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## AGENDA

**Pwyllgor** PWYLLGOR CRAFFU ADOLYGU POLISI A CHRAFFU PERFFORMIAD

**Dyddiad ac amser y cyfarfod** DYDD MERCHER, 20 MEDI 2017, 5.00 PM

**Lleoliad** YSTAFELL BWYLLGORA 4 - NEUADD Y SIR

**Aelodaeth** Cynghorydd Walker (Cadeirydd)  
Y Cynghorwyr Berman, Bowen-Thomson, Boyle, Cunnah, Jacobsen, Mackie, McKerlich a/ac Murphy

Tua  
Amser.

**1 Ymddiheuriadau am absenoldeb**

5.00 pm

Derbyn ymddiheuriadau am absenoldebau.

**2 Datgan Buddiannau**

I'w gwneud ar ddechrau'r eitem agenda dan sylw, yn unol â Chod Ymddygiad yr Aelodau.

**3 Cofnodion (Tudalennau 1 - 10)**

Cymeradwyo cofnodion y cyfarfod blaenorol yn rhai cywir.

**4 Strategaeth Gyllideb 2018/19 a'r Tymor Canolig (Tudalennau 11 - 44)**

5.00 pm

- (a) Bydd y Cynghorydd Chris Weaver, yr Aelod Cabinet dros Wasanaethau Corfforaethol a Pherfformiad, yn bresennol ac efallai y bydd yn dymuno gwneud datganiad;
- (b) Bydd Christine Salter, Cyfarwyddwr Corfforaethol Adnoddau, ac Ian Allwood, Pennaeth Gwasanaethau Ariannol, yn bresennol yn ystod yr eitem hon;

(c) Cwestiynau gan Aelodau'r Pwyllgor.

**5 Polisi Caffael Cymdeithasol Gyfrifol** (*Tudalennau 45 - 62*) 5.40 pm

(a) Bydd y Cynghorydd Chris Weaver, yr Aelod Cabinet dros Wasanaethau Corfforaethol a Pherfformiad, yn bresennol ac efallai y bydd yn dymuno gwneud datganiad;

(b) Bydd Christine Salter, Cyfarwyddwr Corfforaethol Adnoddau, a Steve Robinson, Rheolwr Gweithredol Comisiynu a Chaffael, yn bresennol yn ystod yr eitem hon;

(c) Cwestiynau gan Aelodau'r Pwyllgor.

**6 Polisi Iechyd Meddwl a Chanllawiau Rheolwyr** (*Tudalennau 63 - 106*) 6.10 pm

(a) Bydd y Cynghorydd Chris Weaver, yr Aelod Cabinet dros Wasanaethau Corfforaethol a Pherfformiad, yn bresennol ac efallai y bydd yn dymuno gwneud datganiad;

(b) Bydd Christine Salter, y Prif Swyddog Adnoddau Dynol, Philip Lenz, Partner Pobl AD, ac Anita Batten yn bresennol yn y Pwyllgor er mwyn amlinellu'r polisi ac ateb cwestiynau gan Aelodau.

(c) Cwestiynau gan Aelodau'r Pwyllgor.

**7 Rhaglen Waith** (*Tudalennau 107 - 130*) 6.45 pm

**8 Y Ffordd Ymlaen** 7.00 pm

**9 Dyddiad y cyfarfod nesaf** 7.30 pm

Dydd Mercher 4 Hydref 2017 fydd dyddiad y cyfarfod nesaf.

**Davina Fiore**

**Cyfarwyddwr Llywodraethu a Gwasanaethau Cyfreithiol**

Dyddiad: Dydd Iau, 14 Medi 2017

Cyswllt: Kate Rees, 029 2087 2427, [kate.rees@caerdydd.gov.uk](mailto:kate.rees@caerdydd.gov.uk)

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

18 JULY 2017

Present: County Councillor Walker(Chairperson)  
County Councillors Berman, Bowen-Thomson, Boyle, Cunnah,  
Mackie, McKerlich and Murphy

68 : APPOINTMENT OF CHAIRPERSON

The Committee noted that Council at its meeting of the 25 May 2017 appointed Councillor David Walker as Chairperson of the Committee.

69 : TERMS OF REFERENCE

The Chairperson outlined the Terms of Reference as set out in the agenda.

- To scrutinise, monitor and review the overall operation of the Cardiff Programme for Improvement and the effectiveness of the general implementation of the Council's policies, aims and objectives.
- To scrutinise, monitor and review the effectiveness of the Council's systems of financial control and administration and use of human resources.
- To assess the impact of partnerships with resources and services provided by external organisations including the Welsh Government, joint local government services, Welsh Government sponsored Public Bodies and quasi-departmental non-governmental bodies on the effectiveness of Council service delivery.

To report to an appropriate Cabinet or Council meeting on its findings and to make recommendations on measures which may enhance Council performance and service delivery in this area.

70 : MEMBERSHIP

The Committee Membership was noted:  
Councillors: Berman, Bowen-Thompson, Boyle, Cunnah, Jacobson, Mackie,  
McKerlich and Murphy.

71 : APOLOGIES FOR ABSENCE

None

72 : DECLARATIONS OF INTEREST

Members were advised 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.

73 : MINUTES

The minutes of the 15 February 2017 and 14 March 2017 were approved as a correct record.

## 74 : CAPITAL AMBITION - POLICY PRIORITIES OF THE ADMINISTRATION

The Chairperson welcomed:

The Leader of the Council, Councillor Huw Thomas  
The Chief Executive, Paul Orders

The Chairperson advised the Committee that the overarching focus of the meeting was to provide a concrete understanding of the Council's corporate and partnership planning framework, considering the administration's priorities in preparation for setting the Committee's work programme for the year.

The Chairperson invited the Leader to introduce the report.

The Leader explained that the 'Capital Ambition' was a document that reflected the Labour Party's Manifesto for Cardiff. The 'Capital Ambition' document set out a programme of action to continue to drive the city economy forward whilst ensuring that all residents felt the benefits of success. In delivering its Capital Ambition the administration would focus on four priority areas:

- Working for Cardiff – Making sure that all citizens can contribute to and benefit from the city's success.
- Working for Wales – A successful Wales needs a successful capital city.
- Working for the Future – Managing the city's growth in a sustainable way.
- Working for Public Services – Making sure public services are delivered efficiently, effectively and sustainably in the face of rising demand and reducing budgets.

The Capital Ambition would initiate the process of developing the Corporate Plan 2018-19 by providing a clear signal of the administration's direction of travel. This enabled the development of a budget strategy and a refresh of the Council's organisational development programme.

The CEX confirmed the administration priorities and objectives outlined in the document and as a starting point to develop the Corporate Plan 2018/19.

The Chairperson invited the Members to ask questions.

Members of the Committee were of the view there was a change in emphasis to that of the previous administration. The Committee was assured this was a continuation of the administrations journey with a robust Education programme being developed through the channelling of schools. Successful partnerships being established, business development in the city, redevelopment of Central Square, whilst tackling poverty and inequality across the city at the same pace. It was recognised this was a move away from the 'Liveable City' agenda.

Some Members of the Committee were concerned the document was only asking the Committee to note its recommendation's whilst changing the existing Corporate Plan objectives, to which the electorate voted on most recently. This could be seen as a

slight disconnection and maybe the current Corporate Plan should be revised to reflect the new priorities.

The CEX explained the existing Corporate Plan would be used as a tool to monitor achievements between performance objectives and agreed targets. The new administration acknowledged the need for continuity but new ideas needed to be developed. These were standard approaches with no significant changes to the framework with no disconnection.

The Leader assured the Committee this document would sit alongside the Corporate Plan.

Members were keen to hear what cost implications could be found in the Capital Ambition. The Leader explained the deliverability of commitments were sound however affordability would be explored in relation to specific costs.

The issue of school's funding was discussed and with the 21<sup>st</sup> Century School Programme in place, Band A & B further investment would be required.

The CEX explained there was a funding equation for the Council's position in relation to Band B. The school's overall estate would be analysed as part of the asset management renewal plan, investigating the maintenance of the estate and prioritising works as part of the Council's statutory obligation. The Council's intention was to shift its approach to a Corporate Landlord model, ensuring a tighter grip on the estate and identifying what the priorities were.

The Leader advised the Committee that manifesto commitments were reflected in the document and the administration were committed to exploring options. Aspirations for developing partnership working were reflected, along with the ambitions for the continued development of the City.

Members of the Committee were keen to see further exploration of environmental and transportation matters in the document, as information for education seemed broader.

The Leader explained that bringing the document together, incorporating the manifesto resulted in broad-brush themes sitting alongside clear concrete areas of priority, which could translate into KPI's.

Members of the Committee asked about the cost implications of delivering the priorities, given the difficult budgetary decisions to be made.

The Committee was assured that the priorities could be seen as 'business as usual'. The Education ambition that "making sure every child in Cardiff goes to a good or excellent school" was essential.

The Leader agreed it was appropriate for the Council to interact with the Third and Voluntary Sectors and a significant factor to add value for money, especially in relation to the redevelopment of schools in local communities.

The Committee noted the comments in relation to the value of Cardiff Business Forum, currently abandoned and the significant push from the business community

and Welsh Government for alignment of business' in Cardiff to support future regeneration and economic growth.

Members of the Committee drew attention to the comment on "good and excellent schools in Cardiff" and asked how many schools did not match that standard.

The Leader assured the Committee that this was a pathway to get schools to the appropriate standard.

Members asked to what extent the programme could be achieved. Some of the ambitions were basic rights and how satisfied were the administration of the deliverability of the priorities.

The Leader accepted there were issues that could be left for debate, as it was the nature of the document. Broad themes had been developed and measures were in place to push these forward.

The Committee was advised that some areas needed to be worked through, neighbourhood services, waste management/ cleansing for example. There was detail that outlined the commitments and by February 2018 a clear set of objectives would be defined with a delivery plan making it clearer for members.

