Inquiry report agreed and commended to Cabinet in September 2015,.

Way Forward

11. At the meeting, Councillor De'Ath, Cabinet Member Safety, Engagement and Democracy, Marie Rosenthal (County Clerk and Monitoring Officer) and Paul Keeping (Operational Manager for Scrutiny Services) will be available to answer any questions Members may have on this report and Project.

12. Members may also wish to provide their views on the Project, and the proposed timescale changes.

Legal Implications

13. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

14. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with

recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATIONS

The Committee is requested to:

- I. Consider the contents of the report,
- II. Provide feedback on the proposed methodology set out in the Project Plan set out at page four of **Appendix A**, and
- III. Provide views on the suggested timescale set out in paragraph 13 above.

MARIE ROSENTHAL

County Clerk and Monitoring Officer

25 March 2015

APPENDIX A



City of Cardiff Council *Improving Scrutiny* Project: Project Brief, January 2015

Project Purpose

- Cardiff is proud of its scrutiny arrangements and the important part scrutiny plays in Council improvement, and in representing citizens in holding to account the Cabinet for the decisions it makes. However, the Council is going through significant change in many ways, and will look very different in five years' time.
- Effective local governance relies on a cohesive web of accountability, of which internal review is an intrinsic part. The purpose of the Project will be to ensure that scrutiny remains agile and able to play its role as a critical friend, in an environment that will see greater emphasis on partnership, collaboration, commissioning and other alternative models of delivery.

Project Aim

- To equip Cardiff's Scrutiny function to meet the current needs and anticipated future challenges facing the Council's Executive and non-Executive Members.
- To ensure that the Council's scrutiny structure enables Members to provide robust and effective overview and scrutiny that is relevant to the priorities of the organisation's Corporate Plan and operational challenges.
- To seek evidence to support recommendations for Members to agree any potential changes to current governance arrangements, as part of a wider major transformation of the City of Cardiff Council's services and structures.

Project Objectives

- To take forward the learning from Cardiff's participation in the 2013 Wales Audit Office *Improving Scrutiny* Study, especially by using the 15 characteristics in the newly developed "Framework for Effective Scrutiny in Wales" as a mechanism for self-evaluation of the quality of scrutiny in Cardiff, and the planning of future Scrutiny Work Programmes.

- To assess and make recommendations on the structures and arrangements that will be most appropriate to manage the scrutiny of the Council's transformation in coming years. To consult upon politically and organisationally, and take proposals forward for inclusion in the Council's 2016/17 Budget proposals.
- To address recommendations in the Local Government Measure (Wales) 2011, and subsequent recommendations in the Williams Review, to consider opportunities for improvement to current collaborative scrutiny arrangements with partners.

Key Project Themes

- The purpose of Scrutiny as part of a holistic and effective governance framework in Cardiff, and its likely future challenges and priorities. The appropriate balance of priority achieved between holding to account, policy development and review, performance and improvement monitoring, finance and budget scrutiny etc.
- Maximising the impact of Scrutiny in Cardiff, and also to measure that impact so that resources can be most effectively targeted towards areas of highest impact. Setting in place effective and appropriate Scrutiny arrangements to deliver agreed priorities.
- Optimising interfaces between scrutiny and:
 - External regulators, auditors and inspectors to ensure effective Council performance and minimise the burden of external regulation.
 - The local population, so that the public has confidence in local democracy in the city, and sees Scrutiny as an accessible and effective avenue to represent its views and concerns.
 - Cabinet Members, managers and key stakeholders so that everyone is clear about their role in supporting effective governance in Cardiff.
- Optimising arrangements for the scrutiny of partnerships, as public sector collaboration, transformation and commissioning grow ever more complex.
- Appropriate arrangements for maximising Scrutiny Member and officer skills and competency.

Project Key Stakeholders

- Council Scrutiny Committee Chairs and Members;
- Council Leader and Cabinet; Opposition Party Group Leaders; Council Members;
- Chief Executive and senior management of the Council;
- Cardiff Third Sector Council and community and voluntary organisations regularly connecting with Scrutiny;
- Local strategic partners, key stakeholders and stakeholder organisations;
- Professional partners in the world of regulation, audit and inspection, regional and local government in Wales;
- The Centre for Public Scrutiny, WLGA Scrutiny Chairs Network and National Scrutiny Officers' Network; Regional local government partners.

Project Methodology

Desk Research (October 2014 to March 2015)

- Scan the horizon for legislative and policy changes in the wider environment that will influence Scrutiny in Cardiff over the coming 10 years.
- Identify from past reviews and evaluation of scrutiny in Cardiff the key learning points that have been derived, and to test how they can be applied.
- Glean from best practice analysis criteria for measuring the impact of scrutiny.
- Benchmark how effective scrutiny is conducted elsewhere, and how lessons can be applied to Cardiff.

Face to face interviews (October 2014 to March 2015)

- Identify from key Project stakeholders their view on the key project themes identified above.

Structured conversations (March and April 2015)

- Arrange events with Members and officers to Scrutiny Chairs to shape evidence from the desk research and interviews into draft key findings.

Project Report (May 2015)

- Scrutiny Chairs to craft a report with key findings and recommendations for Cabinet to consider, and to enable implementation of agreed future arrangements.

Project Governance

Recognising the connections this Project makes between the organisational and the political, the Project will have a hybrid governance structure:

- It will operate as a joint scrutiny task and finish inquiry comprising the Council's five scrutiny chairs, and report through the Policy Review and Performance Committee.
- It will serve as a PQA Project within the *Improved Governance* strand of the Council's *Programme of Organisational Change*. Paul Keeping (Operational Manager, Scrutiny Services) will be Project Manager, and Marie Rosenthal (County Clerk and Monitoring Officer) will be Senior Responsible Officer. The Project will apply the Council's 'Service Review' methodology to achieve its aims.

The Project will be undertaken in partnership with the Centre for Public Scrutiny, a charity providing expertise and capacity in non-executive governance, as one of nine major case studies featured in a UK wide analysis of local authority transformation.

For further details please contact:

Monitoring Officer and County Clerk:

Marie Rosenthal, ☎ Cardiff 2087 3860. Marie.Rosenthal@cardiff.gov.uk

Operational Manager: Paul Keeping, ☎ Cardiff 2087 2953. p.keeping@cardiff.gov.uk

Improving Scrutiny Project - Project Plan

Timescale	Action	Purpose
Sept 2014	Advisory support from CfPS confirmed	Increase capacity and expertise
Oct 2014	Project scoped and Scrutiny Chairs engaged as Project leads	Provide Project leadership
	Agreement of Project governance arrangement within Org Devt Programme	Provide Project governance
Early Nov 2014	Project Mandate agreed	Provide Project direction
18 Nov 2014	Scrutiny Chairs' Liaison Forum	Develop methodology
	CfPS interviews with: Scrutiny Chairs; Scrutiny officers; Monitoring Officer; Chief Officer, Change and Improvement.	Give initial direction for Project methodology
	Scrutiny chairs discuss Project with Council Leader and Chief Executive	Develop consensus for Project aims
Nov – Dec 2014	Desk Research on Core Cities scrutiny performance monitoring arrangements	Widen evidence base
8 Dec 2014	Project launched at Member Governance Seminar, and Briefed to Council Members and senior managers	Communicate Project aims and Member involvement opportunities
8 Jan 2015	Scrutiny Chairs' Liaison Forum	Develop methodology
26 & 27 Jan 2015	CfPS interviews with key Project stakeholders (including Council Leader, Chief Executive, Cabinet Portfolio Member, Leaders of Liberal Democrat, Conservative and Independent Groups, Scrutiny Councillors who requested interviews, Director of Communities, representatives in WLGA and Welsh Government, Challenge Forum Advisor on Performance Management)	Widen evidence base
Feb 2015	Further interviews with key stakeholders (through the month)	Widen evidence base
	Desk Research into Scrutiny Process and good practice (through the month)	Widen evidence base
	Scrutiny Chairs' Liaison Forum (late Feb)	Develop methodology
March 2015	Scrutiny Committees asked to establish a joint Scrutiny task and finish Inquiry (early March)	Enable Scrutiny Inquiry report to Cabinet
	Project Seminar for Scrutiny Members (early March)	Widen evidence base
	Scrutiny Chairs' Liaison Forum (mid March)	Agree interim findings
	Interim Project findings circulated (mid March)	Prepare for Project Symposium
	Member and Manager Project Symposium (late March)	Seek consensus for key findings
April 2015	Scrutiny Chairs' Liaison Forum (early April)	Agree report, key findings & recommendations
	Draft Scrutiny Inquiry Report circulated (mid April)	Seek final feedback on draft report
May 2015	Final Draft Scrutiny Inquiry Report adopted by Scrutiny Committees and submitted to Cabinet	Formally adopt draft report
Tbc 2015	Cabinet receives and considers Draft Scrutiny Inquiry Report	Make decisions on way forward
Aug 2015	Implementation of agreed recommendations begins	Implement decisions reached by Cabinet

This timescale will enable managers to implement arrangements in time for the start of the 2016/17 financial year.

CITY & COUNTY OF CARDIFF
DINAS A SIR CAERDYDD

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE

31 March 2015

CORRESPONDENCE – INFORMATION REPORT

Background

1. Following Committee meetings, the Chair writes a letter to the relevant Cabinet Member or senior officer, summing up the Committee's comments, concerns and recommendations regarding the issues considered during that meeting. The letter usually asks for a response from the Cabinet Member to any recommendations made and sometimes requests further information.

Issues

2. A copy of the Correspondence Monitoring Sheet detailing the Committee's correspondence and those responses received is attached at **Appendix A**. For ease of reference, the lines of those letters to which the Committee has received a full response and where no actions are left outstanding have now been removed from the document. Where new information has been added since the Committee last considered a correspondence report, this information is highlighted in **bold**. Attached to this report are copies of recent correspondence.

6 January 2015 meeting

3. The Committee considered the Investment Property Review, Employee Costs and Voluntary Severance and the Organisational Development Programme at this meeting. Copies of the Chair's letters are attached at **Appendix B**. A response is due from Councillor Bale regarding the Investment Property Review and is awaited. A response is also due from Councillor Hinchey with regards to the Organisational Development Programme and is awaited.

9 February 2015

4. The Committee considered the Corporate Plan and the 2015/16 Budget Proposals at this meeting. Copies of the Chair's letters are attached at **Appendix B. A response is due to this letter and is awaited.**

3 March 2015

5. The Committee considered the Quarter 3 Corporate Performance Report 2014/15, the Month 9 Budget Monitoring Report and the Organisational Development: Improved Governance project at this meeting. Copies of the Chair's letters are attached at **Appendix B and responses are awaited.**

Legal Implications

6. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

7. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that

goes to Cabinet/Council will set out any financial implications arising from those recommendations.

Recommendation

The Committee is recommended to note the content of this report and appendices and decide whether it wishes to take any further actions, or request any further information.

MARIE ROSENTHAL

County Clerk and Monitoring Officer

25 March 2015

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Committee date	Committee item	Recipient	Comments/Information requested	Response date	Response	Further Actions
02/09/14	Qtr 1 2014/15 Performance	Leader (Cllr Bale) Cabinet Member for Corporate Services & Performance (Cllr Hinchey)	Committee: - welcomed the additional risk information; - was pleased to see that Personal Performance and Development Review and Sickness performance had improved; - agreed to set up a Performance Panel to look at performance issues in more depth, and chose workforce planning as the first issue for consideration. As part of this the Committee would look at overtime/agency spend, as it didn't feel that the information contained the performance report was sufficient to judge how these were being used and how this linked to, for example, budget savings; - requested to attend Cabinet/director performance challenge sessions to assure themselves that challenge was sufficiently robust; - requested greater visibility of additional in-year savings where these are put in place outside the February budget-setting process, and of any use of budget contingencies; - noted with concern the decreasing performance in terms of fulfilling multi-service information requests.	18/11/14	Cllr Hinchey responded welcoming the Committee's comments. Officers are reviewing how overtime and agency spend is presented and the Cabinet Member would be happy to discuss this further.	No comment regarding attendance at challenge sessions. Committee reiterated this point in its Quarter 2 letter. The presentation of overtime and agency data was amended/reduced in the Quarter 2 report, and Committee has asked for it to be reinstated in its Quarter 2 letter. Improved performance regarding Information Requests is being pursued. There was no comment regarding additional in-year budget savings. UPDATE 3rd March 2015 Q3 report contained updated info re overtime and agency data and FOI requests, as previously requested by PRAP. Committee reiterated request to attend Challenge Forum at committee meeting 3rd march 2015 and Chief Exec welcoming of this - included in Chair's Letter. With regard to attendance at challenge sessions, Members did not reiterate this but asked for action p
02/09/14	Challenge Forum	Leader (Cllr Bale) Cabinet Member for Corporate Services & Performance (Cllr Hinchey)	Committee: - agreed that the Forum could be a powerful mechanism for encouraging real changes in performance and welcomed its initially focus on Education and Children Services; - requested Forum members to attend Committee to brief them on their work and aid their scrutiny of relevant issues (performance and Organisational Development); - requested written updates on the Forum's future work and recommendations, to be reported to other Committees as relevant; - requested more notice of future meetings to ensure the Chair's attendance	18/11/14	Cllr Hinchey responded that Martin Hamilton would arranged if possible for Barry Quirk to attend the Committee's look at Organisational Development. Rod Alcott observed the Quarter 2 performance scrutiny as part of his review.	Although Rod Alcott observed the Committee's 4 November 2014 meeting, the Committee requested that he attend to explain his review of performance and his findings. This is proposed to take place before the Committee's 3 March 2015 meeting. UPDATE 4 February 2015 Rod Alcott will be meeting all Committees in the March cycle to discuss his perspective of performance scrutiny. UPDATE 3 March 2015 - Rod Alcott attended pre-meeting prior to Committee. Members reiterated their wish to attend Challenge Forum and to receive meeting papers re this, both of which were welcomed and agreed by Chief Exec and noted in Chair's letter, and for Barry Quirk to attend PRAP and this is being followed up for 31st March committee meeting item re OD programme.
			On Capital Times, the Committee: - Expressed congratulations to the team for the levels of income achieved by the paper; - Was reassured that the Cabinet Member ruled out a wholly online publication in future; - Could see positive aspects to returning to 12 printed editions in terms of accessibility and its good reputation; - Asked for further information to inform further budget scrutiny; numbers of unique hits on the web editions; the full costs of published version including journalists' time; the costs of publishing statutory notices elsewhere; - Recommended that the Capital Times should be developed into a more effective engagement tool for more serious issues such as the WAO Corporate Assessment and the Budget; - Recommended that the Capital Times should be monitored to avoid suggestions of political bias.	19/11/14	The Leader responded that costs of producing the Capital Times and of publishing statutory notices were provided. The County Clerk and Monitoring Officer will scrutinise each edition to ensure that it complies with the Code of Conduct on Local Authority Publicity, and the Leader will ask the Interim Head of Communications to address the content of Capital Times articles.	The unique number of hits for online editions of the Capital Times was not provided. This is being followed up with officers.
04/11/14	Organisational Development Strategic Commissioning & Service Reviews	Cabinet Member for Corporate Services and Performance (Cllr Hinchey)	Committee: -welcomed the outward looking stance which has been taken in trying to learn from experiences elsewhere; - recommended that more concrete examples of what is done elsewhere are investigated and the knowledge shared; - noted the strain on the Commissioning and Procurement team and repeated its recommendation that a team should be created to support communities in developing alternative service models. Members were concerned that communities would not be able to take over service delivery and that this would lead to gaps in service provision; - recommended that the programme of service reviews should more properly sit within the Change & Improvement function; - noted the issue of internal capacity and capability to review services; - recommended that the management programme should be extended below Grade 8 to cover all managers/supervisors; - asked for confirmation of the timescale for putting in place a revised Community Asset Transfer Toolkit; - noted with interest the work of John Hallett and would seek to hear from him during its consideration of Social Inclusion in Cardiff later in the year.	05/12/14	Councillor Hinchey noted the positive response to the strategic commissioning approach and agreed practical examples would be useful. This will be explored and shared with Scrutiny. A new post has been funded in the Communities Directorate to work with communities to build capacity to take on service provision	Response did not confirm timescale for the Community Asset Transfer Toolkit or which service would push forward service reviews.
04/11/14	Performance Q2 2014/15 & Challenge Forum	Cabinet Member for Corporate Services and Performance (Cllr Hinchey)	Committee - Noted the Cabinet Member's comment that positive progress had been made, albeit that the budget position remains of concern; - noted the areas highlighted by the Chief Executive: the financial position; management of demand in Health & Social Care; sickness absence and pressures in Children Services. The former was already on the Committee's work programme for detailed consideration; - The Committee referred the 'Key issues' report produced by the Chief Officer for Change & Improvement to the other Scrutiny Committees as many issues fell outside PRAP's terms of reference; - noted the gap in risk information; - recommended that Overtime and Agency spend data be reinstated; - recommended that the customer point of view, which Members had recommended on several occasions be built into the report, be addressed by Quarter 3; - noted that the Member Enquiry line commentary, which the Cabinet Member had said would be addressed by Q2, had not been and that it should be by Quarter 3; - had previously questioned the credibility of target-setting and noted that it is being addressed through the corporate/service planning approach. The Performance Panel may address this area in future; - requesting confirmation of the quality checks of PPDRs which had been flagged up on several occasions with no evidence; - repeated the as yet unanswered request to attend the 'star chamber' sessions; - requested an update on progress in producing a 'public facing' version of the report, which was flagged up during consid	05/12/15	Councillor Hinchey has asked for the information requested to be brought to Committee once available.	Full response is being followed up with officers; Committee may like to satisfy itself as to the response when it receives Quarter 3 Performance report. Update 3rd March 2015 - Cover report produced by Martin Hamilton contained details of Star Chamber and Challenge Forum actions. Member Enquiry Line info also provided, as was risk information. Overtime and agency spend data also included. Members informed public facing report due for Q1 2015/16. Members reiterated request for 'dip-testing' PPDRs and outcome of this.