RESOLVED: At the conclusion of the meeting the Committee discussed the evidence presented, following which they tasked the Chairperson of the Policy Review and Performance Scrutiny Committee to write to the witnesses to thank them for attending the meeting and set out the comments made by Members (letter attached)

#### 75 : PARTNERSHIP SCRUTINY - PUBLIC SERVICES BOARD STATUTORY RESPONSIBILITIES OF THE COMMITTEE. DRAFT WELL-BEING OBJECTIVES

The Chair welcomed Gareth Newell, Operational Manager Partnerships and Community Engagement to join the Leader and Chief Executive.

The Chair advised Members that this Committee had responsibility for scrutiny of the Council's partnership work, specifically a statutory responsibility under the Well-being of Future Generations Act for scrutiny of Cardiff's Public Services Board (CPSB). Therefore, in line with the Council's Constitution, this Committee will perform a strategic overview role of the CPSB's performance.

The Chair invited the Leader to make a statement.

The Leader explained that Cardiff Partnership Board transitioned into the Cardiff Public Services Board. The aim was for public bodies to pursue a common aim to improve the economic, social and environmental well-being of Wales. This recognised that each public body has a role to play in improving well-being and sharing responsibility for contributing to well-being goals whilst working in partnership to un-block common issues.

The Leader invited the Chair to attend a future PSB meeting.

The Committee received a presentation which outlined the following:

- Public Service Boards
  - The requirements of the Act
- The Structure and Reporting path
- Hierarchy of Plans
- Well-Being Assessment
- Wellbeing Plan: Statutory Requirements
- Wellbeing Objectives
- Cardiff Public Services Board – Draft Well-Being Objectives
- Role of the Future Generations Commissioner

The Committee referred to the next steps and the timescales in place for consultation on the Wellbeing Objectives.

The Committee was advised of the 12-week consultation process. The intention was to take a report to PRAP in October 2017.

The Committee was given information on the seven national well-being goals:

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh Language
- A globally responsible Wales

The Leader explained that targets were essential in order for the PSB to progress and the Committee would have a further opportunity to scrutinise the report in the Autumn.

Members of the Committee asked if there was a statutory obligation on local authorities to meet targets. The Leader confirmed there was not a statutory requirement to set targets but there was an obligation on the Council to set them.

The Committee was advised there were advantages to this legislation as local authorities in England did not come under the act and were keen to engage in this type of partnership arrangement.

Members of the Committee suggested that the Results Based Accountability (RBA) methodology be used to focus on targets. Further, would the new framework be diluted when the additional national indicators were introduced?

The CEX explained the framework required a clear definitive delivery plan. The partnership mechanism was a tool to drive forward change and development. Small strategies would be visible at the outset, with partnership strategies being developed to target services.

The Committee discussed the dynamics of recording the performance of partnerships workings and the outcomes supporting the needs of the citizens.

The Consultation process was addressed and Members were informed of the Ask Cardiff questionnaire outcomes, which following analysis and assessment led to further work being undertaken on the process.

The Committee suggested looking at the outcomes post October 2017. Concerns were raised in relation to the precision of measures and how they were achieved.

RESOLVED: At the conclusion of the meeting the Committee discussed the evidence presented, following which they tasked the Chairperson of the Policy Review and Performance Scrutiny Committee to write to the witnesses to thank them for attending the meeting and set out the comments made by Members (letter attached)

## 76 : WORK PROGRAMMING - DIRECTORATE CHALLENGES FOR 2017/18

The Chairperson welcomed Christine Salter, Corporate Director Resources. The Chairperson advised Members the Committee was tasked with constructing a work programme for the municipal year to July 2018 that ensured the time available to the Committee was used effectively and maximised the impact of scrutiny. The Committee's remit determined responsibilities that fell within three Cabinet portfolios: the Leader; the Cabinet Member for Investment and Development; and the Cabinet Member for Finance, Modernisation and Performance. These portfolios span four Directorates of the current organisational structure. The Directors would highlight:

- The key challenges faced for 2017/18; and
- How they consider the Committee's work programme for 2017/18 could constructively assist in the improvement of services.

The Chairperson invited Christine Salter to deliver a presentation:

The presentation outlined the following:

- Directorate Profile
  - 2017/18 Budget
  - Workforce
- Split of Budget across functions
- Directorate Delivery Plans
- Aspects of Potential interest to PRAP scrutiny

The Chairperson invited the Committee to ask questions.

Members of the Committee asked about the target sickness absence figure of 5.8 FTE, against the current 7 FTE and how this would be actively managed.

The Committee was interested to receive an update on procurement. In response, it was explained that savings were on going. A Local Authority Trading Company (LATC) had been established, providing work in England and Wales working within the trading rules.

Members of the Committee asked how the "Digitalisation" programme would be taken forward without isolating vulnerable groups. In response, the Committee was



advised that everyone would be considered a part of the process and the Hub's would be the starting point.

The Committee was keen to see the development of Wellbeing, due to the lack of substance in the objectives and was an opportunity to bring back for consideration.

The Committee was advised that the "Digitalisation" agenda should be accelerated as this programme was supporting savings across the Council. The Customer Relations Management system was the tool to take this forward and deliver the required savings. This system would support an electronic mailing process of Council Tax notification, superseding the current paper billings system.

The Chairperson welcomed senior officers of the Economic Development Directorate, Tara King, Assistant Director Commercial Services and Helen Jones, Strategic Estates Manager.

The Chairperson invited the officers to provide the Committee with a verbal brief.

Tara King provided the Committee with an overview on Commercialisation.

- Income generation
- Facilities Management – County Hall, City hall, Castle
- Commercial Fleet
- Rationalisation

Fleet Services Digitalisation system would commence shortly along with work on the rationalising the fleet.

Schools were also being supported through this programme and school's compliance was being maintained.

The Corporate Landlord Model was being introduced, covering five work streams.

- Health & Safety compliance
- Strategic Assets
- Services for Work
- Digitalisation
- People & Change

The Committee was advised of the internal and external customers. The intention was to insource work by bringing smaller jobs in-house. Service Level Agreements (SLA) were in place for schools.

Helen Jones provided the Committee with an overview on Non-Operational Estates and Investments.

The Committee was advised that strategies had been in place over the years to support this service however, an established process to monitor the overall Estate was not complete. A deeper understanding of the estate was required with key focus being placed on the 18-24 months. A full audit of the estate was needed and how the estate was being utilised. A new IT data base was being created to control and monitor the estate in one place.

The Committee were keen to learn about school buildings being used out of hours and if the Council were charging for these services. In response, Members were advised that out of hours activity was taking place. These school assets were not fulfilling their potential and additional income should be expected. In future new schools would be designed to support external facilities.

The Committee drew attention to services provided by Parks and the responsibility to deal with open land space. In response, Officers confirmed that the Corporate Landlord model would have visibility of land ownership.

The current estate audit was focusing on land but would pick up on parks and open space once the buildings had been analysed.

The Committee discussed Community Asset Transfers (CAT) and were informed that a project manager had been appointed to support these groups independently.

The Chairperson welcomed Davina Fiore, Director Legal and Governance to provide the Committee with a verbal briefing.

Davina Fiore explained the Directorate consisted of:

- Legal Services
- Democratic Services
- Electoral Services
- Scrutiny
- Bilingual Cardiff

Key challenges facing the directorate were budget restraints with the main section of the budget contributing towards staffing. The Legal Services workloads were outlined to the Committee whose main responsibilities were to support the priorities and initiatives of the Council. There would be additional legal support available from newly advertised posts.

The Bilingual Cardiff Strategy was positive, however there was very little budget to deliver the programme. The increase in the demand for translation had an impact on the service, whilst the team had sourced income generation from an SLA with the Vale of Glamorgan Council. Posts were being advertised on a Welsh Language website and it was hope that additional Welsh speakers would be entering into the organisation.

Sitting with Scrutiny were the Equalities Team consisting of 2 members of staff who played an important role in the accountability of equalities across the Council.

The Electoral Services Team delivered and organised all elections and administered the electoral register. There had been some difficulty recruiting to this service and a further advertisement would be published.

Committee and Members Services supported the Council's Committees and Members. There was an issue with the number of meetings taking place as there were not enough resources to support them. The Members Induction Programme was progressing and buy in was required from all Members.

A Scrutiny Review had taken place under the previous administration and recommendations had come forward. To date the recommendation to reduce the number of scrutiny committees had not been adopted by the Council, and it would be essential to keep Members engaged in the scrutiny process.

Members of the Committee asked if the Election Count process could be looked at, as the current system was considered slow. In response, the Committee was advised that Elections were run by the Returning Officer. Complexities were experienced by administering 4 Cardiff constituencies with a high volume of electors.

The Chairperson welcomed Sarah McGill, Director Housing & Customer Services and Isabelle Bignall, Assistant Director Customer Services.

The Committee received a presentation which outlined the following:

- Achievements
  - Council website
  - Best Welsh Authority Website
  - C2C
  
- Corporate Plan Commitments
  - Increase customer contacts to the Council using digital channels
  - Improve Ask Cardiff Results related Digital Use
  - To review, promote and increase current online services offered by C2C
  
- Community & 3<sup>rd</sup> Sector
  - Stronger Partnership Work

Members of the Committee were pleased with the current Hub services being provided across the city and asked what provisions were in place to encourage and support elderly people to use the facilities. Officers explained that access to services was monitored, along with the demand for services. This was a potential item for a Task & Finish exercise.

The Chair highlighted that how to achieve a Council Wide customer first culture/ethos in addressing customer demand had been identified as a potential Task & Finish Item.