Policy Review Performance Scrutiny Committee
Correspondence

Committee date	Committee item	Recipient	Comments/Information requested	Response date	Response	Further Actions
06/01/15	Organisational Development / Corporate Assessment	Cabinet Member for Corporate Services and Performance (Cllr Hinchey)	The Committee: - looks forward to receiving a more detailed update on progress prior to a refreshed Organisational Development Programme being presented for Cabinet approval and will look for clear evidence of delivery against outcomes. Members would like to hear directly from Challenge Forum representatives at this meeting; - Requested a detailed report regarding the work and recommendations of the Challenge Forum with Quarter 3 Performance Report; - Anticipate receiving more detailed evidence of how Directorate overspends are being challenged and managed; - Recommend that staff morale and the positive management of change remain high up the Cabinet's and Chief Executive's agendas.		Not yet received	
06/01/15	Investment Property Review	Leader (Cllr Bale)	The Committee: - recommends that community and social benefit should be taken into account when Cabinet decides a way forward for the Investment Portfolio; - believes that Cabinet should not accept the Review's recommendation to sell rack rent shops without giving thought to their community benefit; - recommends that where community assets are considered for transfer, business cases should be in place; - recommends that full consultation with Ward Members should be carried out where disposals are considered; - recommends that strategic sites in the city centre should be retained.		Not yet received	
09/02/15	Corporate Plan 2015/17 and Budgetary Proposals 2015/16	Leader (Cllr Bale)	The Committee: - may wish to view the final draft of the Corporate Plan; - looks forward to further advice on the Challenge Forum at our March meeting; - will be interested to see indications of achievement of 2014/15 targets in the Corporate Plan; - wish to schedule discussion of the suite of performance management tools that will be used to govern manager achievement of targets; - will be interested to play a part in any review of the Eastern High School Estyn inspection; - looks forward to reviewing the Cardiff Debate at a future meeting; - wishes to receive a response on whether managers have followed the correct process in advising staff about potential redundancies; - wishes to receive a short statement to explain the synergy between financial pressures accepted and proposed savings		Not yet received	
03/03/15	Quarter Three Corporate Performance Report	Cllr Hinchey	o Members look forward to Group Leaders being invited to the next meeting of the Challenge Forum. o Members look forward to shortly receiving the Challenge Forum papers, including confidential papers where Members would be bound by our Code of Conduct and Council's constitution. o With the response to this letter, Members would like to receive the action plan for one of the Star Chamber actions detailed at point 8 in the cover report for this item, preferably bullet pointed, so that Members can see how this action is being addressed. o Members ask that officers liaise with Scrutiny Services to ensure the revised Attendance and Wellbeing Policy comes to this Committee in time for meaningful pre-decision scrutiny, currently scheduled for Cabinet in June 2015. o Members request a briefing paper from the Environment Director to explain the rationale for the use of agency staff in their Directorate. o Members re-iterate our previous request for information on the results of PPDR dip-testing to be shared with us, either in response to this letter or as part of the committee papers for the Quarter 4 Corporate Performance Report item. o Members agreed to seek briefing papers from the following Directors, as detailed above: Director of Children's o Members request an update on the level of staff resources available to Cardiff Business Council once discussi		Not yet received	
03/03/15	OD Improved Governance	Marie Rosenthal (in Cllr De'Ath's absence)	Chair's letter states: - please pass on thanks to Gill Nurton, Graham Porter and Kate Rees for all their work re modern.gov; - recommend that Marie investigate the reasons why an updated forward plan has not been published and ask that the situation be rectified; - recommend that officers look at the work of other local authorities regarding the use of social media and web based tools in member training; - would like to know how the wider member body will be engaged in the process of formulating a response to the		Not yet received	

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

Date: 21 January 2015

Councillor Phil Bale
Leader
City of Cardiff Council
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Dear Councillor Bale,

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 6 January 2015 Investment Property Review

Many thanks for coming to this month's Committee meeting to discuss the Investment Property Review. It was a useful opportunity to comment on the consultants' work and their recommendations as the Cabinet develops its views on how these recommendations may be taken forward.