77 : DATE OF NEXT MEETING - 20 SEPTEMBER 2017

***This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg***

Mae'r dudalen hon yn wag yn fwriadol

**CYNGOR CAERDYDD  
CARDIFF COUNCIL**

**POLICY REVIEW & PERFORMANCE  
SCRUTINY COMMITTEE**

**20 September 2017**

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**Budget Strategy 2018/19 and the Medium Term**

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**Reason for this Report**

1. To brief the Committee on the Council's Budget Strategy for 2018/19 and for the medium term, to provide context for the Committee's scrutiny focus throughout its 2017/18 work programme.

**Background**

2. The Cabinet approved the Budget Strategy report, attached at **Appendix 1**, on 27 July 2017. The report sets out the Council's financial strategy and timetable for developing capital and revenue budget proposals. It also updates the Council's financial resilience, the Medium Term Financial Plan, and aims to put in place savings targets over the lifetime of the Medium Term Financial Plan.
3. The report sets out the National and Welsh Government financial planning context within which the Council is operating; the Council's priorities, key risks faced and financial resilience. It clarifies the Budget Reduction Requirements and the Budget Strategy to achieve them; consultation and engagement plans for budget proposals, and the Capital Programme with a view to developing the Council's Investment Plan for 2018/19 to 2022/23.

**Context**

4. In terms of the financial planning context, the following are highlighted as key factors.

- a. The UK's exit from the European Union by 29 March 2019, the terms secured and the economic impact on Medium Term Financial Planning (MTFP) and budget strategy;
  - b. The Government's position on the 1% pay cap on public sector pay, currently in place to 2020 and the impact of fluctuating pay awards on the MTFP;
  - c. The timing of the UK budget, which this year has been moved to the Autumn, therefore the Provisional Financial Settlement for Welsh Government will be delayed and the Council's Final Settlement from Welsh Government may be later than usual;
  - d. The devolution of tax powers to the Welsh Government over the next two years; and
  - e. The continuing progression of Local Government Reform that requires regional working where appropriate.
5. Members are referred to the table at point 17, on page 4 of the report for a summary of key risks the Council faces from a financial planning perspective.
6. The Council has approved a budget reduction requirement of £25million for 2017/18. Key challenges in respect of financial resilience are listed as:-
- The need to deliver significant levels of savings during a period of prolonged financial austerity;
  - The impact that delays to the delivery of savings proposals has on the budget monitoring position;
  - The cumulative impact of achieving 2017/18 savings in addition to the unachieved 2016/17 savings which remain to be realised;
  - The complexity associated with delivering the change required to continually reshape the organisation;
  - The increasing ratio of capital financing charges to controllable revenue budgets as controllable budgets reduce, which impacts on the relative affordability of the capital programme;
  - Increasing level of demand for services.

7. The budget outturn for 2016/17 was balanced however, £6.5million of savings were unachieved. The delivery of these delayed savings in addition to those included in the 2017/18 Budget is a key area of risk that will be monitored closely as the current financial year progresses.
8. The budget gap is estimated to be £24 million in 2018/19 and £74 million over the next three years.
9. Members can find detail on the financial pressures in a table at point 29 of the report. Pressures include Schools Growth; Pay and Price Inflation; Capital Financing; Commitments and Realignment; Non-Schools Demographic Growth; Emergency Financial Pressures; Fall Out of 2017/18 Reserve Funding; and an Estimated 1% funding reduction.

### **The Budget Strategy**

10. The updated Budget Strategy to address the Medium Term Reduction Requirement can be found at **paragraph 29 of Appendix 1**. It is framed around four assumptions; Council Tax Increases; Use of Reserves; Cap on Schools Growth; and Savings Requirements. The Strategy increases the annual draw down from earmarked reserves to support the budget from £1.5 million to £2.35million. These assumptions and draw down contribute £21.5million and require a £15million savings requirement in 2018/19.
11. The Council's General Reserve is currently £14.3 million, 2.4% of its net revenue expenditure. Whilst this is a decrease of £1 million since last year's position, this was a planned reduction approved as part of the 2016/17 Budget.
12. Over the summer all Directorates have been working on 2018/19 savings proposals in readiness for detailed public consultation in late autumn.
13. For quick reference, appended to this report at **Appendix 2** is an outline budget timetable, and at **Appendix 3** a useful question and answer summary.

## **Scope of the Scrutiny**

14. This item will give Members the opportunity to consider the Council's strategy for developing the 2018/19 budget proposals and medium term planning. It will also give Members a chance to consider the timetable for developing the proposals and how the Committee wishes to be involved.

15. The Cabinet Member for Finance, Modernisation & Performance, Councillor Chris Weaver, Corporate Director Resources, Christine Salter, and Head of Financial Services, Ian Allwood will attend Committee to outline the Strategy and answer Members questions.

## **Legal Implications**

16. 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**

17. 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**

18. The Committee is recommended to:

- i. note the Budget Strategy for 2018/19;
- ii. consider whether the Strategy will deliver a successful Budget for approval by Full Council in February 2018;
- iii. consider how it wishes to scrutinise the budget process in the coming year;
- iv. consider whether it wishes to relay any comments or observations for consideration by the Cabinet Member for Finance, Modernisation & Performance.

**DAVINA FIORE**

Director, Governance & Legal Services

14 September 2017

Mae'r dudalen hon yn wag yn fwriadol

**CABINET MEETING: 27 July 2017**

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**BUDGET STRATEGY 2018/19 AND THE MEDIUM TERM**

**REPORT OF THE CORPORATE DIRECTOR RESOURCES**

**AGENDA ITEM: 4**

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**PORTFOLIO: FINANCE, MODERNISATION & PERFORMANCE (COUNCILLOR  
CHRISTOPHER WEAVER)**

**Reason for this Report**

1. To consolidate and update the financial strategy of the Council in readiness for the preparation of the 2018/19 revenue and capital budgets.
2. To outline the timetable that the budget process will follow in order to present the 2018/19 Budget to Council in February 2018.
3. To provide an update in relation to the Council's financial resilience.
4. To update the Council's Medium Term Financial Plan (MTFP).

**Structure of the Report**

5. The following table provides a guide to the key sections of the Report. Appendix 1 provides a short overview of the Budget Strategy in a question and answer format.

<b>Section of Report</b>	<b>From Para</b>	<b>Detail included in section</b>
General Background	5	<ul style="list-style-type: none"><li>• National Planning context</li><li>• Welsh Government planning context</li></ul>
Cardiff Context	14	<ul style="list-style-type: none"><li>• Council's Priorities</li><li>• Key Risks</li><li>• Financial Resilience</li></ul>
Budget Reduction Requirement	25	<ul style="list-style-type: none"><li>• MTFP and budget reduction requirement</li><li>• Updates since February 2017 Budget Report</li><li>• Overview of key assumptions</li></ul>
Budget Strategy	29	<ul style="list-style-type: none"><li>• Approach to Budget Strategy</li><li>• Summary of Budget Strategy</li><li>• Future Work Programme</li></ul>

Section of Report	From Para	Detail included in section
Consultation and Engagement	44	<ul style="list-style-type: none"> <li>• Consultation with the public, employees and other key stakeholders</li> </ul>
Capital Programme	46	<ul style="list-style-type: none"> <li>• Capital Programme</li> <li>• Borrowing &amp; Financial Resilience</li> <li>• Known Pressures</li> <li>• Developing the Investment Plan 2018/19 to 2022/23</li> </ul>

## General Background

### National Planning Context

6. The national context for this report is uncertain due to a combination of factors. These include the potential impact of the UK's exit from the European Union, the timing of the next UK Budget and the recent pressure on the UK Government to reconsider its existing policy in relation to public sector pay and ongoing financial restraint.
7. On 19 June 2017, the UK commenced negotiations regarding the terms of its exit from the European Union (EU). At this stage, it is too early to gauge the outcome of these negotiations, including in particular, the terms of any trade deal and the impact this may have on the economy. Having triggered the exit process, UK is due to leave the European Union by 29 March 2019 unless the 27 member states agree to extend this period. The terms of exit secured and their economic impact will need to inform future iterations of the council's MTFP and budget strategy.
8. In the weeks since the June 2017 General Election, there has been mounting pressure on the Government to ease ongoing financial restraint and to review the 1% cap on public sector pay. There were initial indications that the Chancellor may review this in the Autumn 2017 budget. However, subsequent clarifications have confirmed the Government's stance is that the 1% pay cap will remain in place until 2020, although it will consider the reports and recommendations of independent pay review bodies. The likely level of future pay awards and the extent to which these are funded, will need to be kept under close review as a small fluctuation in pay awards can have a significant impact on the MTFP.
9. The timing of the UK budget adds an additional level of complexity and uncertainty to the planning process for 2018/19. In the 2016 Autumn Statement, the Chancellor announced that following the Budget in Spring 2017, Budgets would be delivered in the Autumn. Whilst the date of this autumn's Budget has not yet been confirmed, it is reasonable to assume that it will take place in November or December comparable to the date of Autumn Statements in previous years. This means that the Provisional Financial Settlement for Welsh Local Government, usually published in October, will not reflect the Autumn Budget. If the latter holds any change for the Welsh Block Grant, Welsh

Government may need to revisit their own budget. It is therefore conceivable that the Final Settlement may be later than usual and with a greater element of change compared to the provisional settlement. The Council's outline budget timetable is included at Appendix 2 and will be kept under review in this regard.

10. The Chancellor's budget announcement in March 2017 set out the economic context based on figures produced by the Office for Budget Responsibility (OBR). The economic figures showed an improvement on November 2016 figures. Some of the main indicators from this statement were:-
  - Forecast growth of 2% this year and 1.6% in 2018; a revision upwards from the growth prediction of 1.4% in the November 2016 Spending Review
  - Inflation forecast to increase to 2.4% in 2017 (above the target rate of 2%), before falling back to 2% in 2018
  - National debt forecast to fall from 81.1% in 2017/18 to 77% of GDP in 2021/2022.
11. The OBR Report noted that risks to the global economic outlook remain significant, with the global oil market, outlook for US fiscal policy, the nature of trading arrangements agreed following the UK's departure from the EU, and the effects of sterling depreciation among the key sources of uncertainty. The OBR is required to base forecasts on stated government policy. This is far from straightforward with regards to ongoing negotiations around the UK's exit from the EU, as there is no meaningful basis for predicting the precise end-point of the negotiations for use in the forecast and there is considerable uncertainty about the economic and fiscal implications of different outcomes.