While the Committee was impressed by the comprehensive nature of the Review, it was evident to Members that the key drivers in the Review's findings and recommendations are the potential financial benefits which the estate can bring, either in terms of capital receipts or income. The Committee's principal recommendation therefore reiterates the point it has made on several previous occasions: in any decisions relating to the Council's estate, the Cabinet should pay due regard to the potential social and community benefits which can be derived from our property.

We note the recommendation that 'community assets' such as scout halls should be retained due to their benefit to the community, albeit that community asset transfer should be considered where appropriate. However, Members were concerned that the Review did not pay sufficient regard to the needs of the communities that rack rent shops serve, given that the recommendation is that they should be sold (with a few exceptions). The Committee therefore suggests that the latter recommendation should not be accepted. Where asset transfer is considered for community assets, Members were concerned that this should be very carefully considered and with a clear business plan in place for each transfer. The Council should ensure that communities have the capacity to take these assets on without a detrimental effect on provision. As the Committee has stated on several occasions previously, where disposals are proposed, there must also be full engagement with Ward Members.

Members were supportive of the thrust of the Review's recommendations that strategic sites in the City Centre should be retained, as we feel that it is vital to capitalise on their strategic value. The Committee further discussed the future of the Central Market, believing that it is a key historical and cultural asset for the city. We note that the Review's recommendation is that an alternative management



arrangement should be found. Officers were clear that this is not yet Council policy and Members were reassured that officers are working with tenants to develop a way forward.

We queried whether the Trustees of the Pension Fund had been approached to discuss the opportunities for them to acquire a property element to their portfolio. Officers informed us that some discussions have been held in previous years regarding regeneration projects, but that the proposals had been rejected as being too high risk. Members of the Committee understand that Welsh Government is looking to establish a central fund to put this kind of investment in place, and hope that the Council will encourage them to do so.

To re-cap for ease, the Committee asks that the following points are addressed:

- When Cabinet decides its way forward for the Investment Portfolio, it should take into consideration community and social benefit of our property, as well as financial considerations;
- The Cabinet should not accept the recommendation to sell rack rent shops without giving serious thought to their benefit to the community;
- Where community assets are considered for asset transfer, sound business cases should be in place, and there must be community capacity to take the buildings on;
- We recommend that there is full consultation with Ward Members where disposals are considered;
- Members support the recommendation that strategic sites in the city centre should be retained.

We note that this Cabinet's way forward will be presented for approval in March or April, and may try to schedule a pre-decision scrutiny of that report, if our work programme allows.

Many thanks again for attending the meeting; I would be grateful for a response on the points raised above.

Yours sincerely,



COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Neil Hanratty, Director Economic Development
Charles Coats, Corporate Property and Estates Manager
Cabinet Office
Members of the Policy Review & Performance Scrutiny Committee

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

Date: 21 January 2015



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Councillor Graham Hinchey
Cabinet Member for Corporate Services and Performance
City of Cardiff Council
County Hall
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CF10 4UW

Dear Councillor Hinchey,

**POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 6 January 2015
Organisational Development Programme /Wales Audit Office Corporate
Assessment update**

Many thanks again for attending this month's Policy Review and Performance Scrutiny Committee meeting. I have written to you separately regarding the Voluntary Severance and Employee Costs items in order to feed in to the Cabinet's discussions of these matters, but would also like to convey the Committee's comments regarding progress in implementing the Organisational Development programme and in responding to the findings of the Corporate Assessment.

Members welcomed the update given by officers. This is obviously an important issue given the imminent return of the Wales Audit Office and the Committee has committed a significant portion of its work programme for this year to scrutinising the Programme. Officers informed Committee that the Programme has reached a certain point in delivering the objectives which were originally set in May last year and that these had been to a great extent front-loaded. We noted that the Programme will now be re-focussed on a smaller number of functions and services in order to drive forward change in the medium term. The Committee felt that in order to satisfy the Wales Audit Office, and indeed to satisfy Committee members that the shortcomings identified by the Corporate Assessment are being addressed and the Council's overall performance is improving, a greater evidence base than was presented at this meeting is needed. We therefore welcomed the offer of an additional scrutiny session prior to a further report being presented to Cabinet in March or April to set out the new direction for the Organisational Development Programme. We anticipate seeing greater evidence of progress delivering outcomes at that point.

We have previously asked if the Peer Advisors sitting on the Challenge Forum can brief the Committee on their work and advice, so very much welcome the offer to hear directly from them at that meeting. Members of the Committee are concerned that the Challenge Forum should be as open as possible, noting the Chief Executive's comment that he is relaxed about sharing this information. We have asked for regular updates on the Forum's work with quarterly performance reports,



so look forward to receiving more detail of their findings and recommendations with Quarter Three.

The Committee discussed the critical issue of how directorate budgets, and more specifically directorate overspends, will be managed. Given the emphasis laid by the Auditor General on the achievability of savings in the current financial year, Members would like a more detailed understanding of how the Cabinet is challenging senior managers to ensure that budget issues are addressed.

Members discussed the issue of staff morale at some length during the meeting. You commented that local government is in an unprecedented situation and that the extent of the change required will inevitably have an impact on morale. It is clear to the Committee that the Council needs positive leadership through this period, and that how change is managed and communicated is key. The manager training which is now in place, along with efforts to improve internal communication, form only a part of the response to the situation. We hope that momentum in this area is not lost as budgetary considerations take priority.

Finally, we note that the Chief Executive's review of senior management is almost complete, and look forward to considering this as part of the 2015/16 Budget Proposals.

We would appreciate a response to the points raised in this letter. To re-cap for ease of reference, Members:

- Look forward to receiving a more detailed update on progress in March or April, prior to a refreshed Organisational Development Programme being presented for Cabinet approval. We will look for clear evidence of delivery against intended outcomes at this meeting, and would like to hear directly from the Challenge Forum Peer Advisors;
- Request a detailed report regarding the work and recommendations of the Challenge Forum with the Quarter Three Performance Report in order to ensure transparency in its work;
- Anticipate receiving more detailed evidence of how directorate overspends are being challenged and managed;
- Recommend that staff morale and the positive management of change remain high up the Cabinet's and Chief Executive's agendas.

Yours sincerely,



COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Councillor Phil Bale, Leader of the City of Cardiff Council
Paul Orders, Chief Executive
Martin Hamilton, Chief Officer Change & Improvement
Cabinet Office
Members of the Policy Review & Performance Scrutiny Committee

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

Date: 13 January 2015



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Councillor Graham Hinchey
Cabinet Member for Corporate Services and Performance
City of Cardiff Council
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Dear Councillor Hinchey,

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 6 January 2015

Thank you for attending this month's Policy Review and Performance Scrutiny Committee meeting. As Cabinet will be discussing the review of the Voluntary Severance Scheme in the very near future, I will deal with related issues first and write to you separately with regards to Organisational Development.

Voluntary Severance Scheme Review

The Committee would like to thank you for seeking the Committee's view on a number of issues relating to the current Voluntary Severance Scheme. In terms of the points set out in officers' briefing paper, the Committee agreed that the Council should amend the Scheme in order to place greater restrictions on employees leaving with a severance package only to return to a different post within a short time period. Whilst we note that only a small number of officers – nine in the 2013/14 financial year – take such a course, we believe that where this occurs it has the potential to affect staff morale. It could also bring into question the Council's workforce planning, particularly if senior staff are released and then re-engaged. We would therefore recommend that a minimum term of 12 months before re-engagement should be set.