### **Welsh Government Planning Context**

12. The planning context at a Welsh level also presents elements of uncertainty and change over the medium term. Two notable areas are the devolution of tax powers to the WG over the next two years and the continued progression of Local Government Reform. With regards the latter, the consultation on WG's White Paper, Reforming Local Government: Resilient and Renewed, closed on 11 April 2017. There is a clear expectation that over the medium term, local authorities will consider where regional working may be appropriate along with the funding arrangements, such as pooled budgets, which regional working would entail. The Council's financial planning will need to factor in developments as further clarity emerges.
13. There are no indicative funding figures for Welsh Local Government for 2018/19 or beyond. The financial settlement for the current financial year reflected an average increase in Aggregate External Finance (AEF) of 0.2% across Wales, with individual Authority settlements ranging between -0.5% and +1.1%. Cardiff received an increase in AEF of 0.5%, which in cash terms equated to £2.3 million. However, the inclusion of new responsibilities within the overall funding envelope meant that the actual increase in spending power was £294,000. The settlement was for one year only with no indicative figures for 2018/19 and beyond.

14. In the absence of indicative AEF, the Council has assumed an annual funding reduction of 1% within the MTFP. However, the Council has a Financial Resilience Mechanism (FRM) designed to withstand an AEF reduction up to 1% worse than planned. The FRM is a £4 million base budget that was set up during the 2016/17 budget round in order to improve the Council's financial resilience over the medium term. The base budget is used annually for one-off investment so that it is available for immediate release in the event that AEF is worse than planned for in the MTFP. Once released, the FRM will provide no further mitigation in respect of subsequent settlements.

## Council Background

15. The Council approved its Corporate Plan for the period 2017-2019 in February 2017. With reducing funding and increasing demand for services, councils must be clear about their priorities. For Cardiff, the Corporate Plan 2017-19 identified these as:

- Better education and skills for all
- Supporting vulnerable people
- An economy that benefits all our citizens
- Working together to transform services

16. The Corporate Plan aligns with the Liveable City Outcomes, which in turn align with the national ambitions for Wales' wellbeing as defined in the Wellbeing of Future Generations (Wales) Act 2015. These core documents along with the recently published five-year policy programme, Capital Ambition, will form the strategic backdrop for the continued development of the 2018/19 budget and MTFP. Capital Ambition sets out the vision for Cardiff to become a leading city on the world stage, focussing on:-

- **Working for Cardiff** - making sure everyone who lives and works here can contribute to, and benefit from, the city's success
- **Working for Wales** - a successful Wales needs a successful capital city
- **Working for the future** - managing the city's growth in a sustainable way
- **Working for public services** - making sure that public services are delivered efficiently, effectively and sustainably in the face of rising demands and reduced budgets.

## Risk and Financial Resilience

### Risk

17. The risk assessment carried out as part of 2017/18 budget preparation identified a number of financial and operational challenges over the medium term. Whilst these risks all remain relevant, this report does not repeat the comprehensive list in full as many of the issues are covered in other sections. The following table and the next section on financial resilience summarise the key risks from a financial planning perspective.

Area	Key Challenges
<b>Demand Pressures</b>	<ul style="list-style-type: none"> <li>• Increased volume and complexity of demand in social services</li> <li>• Continuing pupil number growth</li> <li>• The potential impact of welfare reforms</li> </ul>
<b>Funding Uncertainty</b>	<ul style="list-style-type: none"> <li>• The absence of indicative AEF figures</li> <li>• The potential for negative redistributive impacts within the formula e.g. when specific grants transfer into AEF</li> <li>• General uncertainty in relation to specific grants.</li> </ul>
<b>Capital</b>	<ul style="list-style-type: none"> <li>• The increasing demands on the revenue budget of additional borrowing undertaken in previous years</li> <li>• Pressure placed on scarce resources by the condition of property and infrastructure assets,</li> <li>• The increasing financial exposure of the Council in relation to the development of the 21<sup>st</sup> Century Schools Band B Programme and Cardiff Capital Region City Deal</li> <li>• The potential for capital schemes predicated upon income generation failing to do so.</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• The expectation that inflation will remain at or above 2% over the MTFP period</li> <li>• Exceptional price inflation already being experienced in some areas as a result of National Living Wage and other pressures</li> <li>• The impact of BREXIT as terms of departure unfold</li> <li>• The implications of Welsh Local Government Reform and expectations for regional working</li> <li>• The pressure of delivering organisational change in conjunction with increasing demands on business as usual.</li> </ul>

18. These challenges undergo review as part of the financial monitoring process and through the Corporate Risk Register, and both Cabinet and Senior Management Team receive regular updates in this regard. The Council's Audit Committee also regularly review the Corporate Risk Register. Given the identified risks, care is taken to ensure that changes to service delivery and business processes do not have a negative impact on the financial control environment.

### Financial Resilience

19. The Council has approved a budget reduction requirement of £25 million for 2017/18, building on £105 million in the previous three years with a further £73.5 million requirement anticipated over the next three. In light of the scale of this financial challenge and in the context of the risks identified in the previous section, it is vitally important to undertake regular review of the Council's financial standing, risks and resilience. The development of a deliverable budget strategy is a key document in this regard.

20. Key challenges in respect of financial resilience include:-
- The need to deliver significant levels of savings during a period of prolonged financial austerity
  - The impact that delays to the delivery of savings proposals has on the budget monitoring position
  - The cumulative impact of achieving 2017/18 savings in addition to the unachieved 2016/17 savings which remain to be realised
  - The complexity associated with delivering the change required to continually reshape the organisation
  - The increasing ratio of capital financing charges to controllable revenue budgets as controllable budgets reduce, which impacts on the relative affordability of the capital programme.
  - Increasing level of demand for services.
21. The financial resilience snapshot included at Appendix 3 provides an overview of the financial health of the Council at the time of setting the Budget Strategy for 2018/19. Financial snapshots are produced at intervals during the year and are designed to provide a rounded overview of the Council's financial resilience through consideration of past, present and future information. The current snapshot reflects the draft Statement of Accounts 2016/17, the 2016/17 Outturn Report, the risk profile of 2017/18 savings and the budget strategy reflected within this report.
22. The first column of the snapshot is backward looking and contains information in relation to the Council's Reserves. Reserves are an important part of financial resilience as in times of uncertainty they provide a financial cushion. They can also help ensure a healthy cash position. The unaudited statement of accounts show that the level of the Council's General Reserve is £14.3 million. Whilst this is a decrease of £1 million since last year's position, this was a planned reduction approved as part of the 2016/17 Budget. The Council's General Reserve stands at 2.4% of its net revenue expenditure. Whilst 2016/17 comparator information is not yet available, this remains below the Welsh average as at 31 March 2016.
23. The snapshot shows an increase in earmarked reserves in 2016/17, which now stand at 10% of the revenue budget. Part of the increase relates to a new £2.5 million strategic budget reserve created in order to assist the Council with the challenging budgetary situation over the medium term. This reserve will be drawn down to assist with budget strategy over the next three years as described later in this report. An increase in the Employee Changes Reserve was another contributory factor to the overall increase in earmarked reserves. The transfer to Employee Changes Reserve was in line with the financial model for redundancy that seeks to move to a position whereby 50% of annual redundancy costs are funded from the base budget with 50% from reserves. The move towards this model enabled a significant reduction in the redundancy budget for 2017/18 with a further reduction planned in 2018/19.



24. The second column of the snapshot outlines the 2016/17 outturn position and the level of savings achieved in 2016/17. Whilst the Council's outturn for 2016/17 came in as balanced overall, the position at directorate level was an overspend of £7.6 million which was offset by the Council's general savings contingency which stood at £4 million in 2016/17, along with other underspends in corporate areas such as redundancy and insurance. Within the 2016/17 outturn position, £6.5 million of 2016/17 savings were unachieved. The delivery of delayed savings in addition to those included in the 2017/18 Budget is a key area of risk that will be monitored closely as the current financial year progresses. The 2017/18 Budget sought to improve the risk associated with the 2016/17 position through the write out of £1.073 million of prior year savings deemed to be unachievable, and through realigning particular pressures in relation to Social Services, which were the most significant factors in the £7.6 million directorate overspend. Monitoring of savings has already commenced in the current year with regular consideration at Senior Management Team and timetabled for discussion with Cabinet Members.
25. The final column summarises the contents of this report and the future financial challenge. The two preceding columns add additional context to the scale of the challenge ahead. The local affordability indicator at the bottom right of the snapshot indicates that the proportion of the Council's net budget spent on servicing debt is set to increase over the medium term. It is of note that the indicator is based on the existing capital programme, with no new schemes. This issue is revisited in the capital section of the report.

### **The MTFP Budget Reduction Requirement**

26. The 2017/18 Budget Report identified a budget reduction requirement of £27 million for 2018/19 and £81 million over the three-year MTFP period. The £81 million is a base case scenario predicated upon the Council receiving Welsh Government funding decreases of 1% each year.
27. As part of robust financial planning, the MTFP undergoes regular refresh to reflect the most recent information. For the most part, the refresh undertaken during the first quarter of 2017/18 has either confirmed the assumptions that are already included within the MTFP, or gives no reasonable basis to depart from them at this stage. In these and other areas, further review will be required as the year progresses. The elements of the MTFP that have been updated as part of review during the first quarter are:-
- Particular areas of exceptional price inflation
  - Assumptions regarding potential specific grant reductions
  - Incremental salary drift for non-teaching staff
  - The level of emerging financial pressures for 2018/19
28. These updates have had the effect of reducing the 2018/19 gap to £23.5 million and the three-year position to £73.5 million as set out below.