With regards to the use of settlement agreements, Members feel that there is justification for ceasing to use them on a routine basis, if Human Resources officers' advice is that the Council will be adequately protected from future claims.

Finally, Members do not wish to make a recommendation about the Scheme's provisions in terms of the multiplier of the Statutory Redundancy Scheme, the level of weekly pay or the number of weeks of service used for calculating severance payments. We did however note officers' comment that a balance needs to be struck between the future affordability of the scheme and the need to ensure that it remains attractive enough to bring forward volunteers.



Control of Employee Costs Scrutiny Research

Thank you for remaining in the meeting to listen to the presentation of the research which the Committee commissioned into methods used in other local authorities to control employee costs. We commend the report to you. Given the planning assumptions which were put in place in the 2015/16 Budget Strategy to achieve up to £5.75 million of savings, the Committee felt that it was important for Members to understand what options are available to the Council to control this area of expenditure. To an extent, Members were reassured that Cardiff has already implemented many of the recommended practices highlighted by the research: acting to cut down sickness absence levels; reducing discretionary expenditure on travel; and moving to control agency spend and vacancies, for example. We also noted the Chief Executive's statement during an earlier item that a review of the current senior management structure is almost complete.

We recognise however that this leaves a limited number of options for achieving the required level of savings. Members were concerned that negotiations between the Council and Trade Unions were scheduled to take place a few days after we met. We understood that given this, it was not possible to put details of any potential Workforce Agreement into the public domain at our Committee meeting. However, while we note that you are hoping for a constructive dialogue, we would have hoped that negotiations would have progressed further by this point. We look forward to considering these matters further during our February budget meeting.

To sum up for ease, the Committee asks that the following points are addressed:

- The Committee recommends that employees allowed to leave on voluntary severance should not be re-employed for a period of 12 months;
- We recommend that settlement agreements should not be used on a routine basis henceforth, if officers' advice is that the Council will be adequately protected;
- We commend the Committee's research into Employee costs to you and look forward to considering the issues further in February.

Yours sincerely,



COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Councillor Phil Bale, Leader of the City of Cardiff Council
Paul Orders, Chief Executive
Anna Freeman, WLGA
Christine Salter, Corporate Director Resources
Philip Lenz, Chief Human Resources Officer
Cabinet Office
Members of the Policy Review & Performance Scrutiny Committee

Date: Wednesday 11 February 2015



Councillor Phil Bale
Leader
City of Cardiff Council
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Dear Councillor Bale

**POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 9 February 2015:
Draft Corporate Plan 2015 – 17 and Draft Budget Proposals 2015/16**

I would like to thank you and Councillors Hinchey, De’Ath and Bradbury for attending this month’s Policy Review and Performance Scrutiny Committee meeting. We would also like to show our appreciation for the great deal of time and effort invested by the many officers who prepared and facilitated the meeting in various different ways, and for those who attended to provide evidence.

The Committee welcomed the opportunity to scrutinise the draft Corporate Plan and the Cabinet’s draft Budget Proposals for 2015/16. We agreed your request to move our meeting from Tuesday to Monday so that we were able to provide verbal feedback from the meeting in time to inform Monday afternoon’s Informal Cabinet meeting. This written record of the Members’ observations and recommendations confirms and builds upon the points shared verbally with you and Councillor Hinchey then, with the Chief Executive and Section 151 Officer in attendance. I hope that the advice helps you in finalising your Cabinet’s Budget recommendations for Full Council, and also that it supports the preparation of the final Corporate Plan which you will consider at your Cabinet meeting in March.

DRAFT CORPORATE PLAN 2015 - 17

Members were pleased to have had the opportunity to scrutinise the draft Plan at this stage. It allowed us to test linkages between the Plan, the Cabinet’s overall draft Budget Proposals, and the budget proposals being considered by each of the Directorates that report through this Committee. We also gave consideration to the Plan as an overall draft document, and have detailed our views below.

We note that the Plan will be finalised and adopted in March rather than at its traditional February slot, for the reasons set out by Martin Hamilton at the meeting that this will enable Members to provide greater focus on the Plan than would have been possible if it was subsumed within the wider Budget debate. We will watch with interest to see what changes might be made to commitments and targets within the draft Corporate Plan in the light of any amendments made in coming days to the

Cabinet's draft budget proposals. We may wish to see the final draft Plan in March, partly to check that the observations of this and the other scrutiny committees have been taken on board in the final document, and partly to consider whether any significant changes have been made that could require fresh scrutiny.

Members were keen to test the synergy between the Corporate Plan and Budget Proposals, and considered how far the Plan had shaped the budget proposals, or been shaped by them. Members heard that the relationship between political and organisation priorities and the availability of resources will always be a close one, and recognise that finance will inevitably be a factor in constraining an Administration's ambition. In point of principle the Committee sees a Corporate Plan as a document driven fundamentally by political and organisational priorities, and the Budget as a companion document illustrating how those priorities will be put into practice.

Members noted a previous request for a suitable mechanism for issues discussed at the Challenge Forum to be reported back to the Scrutiny Committee. We were pleased to have it confirmed by Martin Hamilton that this could begin from Quarter 3 performance monitoring in March 2015.

Members also noted Martin's agreement with a Member's suggestion that inclusion of an indication of achievement of 2014/15 targets could be a useful addition to the Plan, and look forward to seeing how this manifests itself in the final draft.

In recent months Committee has grown increasingly interested in the imperative for managers to hit agreed performance and financial targets, and the steps the Council can take to hold managers to account for these. Members were pleased to hear the Chief Executive allude to a range of tools available to him within the Council's performance management approach to achieve this. Recognising that over the passage of time there will be fewer "easy" options for the Council to reliably generate savings (and fewer resources to stretch performance targets) Committee feels that it will become more and more important to make use of these tools. To help our Committee deliver its role in challenging performance we would like the Chief Executive to return to a future meeting to provide more detail on how this approach will manifest itself in the coming year, so that we can discuss this with you in greater detail.

I am aware that colleagues in Children and Young People Scrutiny Committee have already discussed in outline with the Cabinet Member for Education and Skills their wish to explore lessons to be learned from the recent Estyn inspection of Eastern High School. In terms of corporate performance management this Committee will also be interested to understand the steps being taken by the Council to address Estyn's concerns about governance and performance at the High School.

CARDIFF DEBATE CONSULTATION REPORT

While hearing that the Cardiff Debate survey had achieved greater response levels than other examples cited of similar recent engagement exercises in other cities, Members wished that more significant numbers of citizens had attended the Cardiff Debate drop-in events. Although grateful to staff who worked hard to encourage and support engagement, Committee would like to review the Cardiff Debate at a future

meeting, to hear from officers what steps can be taken to increase direct involvement. We noted your contention that the Debate had gleaned useful data for triangulation as part of an overall body of evidence, but were not sure that the Debate could be regarded on its own as a robust or representative reflection of the views of the people of Cardiff.

In particular, Members would like to ask that officers consider from the demographic profile of respondents to this year's survey any gaps in the Council's current consultation reach. The length of the questionnaire made it difficult for many residents to complete, and consideration should be given in future to providing additional facilitation for those residents who would find this useful to enable them to complete the survey. We will be grateful if officers could reflect on this, and advise you of any improvements that can practically be introduced to address any identified demographic differentials in survey completion, and make any communities "easier to hear", so that we can discuss this with you in the near future.

Members felt that any consultation questions perceived to be 'leading' in their nature should be discouraged, and asked that this matter could be reviewed in terms of planning future consultation questions.

Members were not convinced that the Cabinet's draft Budget proposals on Welsh Language Play provision level tally with the relatively low level of public support for this type of provision expressed through the survey.

Finally, Members felt that public's expressed enthusiasm for the importance of volunteering should be recognised before decisions are made on cutting services like Park Rangers, Libraries, Play and Youth. The added value that these services derive from volunteer hours is perhaps not yet fully understood. If we are going to be successful in our efforts to get communities to "Step Up" to the challenge of co-production, it is vital that officers who support volunteers be enabled to continue to derive added value from volunteering. Equally, the limitations on what can be expected of volunteers need to be understood, and that volunteers should not be expected to replace those kinds of services (for instance technical maintenance and technical support) best delivered by professional public servants.

CORPORATE BUDGET ISSUES

Members noted from the Section 151 Officer's presentation that the Budget Report for 2015/16 will include a stark warning to Members that:

"As set out in the July 2014 Budget Strategy Report it is important to reiterate the materiality of the service choices ahead of the Council. In particular, anything other than a radical reduction and reset of the Council's services will over the life of the MTFP term lead to financial resilience issues for the Council. Against this backdrop members will need to consider whether the choices made to date are commensurate with the scale of the financial challenge ahead."

While not disputing the reality of the issues behind this statement, Members expressed discomfort at the prospect of agreeing a budget based on this advice.

Committee noted that the non-achievement by £7 million of 2014/15 savings targets would increase next year's savings target to £50 million. Members spent time discussing the example of the St David's Hall, and why spending on the Hall had been continued once the six month window for arranging a new model of operation had been reached. I do not believe that any Member would be comfortable with the idea of closing the National Concert Hall of Wales, and in any case we heard the Section 151 Officer explain that commitments previously made to promoters would have made any savings from closure negligible in any case. I believe that the point emerging from this example, however, is that in the case of non-statutory provision of this kind, it would have been helpful to have had the transparency of a Cabinet report to advise and seek support from Members for any intended continuation of operation that might impact on the in-year savings position. Without this transparency there is a risk of falling outside the Council's agreed Policy and Budgetary Framework.

Members considered the Cabinet's proposals for financial pressures in the Medium Term Financial Plan. They note that agreement of any of these will signal that the Cabinet has made a positive choice to prefer expenditure on these pressures over any cuts to Children's Play, Youth Services, Libraries and Day Centre services that have caused concern to communities in recent weeks. Once these choices are made public, Members will be grateful for you to advise them by reply on the thought process behind these decisions.

Members heard concerns expressed by the GMB Union around communication arrangements between staff, unions and management in areas including day centres and children's play. It was suggested that some miscommunication might have taken place with affected staff in Day Services and at Splott Play Centre to suggest to them that decisions had been already taken at an officer level that services would cease, prior to a political decision being made. The official also felt that engagement with Day Centre service users could have been better in recent weeks. I have attached the written submission we received with this correspondence. Christine Salter gave a clear explanation of the agreed process for advising staff at risk of losing their posts, and we will be grateful if you can explore whether managers have carried out these arrangements correctly, and advise us accordingly.

The Partnership For Change is a significant new undertaking, which we look forward to hearing about in greater detail at future meetings. We wish you every success, and trust that all parties will engage in the Partnership in the honest, open and realistic manner that will be needed to ensure continued progress.

ECONOMIC DEVELOPMENT PROPOSALS

Although conceding that it involved us straying somewhat from our terms of reference, the discussion on savings to Cardiff Business Council did provide an illustration of the challenge of matching up Council policy and practice. CBC was designed as a vehicle to leverage in external private investment, and we hope that the saving proposals will not impede the effectiveness of this and other kinds of "invest to save" initiatives.

CORPORATE MANAGEMENT PROPOSALS

Members expressed concerns that there will come a point where continued loss of management capacity will impact negatively on the Council's ability to deliver future savings, and on our achievement of in-year financial and performance targets. But we were reassured at Councillor Hinchey's evidence that this would mainly impact on managers with fewer than six officers in their span of control, and perhaps affect just nine posts.

Members were also reassured that the cut of support to the Enterprise Zone was just a one year expedient, reflecting that there are not any specific commitments against that budget this year.

RESOURCES DIRECTORATE PROPOSALS

All points raised were satisfactorily addressed, and we have no further observations to make.

COUNTY CLERK DIRECTORATE PROPOSALS

Members have noticed a steady deterioration of the level of support to non-Executive Members over the past two years, and fear that this will risk disadvantaging the non-Executive and weaken the Council's governance arrangements.

Committee considered the County Clerk and Monitoring Officer's "mini restructure" budget line, and noted the assurance from Councillor De'Ath that the proposals will have no adverse impact on Scrutiny. But we are aware that a number of posts will be lost that provide support to Members in general, as well as the senior management proposal to merge the posts of Monitoring Officer and Head of Legal Services. We feel that the level of Member support in Scrutiny and Democratic Services in general have reached a point where further cuts will impact on Member capability and governance> In the light of Wales Audit Office's Corporate Assessment (and in recognition of the importance of the function to Members) we seek an assurance from you that given the pressure on the County Clerk to meet financial targets for the medium term, the Cabinet will make a decision to protect current resource levels during this medium term period.

Members noted that the protection provided to the Welsh Language Unit was as a result of the Council's Welsh Language Policy, and that the terms of the Policy could potentially be reviewed in the future.

Members raised a number of technical points on the availability of IT resources at Committee meetings (eg charging points for tablets to enable paperless working) and the Dictabank.

COMMUNITIES DIRECTORATE PROPOSALS

Councillors considered the “Superhub” proposal, and wanted to express concern that the increase of Hub facilities in Central Library could diminish the current library provision.

Members also felt that – given its location so close to the retail heart of Cardiff – if savings had to be found at Central Library it might be more advantageous for the city if this space could be considered in terms of its potential to boost the City’s economic capacity. As a recommendation, Members feel it will be prudent to explore the potential for other spaces (eg Southgate House or space near the future Transport Interchange) being identified for a central hub at some not too far distant point, should opportunities for commercialisation of the Central Library present themselves by then.

For noting, in response to a Member’s question, it was stated that transitional support might be available to the Somali Advice Centre, but that space in the Superhub was not likely to be made available to them.

Members are aware that Economy & Culture and Children & Young People Scrutiny Committees have both recently written at length to Cabinet on “Stepping Up” arrangements regarding libraries, youth and play centres and community halls. Our Committee noted the length of time invested to date in identifying, nurturing and securing partnership with community organisations, and the myriad of legal, technical, professional and financial challenges ahead. We are not entirely confident that sustainable transition to future models of management of stand-alone libraries is likely to be achieved in the foreseeable future, but feel that the observations and advice of the two Scrutiny Committees will be of assistance in optimising your success.

Members were reassured that endeavours were being made by officers to ensure that the City’s future equalities offer and third sector support arrangements would be preserved through the new specification of Infrastructure Support, and that rigorous equality impact assessments will be produced to evidence this.