	Medium Term Budget Gap			
	2018/19 £000	2019/20 £000	2020/21 £000	TOTAL £000
Schools Growth	6,727	8,993	6,556	22,276
Pay and Price Inflation	5,418	4,885	4,471	14,774
Capital Financing, Commitments & Realignment	576	1,276	2,658	4,510
Non Schools Demographic Growth	3,538	3,350	3,350	10,238
Emerging Financial Pressures	1,500	3,000	3,000	7,500
Fall out of 2017/18 Reserve Funding	1,500	0	0	1,500
Estimated 1% funding reduction	4,282	4,237	4,195	12,714
<b>TOTAL</b>	<b>23,541</b>	<b>25,741</b>	<b>24,230</b>	<b>73,512</b>

29. The following table includes additional detail on the pressures included within the above table and summarises the key assumptions that underpin them.

Plan Area	Pressures covered and key assumptions
Schools Growth	<ul style="list-style-type: none"> <li>• <b>Pay award</b> - assumed at 1% for teaching and non-teaching staff in line with cap</li> <li>• <b>Incremental Drift</b> - the estimated cost of annual pay scale progression for teachers</li> <li>• <b>Teacher's Superannuation</b> – includes the anticipated effect of employer's contribution rates as a result of changes to the discount rate used to set employer's rates for unfunded public sector schemes</li> <li>• <b>Pupil Number Growth</b> - the estimated annual growth resulting from rising pupil numbers</li> <li>• <b>Other Growth</b> - growth that relates to needs pressures including complex needs enhancements.</li> <li>• <b>Non Domestic Rates</b> - to reflect anticipated increases in rateable valuations associated with the development of the schools estate</li> </ul>

Plan Area	Pressures covered and key assumptions
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Pay and Price Inflation	<ul style="list-style-type: none"> <li>• <b>Pay award for non-schools staff</b> - assumed at 1% in line with public sector cap</li> <li>• <b>Voluntary Living Wage</b> - assumed uplift pending announcement of rate in November 2017</li> <li>• <b>Employer's Superannuation</b> - the next planned step in employers' superannuation contribution rates (from 23.3% to 23.5%) as set out in the 2017/18 Budget Report. The plan also includes the full year effect of potential auto-enrolment take-up</li> <li>• <b>Exceptional price inflation</b> - generally, directorates are required to absorb price inflation within existing resources. However, the plan allows for specific fee uplifts in unavoidable areas.</li> </ul>
Capital Financing, Commitments & Realignments	<ul style="list-style-type: none"> <li>• <b>Capital Financing</b> - figures reflect the incremental cost of servicing debt based on the existing capital programme with no assumption of new schemes from 2017/18 onwards.</li> <li>• <b>Commitments and Realignments</b> – includes commitments in relation to finance for the Central Enterprise Zone, the full and later year effects of pressures identified as part of the 2017/18 budget process and anticipated specific grant fall out. Credit amounts included within this section reflect the fall out of budgets allocated in previous budgets rounds for a time-limited period and the realignment of the redundancy budget in line with the planned model.</li> </ul>
Non-Schools Demographic Growth	<ul style="list-style-type: none"> <li>• Most of the growth within this section of the plan is in the area of social services. As well as growth in numbers, this reflects increasing complexity of demand.</li> </ul>
Emerging Financial Pressures	<ul style="list-style-type: none"> <li>• In the interests of financial resilience, the plan includes £1.5m in 2017/18 and £3m per annum thereafter in recognition that it is impossible to foresee all issues and that in reality additional burden may arise as the MTFP progresses. The figures will undergo review as the MTFP rolls on.</li> </ul>
Fall out of 2017/18 Reserve Funding	<ul style="list-style-type: none"> <li>• The 2017/18 budget included £1.5 million use of reserves. The plan reflects the fall out of this sum in 2018/19. Appropriate use of reserves for 2018/19 and beyond is covered in a later section of this report.</li> </ul>
Estimated 1% funding reduction	<ul style="list-style-type: none"> <li>• Estimated annual reduction in AEF in the absence of indicative figures</li> <li>• As part of strengthening financial resilience in the 2016/17 budget, a financial resilience mechanism was established to assist with funding settlements being worse than anticipated, which would cover a further 1% (in one year but not annually)</li> </ul>

### Approach to Budget Strategy

30. Two years ago, in preparation for the 2016/17 Budget, the Council undertook a detailed three-year analysis of budgets. This work provided an outline savings framework for Budget Strategy over the period to 2018/19 and proved a solid foundation from which to take forward the 2016/17 and 2017/18 budgets. This work has undergone incremental refresh and roll forward at regular intervals during the interceding period, but two years on it is timely for the Council to pause and reset this work, taking stock of the challenges on the medium term horizon with a new administration.
31. A significant amount of work has taken place since the February 2017 Budget Report in respect of budget strategy and financial planning. To date this has focussed predominantly on the 2018/19 position. All aspects of the budget have

undergone review with particular focus on Schools, Social Services, and capital financing. Collectively these areas, which are all under significant aspects of price and demand pressure, account for 70% of the Council's net budget. A robust 2018/19 position is key to providing a solid foundation from which to take forward work to shape the later years of MTFP strategy scheduled for the autumn and this has been the focus during the early part of this financial year.

### **Budget Strategy to address Medium Term Reduction Requirement – Updated**

32. The Budget Strategy is framed around four overarching assumptions:-
- Council Tax Increases
  - Use of Reserves
  - Cap on Schools' Growth
  - Savings Requirements
33. These assumptions have been reviewed as part of the approach referred to in the previous section. At this stage, two assumptions remain unchanged. The first relates to council tax increases which are retained at 3.7% per annum within the MTFP, and the second relates to the cap on (non-pupil number) schools growth, which is retained at 30% per annum. These assumptions will be kept under review as the budget process progresses and further clarity emerges around key unknowns.
34. The 30% cap on schools will not result in a reduction in the current level of schools budgets. Within the plan, schools would receive £17.7 million additional budget over the next three years. The cap reflects schools contributing to the Budget Strategy by managing 30% of their emerging pressures within their existing budgets. This is with the exception of increasing pupil numbers, which would continue to be fully-funded.
35. The updated strategy contained within this Report increases the annual draw-down from earmarked reserves to support the budget from £1.5 million to £2.35 million. The additional £850,000 per annum will be met from the strategic budget reserve that was created as part of 2016/17 outturn to assist with the challenging medium term financial position.
36. Collectively, the budget strategy assumptions already outlined in respect of council tax, cap on schools growth and use of earmarked reserves contribute £21.5 million towards a £73.5 million budget gap. This leaves £52 million to address through savings over the next three years, of which £15 million fall in 2018/19. The challenge of achieving ongoing savings of this level, based on the history of savings outlined in earlier sections of the report should be noted.
37. As already noted, work over recent months has focussed predominantly on the 2018/19 position. The output of work to identify savings is summarised in the next table in a thematic format. Over the summer, directorates will work to refine 2018/19 proposals, undertaking additional due diligence in readiness for public consultation later this year.

38. Whilst the table also includes savings in a thematic format for 2019/20 and 2020/21, at this stage these are much more loosely defined than for 2018/19, and a detailed piece of work will take place over the autumn to develop these. It is important to note therefore, that for later years, the strategy depicts a direction of travel that will require further challenging work over coming months to result in a fully defined set of savings proposals. As part of this detailed work, the other budget strategy key assumptions will also need to be kept under review in order to ensure that, based on the developing detail, the strategy reflects an appropriate balance of risk, resilience and impact across its constituent parts.

### Summary Overview

39. The table on the next page draws together the detailed consideration of all aspects of Budget Strategy set out in earlier sections into a summarised overview.

<b>Estimated Budget Reduction Requirement</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>TOTAL £000</b>
Schools Growth	6,727	8,993	6,556	<b>22,276</b>
Pay and Price Inflation	5,418	4,885	4,471	<b>14,774</b>
Capital Financing, Commitments & Realignment	576	1,276	2,658	<b>4,510</b>
Non Schools Demographic Growth	3,538	3,350	3,350	<b>10,238</b>
Emerging Financial Pressures	1,500	3,000	3,000	<b>7,500</b>
Fall out of 2017/18 Reserve Funding	1,500	0	0	<b>1,500</b>
Estimated 1% funding reduction	4,282	4,237	4,195	<b>12,714</b>
<b>Budget Reduction Requirement</b>	<b>23,541</b>	<b>25,741</b>	<b>24,230</b>	<b>73,512</b>

<b>Strategy to Address Budget Reduction Requirement</b>				

<b>Budget Strategy Assumptions</b>				
Cap on Schools Non-Demographic Growth @ 30%	1,416	1,902	1,245	<b>4,563</b>
Council Tax at 3.7%	4,686	4,860	5,040	<b>14,586</b>
Use of Earmarked Reserves*	2,350			<b>2,350</b>
<b>Total Assumptions</b>	<b>8,452</b>	<b>6,762</b>	<b>6,285</b>	<b>21,499</b>
<b>Directorate Savings</b>				
Business Processes including Digitalisation	4,446	2,844	3,728	<b>11,018</b>
Income / Commercialisation	2,122	3,100	2,692	<b>7,914</b>
Collaboration	759	3,847	1,507	<b>6,113</b>
Prevention and Early Intervention	1,400	1,986	2,012	<b>5,398</b>
Review of Third Party Spend	4,152	4,248	4,371	<b>12,771</b>
Service Reduction / Removal	2,210	2,954	3,635	<b>8,799</b>
<b>Total Directorate Savings</b>	<b>15,089</b>	<b>18,979</b>	<b>17,945</b>	<b>52,013</b>
<b>Total Strategy to Address Gap</b>	<b>23,541</b>	<b>25,741</b>	<b>24,230</b>	<b>73,512</b>

\* This reflects £2.35m use of reserves per annum, with a total of £7.05m drawn down over the MTFP period

### Medium Term Financial Plan Scenario Analysis

40. The base case scenario is underpinned by an assumption of annual AEF reductions of 1%. A sensitivity analysis undertaken around some of the key variables of the plan to consider a worse-case scenario considered:-

- The possibility of an annual AEF reduction of 2% compared to the 1% included in the base case
- A more pessimistic outcome of the impact of the change in discount rate on Teacher's Employers Contribution rates
- Annual pay awards of 2% for all staff compared to the 1% within the base case

<b>Worse Case Scenario</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>TOTAL £000</b>
<b>Base Case MTFP Position</b>	<b>23,541</b>	<b>25,741</b>	<b>24,230</b>	<b>73,512</b>

<b>Changes:</b>				
AEF	4,282	4,237	4,195	<b>12,714</b>
Pay Award	2,760	3,435	3,470	<b>9,665</b>
Pensions Issues - actuarial	0	1,900	0	<b>1,900</b>
<b>Revised MTFP Shortfall</b>	<b>30,583</b>	<b>35,313</b>	<b>31,895</b>	<b>97,791</b>

41. One key risk across the life of the MTFP is the level of pay awards. The MTFP extrapolates the general theme of restraint in respect of public sector pay over the medium term. However, with economists and other financial analysts predicting that inflation will hit 2% - 3% in the next two years, higher than it has been for many years, it is reasonable to assume there may be upward pressure on pay increases. As noted earlier in the report, removal of the public sector pay cap is an area that has received much press coverage in recent weeks. The table above shows that annual pay awards of 2% for all staff would add £9.7 million to the MTFP. In recent days, the Department for Education recommended that the teachers' pay award remain at 1% for the year from September 2017, so the risk of a 2% award has been pro-rated for 2018/19.
42. A 1% annual fluctuation in AEF has the biggest impact on the base case MTFP, adding £12.7 million to the estimated budget reduction requirement. Release of the Council's FRM would immediately mitigate this sum by £4 million. This would remove the opportunity for further one-off investment through the FRM and there would be no additional benefit for future years beyond 2018/19.
43. The worse case scenario models the potential for employers' contributions rates in respect of teachers' pensions to increase to 20% over the medium term, higher than the increase from 16.48% to 18% that is included within the base case MTFP. Commentators advising academy schools in England in relation to potential risk factors over the medium term have suggested that the rate could increase to 20% over this period. This issue will require careful monitoring as it largely depends upon a discount rate, which is a factor of the inflation rate, and which will therefore be changeable over this period.

### Other Known Unknowns

44. A number of "known unknowns" are being monitored in relation to the MTFP period. These are currently too uncertain to quantify but will require close scrutiny over the next few months and years as many have the potential to be significant in terms of amount. These include:-
- NJC proposal to review pay-scales in conjunction with employers as a result of NLW changes
  - The terms agreed as part of the UK's exit from the European Union and their impact on the economy
  - Specific projects to be agreed as part of CCRC arrangements
  - The 21<sup>st</sup> Century Schools Band B programme – overall quantum and funding arrangements

- Any new capital schemes or increases in expenditure on asset maintenance and their impact on revenue
- The impact of WG's devolved income tax powers from 2019
- The impact of WG devolved powers for land transactions tax (replacing stamp duty) and landfill tax from 2018
- Local Government Reform in Wales and associated requirements for pooled budgets.
- The WG pilot on 30 hours childcare (from 12.5 hours) for children aged three and four
- The potential for the Office of Tax Simplification (OTS) to recommend modifications to the National Insurance system

### **Consultation and Engagement**

45. The Council places a high regard on being open and honest about difficult choices. In order to provide an opportunity for people to have their say on what is important to them and their communities, a detailed consultation on 2018/19 budget proposals will take place later in the Autumn once Provisional Settlement affords additional clarity to the funding position. Over the summer, the Ask Cardiff survey will pave the way for the detailed consultation through consulting on a number of budget themes. The proposed Budget Timetable Framework for 2018/19 is included at Appendix 2. Throughout this period, involvement and consultation will take place with Cardiff Citizens, the third sector, School Budget Forum, Scrutiny Committee, Audit Committee and Trade Unions.

### **Employee Engagement**

46. Employee engagement at all levels within the organisation continues to be given high priority through a number of mechanisms including frequent directorate-led roadshows, dissemination of the core brief, the ambassador network and the launch of the staff app. The Council has in place various fora to engage directly and work with employees at all levels of the organisation. Employees will continue to receive briefings through these channels at all key stages of the budget process.

### **Current Capital Programme**

47. The Council sets a five-year rolling capital investment programme, updated annually. The level of General Capital support provided by WG as part of the annual settlement has decreased by 35% since 2010/11. Cardiff's allocation is the lowest per capita in Wales and is now insufficient to meet current annual sum commitments and indicative increases to such allocations. This means that the Council has an embedded borrowing requirement each year, even before new schemes or additional amounts are approved.

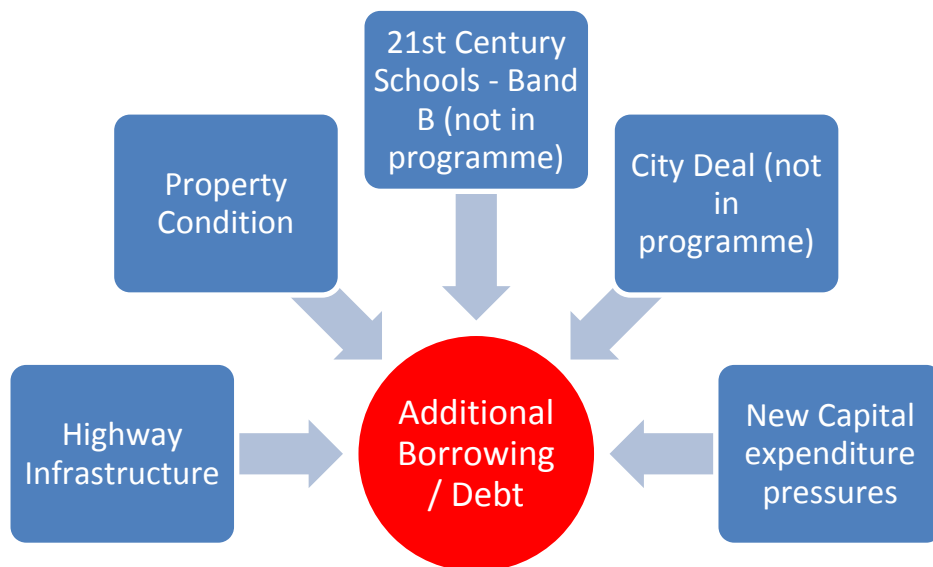




48. Additional borrowing to balance the capital programme has been limited to £10 million during each five-year period over the last two years. This represented a balanced position recognising the requirement for investment and the additional borrowing costs resulting from this in order to ensure that any borrowing is affordable, prudent and sustainable.

**Known Pressures**

49. Pressures on the need to borrow are arising from a number of sources



**21<sup>st</sup> Century Schools – Band B**

50. Band B of the WG’s 21<sup>st</sup> Century Schools Programme is due to commence from April 2019 and will run for 5 years until the conclusion of the 2024/25 financial year. WG have requested that local authorities provide an outline of their potential Band B requirements and work is currently being undertaken to identify and finalise the Council’s priorities. The focus of the programme is intended to be on the condition of assets and sufficiency of places and officers are working within these parameters.

51. The level of investment required from the Council is likely to be substantial and will have significant capital financing implications. As such, careful

consideration will be required as to the overall affordability of the capital cost envelope of the programme.

### **Building Property Condition**

52. The Council's annual sum allocation for properties is £4 million, split between schools (£2.7 million) and other properties (£1.3 million). The financial year 2016/17 saw some temporary school closures and disruption in respect of remedial electrical works. Whilst the Corporate Property Asset Management Plan recognises that various initiatives need to be undertaken to ensure a sustainable asset base and address a backlog of maintenance, there is a need to refresh property surveys to be able to understand the state of the estate and to develop a risk and evidence based approach to additional investment in determining priorities for existing budgets. The costs of these surveys were approved as part of the budget proposals in 2017/18.

### **Highway Network Assets**

53. Highway network assets include carriageways, footpaths, street lighting, bridges and traffic infrastructure. Current annual sum expenditure on these items is £3.2 million. Whilst it is recognised that delaying investment increases future costs of treatment, any additional investment towards a steady state, where the condition of the assets is no better or worse than current, also needs to be on the basis of an approved highway asset management plan. This will also require an understanding of the state of the network and to develop a risk and evidence based approach to additional investment and in determining priorities for existing budgets.

### **City Deal**

54. The Council's contribution to the Investment fund of £120 million is £28 million and secures HM Treasury Grant of £375 million over 25 years for the Region. Given that detailed proposals are yet to be determined, the Council's commitment is not currently included in the Capital programme, but is modelled to be paid for by additional borrowing.

### **Other**

55. Whilst the focus of investment will be on existing assets, it is also important to recognise that there may be other unavoidable commitments that the Council needs to support, after consideration of all other funding options. These items and the timing of any such implementation would need to be carefully considered when prioritising the investment programme.

### **Borrowing and Financial Resilience**

56. The Council's Capital Financing revenue budget includes the costs of interest and a provision for debt reduction. The latter is based on WG guidance and the Policy approved by Council as part of the budget. Based on assumptions included in the 2017/18 budget, this is forecast to increase from £34 million in

2017/18 to £37 million by 2020/21 and is now larger than some directorate net expenditure budgets.