Briefly summarising our understanding of agreements reached at the meeting:

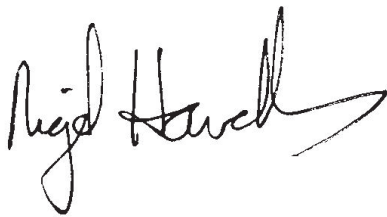
- We may wish to view the final draft of the Corporate Plan should there be any significant changes prior to its consideration at March’s Cabinet;
- We look forward to further advice on the Challenge Forum at our March meeting;
- We will be interested to see indications of achievement of 2014/15 targets in the Corporate Plan;
- We wish to schedule discussion of the suite of performance management tools that will be used to govern manager achievement of targets at a future meeting;
- Without wishing to unnecessarily duplicate the Children and Young People Scrutiny Committee’s efforts, we will be interested to play a part in any review of the Eastern High School Estyn Inspection, for reasons stated above;
- We look forward to reviewing the Cardiff Debate with you at a future meeting;

In addition to your observations on many of the points raised in this letter, I will be particularly pleased to receive your timely response on:

- Please can you check and advise that managers correctly advised staff at Splott Play Centre and in Day Services around their potential redundancy from their posts?
- Should any of the financial pressures be accepted, and any of the proposed cuts to Libraries, Play, Youth Services and Day Centres also be implemented, please can you provide a short statement to explain the synergy between these decisions and the Council's four key priorities?
- Please can you assure us that you agree with our concerns about the level of support provided to Scrutiny and Democratic Services, and confirm that you are seeking to protect these services in the medium term?

Finally, on behalf of Members I wish you and Cabinet colleagues every success in making your final Budget recommendations to Full Council on what will inevitably be a very difficult Budget. I look forward to hearing your feedback on the points made in this letter at your earliest convenience.

Yours sincerely



**COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc Councillors Hinchey, Bradbury and De'Ath
Paul Orders, Chief Executive
Christine Salter, Section 151 Officer
Marcia Sinfield, Deputy Section 151 Officer
Martin Hamilton, Chief Officer Change and Improvement
Dylan Owen, Principal Policy and development Officer
Sarah McGill, Director Communities, Housing and Customer Services
Rachel Jones, Operational Manager Partnerships and Citizen Focus
Neil Hanratty, Director of Economic Development
Marie Rosenthal, County Clerk and Monitoring Officer
Angie Shiels, GMB Union
Joanne Watkins and Cheryl Cornelius, Cabinet Support Office
Members of the Policy Review & Performance Scrutiny Committee
Chairs of Scrutiny Committees
Paul Keeping, Operational Manager Scrutiny Services

Appendix 1

VERBAL STATEMENT FROM GMB UNION TO POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE ON CABINET'S 2015/16 BUDGET PROPOSALS

9 February 2015

GMB recognises the difficult position the Council is in, with savage cuts being forced on all Councils throughout the UK. Wales has for sometime been cushioned from these, however, we are now beginning to feel their impact.

There has been much talk across the city about the budget, with campaigns being set up to voice the community's dissatisfaction at some proposals.

Libraries and Youth services, being two of the most vocal and, whilst we applaud our colleagues' efforts, passion and commitment, there appears to be a group of our society which has been left without a voice - that of the most vulnerable in our society, the elderly.

The proposal to shut 4 day centres for the elderly, many with Alzheimer's / dementia is at best misguided at worse obscene. The report provided from Health and Social Care makes much of provisions they are "looking at" and their "potential": what it does not say is what will happen to the 239 service users.

You simply do not stop a critical service like this until you are assured that you have a robust provision in place. The GMB does not believe that this has been illustrated in any reports. "Maybe", "might", "could happen" are simply not acceptable when a proposal of this magnitude is being tabled.

When you cease to provide a service like this, you do not just stop it for the main service user; you remove respite time for the carers. Carers save the economy billions, unpaid hard work, providing for their loved ones at home.

However, providing that care takes its toil. When a loved one attends a service such as we have in our day services, carers know that their loved ones are in safe hands, familiar surroundings, allowing the carer a few hours to be free of the intense responsibility that being a carer brings. Maybe a few hours needed, sleep a coffee with a friend, to you and I this may seem of little significance. Believe me, it makes all the difference.

Withdrawing this service may bring about an increase on the demands of our mental health service for carers who are already under too much pressure and many problems associated with depression. We implore the Council, do not cast our elderly aside, do not leave them even more vulnerable than they are already. They may not be able to March on County Hall; they may not be able to set up a campaign. They may not be able to express their concerns due to their medical condition, however, as a Council who prides itself on being decent, fair and protective of our most vulnerable, please be the voice of compassion and reject these short-sighted proposals.

The Drug and Alcohol Team again is a service providing a crucial service for vulnerable adults. Many of you will have seen articles in the press from concerned citizens. This cut in this service again is short sighted; the counselling service does incredible work and is an immeasurable preventive tool. A small sum of money compared to some cuts that keeps service users on the road to recovery. Although unpalatable to many, drug and alcohol abuse are illnesses and as such need the resources to help our service users.

Welsh Government has given CCC an additional £2.8 million. Also an additional £400,000 was found. Many of our members and non members deliver the above services; they are already being told their jobs are going, we cannot see why the additional funds on top of the autumn settlement of additional £10 million cannot go towards saving crucial life saving services.

Youth Services provide crucial support to the youth of the city. The Peer Review stated quite clearly that youngsters who are NEET should be prioritised; it does not appear that this recommendation is being taken on board. It is all well and good to say communities will take over services. There is no evidential support for this. The youth are our future, they need investing in, serious and careful consideration needs to be taken, a disenfranchised youth, is a disenfranchised future for the City.

The Cardiff Debate had significant resources in digital advertising, social media, Capital Times etc, but out of 330,000+ citizens only 4,00 responded. GMB are concerned that although well intentioned, it is profoundly naive to put one's faith in the assumption that volunteers will step forward to offer quality provisions and services. The Council offer support for taking over buildings, people being TUPE'd over, however, a sound business case both practical on service delivery and, also on sound financial basis needs to be provided.

Our members' jobs maybe affected, we cannot stand by and let them be part of some kind of Lost Horizon dream, where Shangri-La exists. People's pay, sickness, annual leave pension rights, payroll HR implications, all need clarification. We cannot allow for our services to be taken over by well-intentioned groups, who are not able to deliver. The Council has a duty to scrutinise especially where people's jobs are concerned.

GMB along with other unions have been consulted on varying projects that the Council are looking at in order to deliver services more effectively. Organisational Development was something we could not see measurable outcomes to begin with. We became rather suspicious, however, having had some in-depth discussions, we applaud the work of the OD team, in particular the pilot of the neighbourhood, cleansing/parks etc... Our members have engaged and, are informing the project proactively on how we can have in-house services. This is proper partnership working. Keeping services in-house, using technology, shared ideas, working to a 21st Council. This type of partnership working is one we embrace, it stops salami slicing, it helps deliver quality services, in a joined up fashion.

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

Date: 12 March 2015

Cllr Graham Hinchey
Cabinet Member – Corporate Services & Performance
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Dear Cllr Hinchey,

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 3 MARCH 2015

Members wish to pass on their thanks to you and officers for attending the above meeting to discuss the Quarter Three Corporate Performance Report. Members wish to pass on their thanks to officers for preparing the cover report and welcome the extra information contained in this regarding the actions arising from the Star Chamber and Challenge Forum.

Members welcome the Chief Executive's commitment to invite Group Leaders to the next meeting of the Challenge Forum and to share the Challenge Forum papers with Members, including confidential papers where Members would be bound by our Code of Conduct and Council's constitution. We look forward to this happening.