57. The proportion of the Council's net controllable budget that is spent on servicing debt has increased over recent years.

<b>Capital Financing Costs expressed as percentage of Controllable Budget</b>			
	<b>2011/12 Actual %</b>	<b>2021/22 Estimate %</b>	<b>Difference 11/12 – 21/22 (%)</b>
Net capital financing Budget	13.47	18.32	36.01
Gross capital financing budget	15.17	23.19	52.87

58. Capital receipts are important and serve to increase the affordability of the Capital Programme. In 2018/19, the first call on capital receipts up to £1 million will be to pay for Capital programme commitments. However most capital receipts are currently earmarked for specific schemes.
59. Significant areas of capital expenditure on 21<sup>st</sup> Century Schools Programme (Band A) and the Cardiff Enterprise Zone, including the Transport Interchange, are assumed to be paid for from the disposal of assets. Incurring expenditure prior to receiving the proceeds of any such receipts represents a significant risk to borrowing and will need to be a consideration in view of affordability and timing of expenditure on these schemes.
60. Borrowing has long-term financial consequences and costs span generations. Affordability of capital investment must have regard to the Council's responsibilities for the Wellbeing of Future Generations (Wales) Act 2015. Accordingly, previous advice for development of the budget strategy in terms of the capital programme remains even more relevant for members to consider when developing the investment plan.

*“Particular Attention needs to be given to the medium and long term impact of additional borrowing on the Council’s revenue budget, as it is clear that continuing to increase levels of additional borrowing within the General Fund is not consistent with the significant level of savings to be found”.*

*“Within this financial climate of reducing revenue resources all action necessary must be taken to reduce both initial capital expenditure and the subsequent need to borrow.” – S151 Officer*

### **Developing the Investment Plan 2018/19 to 2022/23**

61. In formulating the five-year Capital Programme for 2018/19 to 2022/23, it is clear that there are pressures for investment, but affordability is a significant risk, both now and in the future. Additional borrowing has been limited to £10 million over each five year period during the last two years and even sustaining this requires a fundamental review of how new and existing pressures can be afforded as part of a long term investment strategy.

62. The approach to developing the investment priorities in the capital programme between 2018/19 to 2022/2023 will be as follows:-
- Directorates to consider whether existing commitments can be reduced / deferred
  - Any new funding bids for this iteration of the 5 year capital programme will focus on Asset Renewal only and :-
    - be evidence based
    - be risk prioritised
    - have considered all alternative solutions for funding and achieving the same outcome before request for council funding
    - demonstrate value for money in expenditure and approach to delivering outcomes
  - Any new capital expenditure pressures that do not relate to existing assets that are to be retained in the long term, need to be considered in the context of external funding or robust invest to save business cases.

### **Reasons for Recommendations**

63. To seek Cabinet approval for the budget strategy in respect of 2018/19 and the MTFP.
64. To note the Budget Timetable Framework and forward this to Council for approval.

### **Legal Implications**

65. It is the responsibility of the Cabinet to receive financial forecasts and develop a medium term financial strategy with a view to proposing a Budget for the Council to approve. The report highlights the seriousness of the financial challenges ahead. As stated in the body of the report, it is important that members take note of the statements made by the Section 151 Officer in this regard.
66. There are no general legal issues arising from the report. Specific legal issues will be addressed as part of the proposed budget preparation.
67. The report provides that the proposed Budget Timetable framework for 2018/19 will make provision for consultation. It is important to note that consultation raises the legitimate expectation that any feedback received from the consultation will be taken into account in developing the proposals consulted upon.
68. In considering this matter and developing the budget proposal regard must be had to the Council's duties under the Equality Act 2010 and appropriate steps taken to ensure that i) the Council meets the requirements of the Public Sector Equality Duties; and ii) due regard as been / is taken of the likely impact of decisions in terms of equality and discrimination.

## **Financial Implications**

69. The report sets out the Budget Strategy for 2018/19 and the medium term. It is written during a period of prolonged financial constraint and with significant planning uncertainty, both at a national and Welsh level. The absence of indicative funding settlements for future financial years continues to prove problematic from a financial planning perspective. Ongoing budget reductions of the scale required to achieve a balanced position require appropriate lead in times and implementation in a planned and rational way. The change in timing of the UK's budget from Spring to Autumn has the potential to cause additional uncertainty around the 2018/19 financial settlement.
70. The Council has identified £105 million in savings over the past three years and £17 million in the current year. Building on this, the current strategy indicates that savings will contribute £52 million towards the £73.5 million budget reduction requirement over the next three years. Achieving ongoing savings of this scale is extremely challenging. It requires further organisational change, exploration of preventative measures and the adoption of more commercial approaches in untested markets. In challenging change environments such as these, careful monitoring of financial controls and financial resilience is key.
71. The financial resilience snapshot at the time of this report shows that reserves have increased during 2016/17. This improves the Council's financial resilience generally, as reserves provide a financial cushion, but also more specifically in that one of the reserves created as part of 2016/17 outturn was to assist with the challenging medium term position and is used as part of this budget strategy. Whilst the 2016/17 outturn position was balanced overall, there was an overspend of £7.6 million at directorate level which was offset by the £4 million general contingency and underspends in corporate areas such as insurance and redundancy. Delivery of delayed 2016/17 savings in addition to planned 2017/18 savings will require close monitoring and this has already begun.
72. The report sets out the strategy for addressing the budget reduction requirement. Collectively, a 30% cap on schools (non-pupil number) growth, a 3.7% council tax increase and £2.35 million annual use of reserves will contribute £21 million to the £73.5 million budget reduction requirement, leaving a savings requirement of £52 million. Further refinement of 2018/19 savings will take place over the summer to allow work over the Autumn to focus on later years of the MTFP, which are currently more loosely defined. This work will need to consider the balance of risk, resilience and impact across the constituent parts of the strategy.
73. The report models a worse-case scenario of £30.6 million for 2018/19 and £97.7 million over the medium term. The main variables that contribute to this potential worsening are the potential for pay award of higher than 1% and the risk that funding settlement may be worse than a reduction of 1% per annum. In recent years, the likelihood of pay awards exceeding 1% was considered low. However, with inflation anticipated to rise and recent pressures on the UK Government to reconsider the public sector pay cap, this may be more of a

financial risk to the MTFP than in previous years. The Council has a financial resilience mechanism that would enable it to withstand one funding reduction of 1% worse than covered by the MTFP. Thereafter, funding reductions that deviate from 1% would require a review of the strategy.

74. The report sets out that the position in respect of capital is also challenging. Welsh Government support has fallen by 35% since 2010/11 and there are significant pressures on the capital programme, including maintaining the Council's property and highway infrastructure and addressing corporate priorities. Additional investment can only be funded through additional borrowing or through the disposal of assets. It is important to note that additional borrowing has affordability implications for the revenue budget. As revenue budgets reduce and capital financing costs increase, interest costs and debt repayments account for an increasing proportion of the revenue budget as evidenced by the affordability indicators included in this report.
75. The requirement to meet increasing costs associated with debt can only be met from future savings or from council tax increases. This clearly limits the scope for further additional borrowing in future years and reduces the Council's overall flexibility when making decisions on the allocation of its revenue resources. Additional borrowing is not sustainable in the long term and consideration must be given to prudential indicators, control mechanisms for different types of unsupported borrowing and core areas of investment.

### **HR Implications**

76. The report outlines the UK and Welsh contexts under which the budget is being set together with the continued financial challenges faced by the Council in balancing reducing finances with increasing demands. The Council will continue to review the shape and scope of the organisation and the way in which services are delivered and efficiencies achieved. New service delivery models will need to meet demand pressures and reflect budgetary realities alongside securing further efficiency savings through better collaboration and partnerships, integration of service delivery and reducing duplication of effort and resources.
77. Given the level of savings required in 2018/19 and beyond, it will be key that the savings proposals identified are robust and deliverable. The extent of financial challenge in a continued period of restraint will result in savings targets for controllable budgets which will be considerably challenging and will result in significant changes to how local government services are delivered. The availability of resources to support the delivery of these radical and sustained changes will be key.
78. Whilst it is not possible to provide specific HR implications on any changes at this time, it is clear that the ongoing budget difficulties will continue to have significant people implications associated with actions necessary to manage the financial pressures facing the Council. As service delivery proposals are developed, there will need to be consultation with employees (those directly and indirectly impacted) and the Trade Unions so that they are fully aware of

the proposals, have the opportunity to respond to them and understand the impact that the new model of service will have on them. Further and specific HR implications will be provided when relevant models are proposed. Any proposed reductions in resource levels will be managed in accordance with the Council's recognised policies for restructuring which include, where appropriate, redeployment and voluntary redundancy.

79. The Council's Voluntary Redundancy Scheme has been widely publicised to employees. Whilst those interested in leaving on this basis (with a post subsequently deleted) should express an interest to do so, a business case to support the exit will still need to be made and signed off. Flexible retirement continues to be another option available and a Sabbatical policy is in place as well as ability to request voluntary reductions in working hours. Redeployment, access to Cardiff Academy courses and access to the Trade Union Learning Representatives to support members and non-members with training and development to support new skill requirements will remain available. Additionally the purchase of Additional Annual Leave Policy remains in place and has provided the opportunity for employees (excluding those based in Schools) to buy up to an additional 10 days annual leave.
80. A Trade Union Partnership Meeting has been established and will meet on a monthly basis to facilitate early discussion with Trade Unions on key organisational proposals, with more detailed discussion continuing with employees and trade unions at local directorate level. It is essential that there continues to be appropriate consultation on proposals which are taken forward by the Cabinet. Many of these will have people implications which will need to be considered at an early stage in consultation with the Trade Unions and employees impacted.