Members were interested to see the key actions listed at point 8 of the cover report regarding the Star Chamber and would like to receive the action plan for one of these, preferably bullet pointed, so that Members can see how these actions are being addressed. Please supply this information in your response to this letter.

Members are interested in carrying out pre-decision scrutiny of the revised Attendance and Wellbeing Absence Policy, scheduled for Cabinet in June, and ask that officers liaise with Scrutiny Services to ensure this comes to this Committee in time for meaningful pre-decision scrutiny.

With regard to Agency spend, as discussed at the meeting Members would like to look in more detail at this and, to assist this, would like to receive a briefing paper from the Environment Director to explain the rationale for the use of agency staff in their Directorate.

With regard to PPDRs, Members were interested in the discussion at Committee that 95% compliance was a sensible target to aim for, given that leave and sickness etc. mean reaching a higher target is not an effective use of resource. Members note that the emphasis instead is on ensuring the quality of the PPDRs and the need for these to be part of a continuous process. Members have previously asked for further details on the 'dip-testing' being undertaken to test the quality of PPDRs and we re-iterate our request for this information to be shared with us, either in response to this letter or as part of the committee papers for the Quarter 4 Corporate Performance Report item.



Members discussed the relevance of benchmarking the Council's performance with those of the Core Cities. Members understand the need to compare like with like in terms of urban scale, the role and functions that remain with Councils etc. but are also aware of the need to stretch performance by learning lessons from high-performing councils. We will therefore keep a watching brief on the usefulness or otherwise of benchmarking with the Core Cities.

Members note officers assurance that the Outcome Agreement measure for Solar Panels will be met this year and that the overall direction of travel for Education performance is an improving trend. Members were pleased to hear that a public facing version of the performance report will be published for Quarter One, with a scorecard approach being used.

Members asked several questions regarding detailed performance issues in Directorates and agreed to seek briefing papers from the relevant Directors, as follows:

- Director of Children's Services, Tony Young – Safeguarding – a 1 page report that details what the new unit is, what it is expected to deliver, how it fits with the Social Services and Wellbeing Act 2014 and whether any savings are anticipated.
- Director of Communities, Housing and Customer Services, Sarah McGill - Rent Arrears – a 1 page report that profiles HLS/001a over the last 10 years and details how Cardiff Council's performance compares to other local authorities.
- Director of Education and Lifelong Learning - Nick Batchelar - Minority Ethnic Achievement Grant – Members are aware from their ward work that this grant has made a significant difference to the achievement levels of individual pupils they know and wish to pay tribute to the achievements that Fitzhalan High School in particular has facilitated. With this in mind, Members wish to receive a one page report on the Council's work with the Central South Education Consortium regarding liaising with the Welsh Government to achieve flexibility in 2015/16 in the use of the single funding stream that replaces 11 existing funding streams for Education.

Finally, as part of this item, Members asked whether the reduction in budget in the Economic Development Directorate will affect the level of staff resources available to the Business Council. Members note the Chief Executive's response that this was still to be resolved, with on-going discussions with the Business Council to determine the best way forward to ensure that staff resource capacity is available. Members request an update on this once discussions have concluded and there is an agreed way forward.

To recap, this letter requests several actions and pieces of information, as follows, and requires a response:

- o Members look forward to Group Leaders be invited to the next meeting of the Challenge Forum.
- o Members look forward to shortly receiving the Challenge Forum papers, including confidential papers where Members would be bound by our Code of Conduct and Council's constitution.
- o With the response to this letter, Members would like to receive the action plan for one of the Star Chamber actions detailed at point 8 in the cover report for

this item, preferably bullet pointed, so that Members can see how this action is being addressed.

- Members ask that officers liaise with Scrutiny Services to ensure the revised Attendance and Wellbeing Policy comes to this Committee in time for meaningful pre-decision scrutiny, currently scheduled for Cabinet in June 2015.
- Members request a briefing paper from the Environment Director to explain the rationale for the use of agency staff in their Directorate.
- Members re-iterate our previous request for information on the results of PPDR dip-testing to be shared with us, either in response to this letter or as part of the committee papers for the Quarter 4 Corporate Performance Report item.
- Members agreed to seek briefing papers from the following Directors, as detailed above: Director of Children's Services, Director of Communities, Housing and Customer Services and Director of Education and Lifelong Learning.
- Members request an update on the level of staff resources available to Cardiff Business Council once discussions have concluded and there is an agreed way forward.

Yours sincerely,



**COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

Cc: Paul Orders Christine Salter Martin Hamilton
Matthew Swindell Rhian Jones Rita Rohman



Date: 12 March 2015

Marie Rosenthal
County Clerk and Monitoring Officer
County Hall
Cardiff
CF10 4UW

Dear Marie,

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 3 MARCH 2015

Members ask that you pass our best wishes on to Councillor De'Ath and his family, with our hopes for a speedy recovery.

Members thank you and Paul Keeping for attending the above meeting to discuss progress on the Improved Governance - Organisational Development Programme and for preparing the update report on this.

With regard to the 'Improved Decision Making and Ethical Culture' project, Members ask that you pass our sincere thanks and appreciation on to Gill Nurton, Graham Porter and Kate Rees for all their hard work and efforts in ensuring that Modern.Gov is operational and user-friendly. Members believe that e-modernisation is both necessary and helpful in enabling effective local democracy.

Also within this project, Members note there is an action on 'Executive Decision Making and Forward Plan' and wish to highlight to you that the current Forward Plan published on the Council's website runs from October 2014 – March 2015. Members recommend that you investigate the reasons why an updated Forward Plan has not been published and ask that the situation is rectified.

As part of the 'Member Development and Engagement' project, Members recommend that officers look at the work other local authorities have done in using social media and web-based tools to widen participation in Member training, for example Monmouthshire Council's use of YouTube. Members were pleased to note that, in our discussion on this, you stated that this would be an action in next year's programme.

During our discussion on the 'Improving Scrutiny' project, Members were interested to hear that the Welsh Government is currently consulting on their White Paper 'Reforming Local Government: Power to Local People' and that a report is due to be taken to Cabinet on this, detailing the proposed response from Cardiff Council. The deadline for consultation responses is 28 April 2015 and Members would like to know

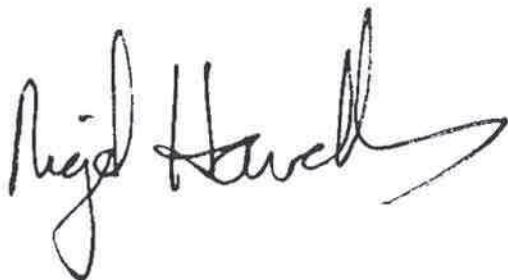


how the wider member body will be engaged in the process of formulating a response; we would welcome being involved in this process.

To recap, this letter contains the following points and recommendations and requires a response:

- Please pass on our thanks and appreciation to Gill Nurton, Graham Porter and Kate Rees for all their work re Modern.gov.
- Members recommend that you investigate the reasons why an updated Forward Plan has not been published and ask that the situation is rectified.
- Members recommend that officers look at the work of other local authorities regarding the use of social media and web based tools in member training.
- Members would like to know how the wider member body will be engaged in the process of formulating a response to the Welsh Government White Paper 'Reforming Local Government: Power to Local People'.

Yours sincerely,



COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

Cc: Cllr De'Ath Paul Keeping
 Alison Taylor Jayne Davis