## **RECOMMENDATIONS**

The Cabinet is recommended to:

- (1) Agree the budget principles on which this Budget Strategy Report is based including the use of a targeted approach to meeting the Budget Reduction Requirement both in 2018/19 and across the period of the Medium Term Financial Plan.
- (2) Agree that directorates work with the relevant Portfolio Cabinet Member, in consultation with the Corporate Director Resources and Cabinet Member for Finance, Modernisation and Performance Management to identify potential savings to assist in addressing the indicative budget gap of £23.5 million for 2018/19 and £73.5 million across the period of the Medium Term Financial Plan.
- (3) Agree that relevant bodies who raise precepts and levies on the Council be formally contacted to request that funding reductions are also fed into these settlements which should be in line with those it is expected that Welsh Government will impose in respect of local authority funding.

- (4) Delegate to the Corporate Director Resources in consultation with the Cabinet Member for Finance, Modernisation and Performance, the authority to identify an alternative budget reduction requirement upon receipt of further clarification in respect of Welsh Government funding.
- (5) Agree that any new capital investment approvals, to be funded by borrowing between 2018/19 and 2022/23, will be only for asset renewal in relation to existing assets.
- (6) Delegate to the Corporate Director Resources in consultation with the Cabinet Member for Finance, Modernisation and Performance, the authority to amend the Budget Strategy, if this amendment does not significantly depart from the underlying principles. Any requirement to significantly depart from these principles would require a further Budget Strategy Report to Cabinet.
- (7) Agree that the Council seeks expressions of interest from officers in respect of the voluntary redundancy scheme
- (8) Propose that Council agree that the Budget Timetable Framework set out in Appendix 2 be adopted and that in the intervening period that the work outlined is progressed with a view to informing budget preparation.
- (9) Agree that there will be a two stage process in relation to consultation on 2018/19 proposals. This will commence with the Ask Cardiff Survey including a section on general budget themes, followed by more detailed consultation on 2018/19 proposals later in the Autumn, once there is further clarity on the 2018/19 funding position.

**CHRISTINE SALTER**  
**Corporate Director Resources**  
21 July 2017

*The following appendices are attached;*

Appendix 1 – Budget Strategy Frequently Asked Questions  
Appendix 2 - Proposed Budget Timetable Framework 2018/19  
Appendix 3 – Finance Snapshot – Financial Resilience

*The following Background information has been taken into account*

2017/18 Budget Report – February 2017



### PROPOSED BUDGET TIMETABLE FRAMEWORK 2018/19

Date	Budget Strategy
July 2017	Budget Strategy Report considered at Cabinet
July-September 2017	Directorates develop further detail on 2018/19 budget proposals
September	Budget Strategy Report considered at Council
October 2017	Provisional Budget Settlement received
October/ November 2017	Further work on later years of MTFP
November /December 2017	Consultation on draft budget savings proposals
December 2017	Cabinet approval of Council Tax Base
December 2017	Final Budget Settlement received
January 2018	Fine-tuning of budget proposals and consideration of medium term financial plans
February 2018	Approval of Corporate Plan and Budget

In addition, throughout this period there will be continued involvement and consultation with council tax payers, the grants sector, the Budget Forum, Scrutiny Committees, Trade Unions employees and statutory consultation with schools

Mae'r dudalen hon yn wag yn fwriadol

# Budget Strategy Report 2018/19 - Question and Answers

## Revenue Budget

### What is this about?

- This is a brief overview of the Council's July 2017 Budget Strategy Report which you can view in full online.

### What are things looking like?

- In two words, challenging and uncertain.

### What are the uncertainties?

There are many, but here is a flavour:-

- The general grant we receive from Welsh Government (WG) accounts for 75% of how we fund our budget and we won't know the level of this grant until at least October.
- There is a UK budget in the autumn – previously these have been in the spring.
- BREXIT - what terms will be secured and how will they impact the economy?
- Local Government Reform in Wales – WG will expect Local Authorities to consider appropriate regional working but we don't fully know what that will look like yet.

### What are the challenges?

Again, there are many but here is an overview:-

- The Council is still facing significant cost pressures over the next few years. These pressures are partly price related, e.g. pay awards and external providers increasing their prices. They are also demand related, for example, increasing pupil numbers and the much publicised pressures on social services that are being experienced across the UK. In addition, we believe that funding will continue to reduce but don't know by how much.
- The combination of funding reductions and financial pressures is what creates the "budget gap" - this is how much we have to find to balance the books.
- Every year, balancing the books becomes harder because so much of the budget has already been reduced - £105 million savings have been made over the past three years alone.
- Two areas of the budget that are under demand pressure – schools and social services – account for 65% of the Council's budget. This means the squeeze on other areas is even harder.

### How much is the Budget Gap?

- The budget gap is estimated to be £24 million in 2018/19 and £74 million over the next three years.

2018/19 £m	2019/20 £m	2020/21 £m	Total £m
24	26	24	74

### So what is the Strategy to address the gap?

- The four things we can essentially do to address the gap are 1) increase council tax 2) use reserves 3) limit schools growth 4) make savings.
- Developing the strategy is about deciding the right mix - to do this we need to balance the Council's priorities as set out in the Corporate Plan and Capital Ambition document, with risk and the Council's long term financial resilience.
- This is the strategy as outlined in the Budget Strategy Report:-

	2018/19 £m	2019/20 £m	2020/21 £m	TOTAL £m
<b>Budget Strategy</b>				
Limit Schools Growth - @ 30%	1.4	1.9	1.2	4.5
Council tax at 3.7%	4.7	4.9	5.0	14.6
Use of Earmarked Reserves	2.4			2.4
Savings	15	18.9	17.9	52
<b>Total Strategy</b>	<b>24</b>	<b>26</b>	<b>24</b>	<b>74</b>

£7.2m in total over 3 years

This is a cap not a cut. Schools will receive £17.7m

To be kept under review

### What is the approach to identifying savings?

- Two years ago, the Council undertook a detailed three-year analysis of budgets and this formed the basis of the 2016/17 and 2017/18 Budgets. This work has undergone incremental review and roll forward but it is time to pause, reset and refresh this work to take account of new challenges over the medium term with a new administration.
- Work so far this year has focussed on the 2018/19 position in order to provide a solid foundation from which to move forward and all aspects of the budget have undergone review.
- Although the strategy in the report covers 2019/20 and 2020/21, at this stage this is more loosely defined than for 2018/19, and a detailed piece of work will take place over the autumn to develop this out.

### How can I have my say?

- The Council is open and honest about the difficult choices it faces.
- Over the summer you can have your say by responding to budget-related questions in the "Ask Cardiff" survey.
- In the autumn, there will be a more detailed consultation, once there is a clearer picture of Welsh Government funding.

**What if funding reductions are worse than planned?**

- There are no firm funding figures for 2018/19 and that is a key risk.
- We have assumed that funding will reduce by 1% and that is reflected in our budget gap.
- The Council could withstand a further 1% reduction by using a budget we would otherwise use for one-off investment. This was created in 2016/17 to protect the Council from future funding uncertainties.

**Capital Programme****What is capital?**

- Capital expenditure refers to acquiring or improving assets for the long term. The way the Council can fund this type of expenditure is different to revenue.
- The capital programme sets out what we will spend on capital and how we will fund it over a five year period

**What is the picture on Capital?**

- Capital funding has reduced by 35% over recent years. This essentially means that to fund new capital spend, we must either sell existing assets or borrow. Borrowing places pressures on the revenue budget - debt must be repaid with interest.
- The need to maintain our buildings and highways as well as to address corporate priorities places pressure on the capital programme.

**What is the strategy for Capital?**

- The strategy is to focus on looking after our existing assets – the need to spend must be evidence based and prioritised by risk.
- Any new capital expenditure pressures that do not relate to existing assets that are to be retained in the long term, need to be considered in the context of external funding or robust invest to save business cases.

**What next?**

- We will continue to keep the budget gap under review – things change quickly and regular review is an important part of being prepared.
- General consultation during the summer will pave the way for a detailed consultation in the autumn.
- Over the summer, directorates will refine their work on the 2018/19 position.
- Focus will shift to updating the savings framework for 2019/20 and 2020/21 in the autumn.

Mae'r dudalen hon yn wag yn fwriadol

**CYNGOR CAERDYDD  
CARDIFF COUNCIL**

**POLICY REVIEW & PERFORMANCE  
SCRUTINY COMMITTEE**

**20 September 2017**

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**Socially Responsible Procurement Policy**

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**Reason for this Report**

1. To enable the Committee to feed into consultation on the Socially Responsible Procurement Policy, providing a pre-decision scrutiny opportunity to feed comments and observations into Cabinet decision-making.

**Background**

2. The Committee's Terms of Reference includes responsibility for scrutiny of the Council's arrangements for Commissioning and Procurement.
3. Attached at **Appendix 1** of this report is Cardiff's draft Socially Responsible Procurement Policy, currently out to consultation. Consultation has been undertaken with:
  - The Council's Community Benefits Board, whose responsibility is to ensure that the Council takes a corporate approach to the delivery of community benefits and maximises the community benefits delivered across the Cardiff.
  - Major contractors such as Wates and Knox and Wells.
4. The Policy has also been circulated to following for comments:
  - The Welsh Government Team responsible for developing the Code of Practice: Ethical Procurement in Supply Chains.
  - City Deal Community Benefits Strategy Working Group members.
  - Cardiff Commitment Officer Group.

- Cardiff's Third Sector Council.
4. In March 2017, the previous Policy Review and Performance Scrutiny Committee undertook pre-decision scrutiny of the Council's Procurement Strategy for 2017-20. The Strategy focussed on the delivery of social, economic, environmental and cultural well-being through the way the Council manages procurement activity.
  5. The Strategy states that delivery of this high-level outcome would be through the Council applying the same kind of improvements to employment, training and apprenticeship opportunities to its external spend as it has recently generated through its own workforce.
  6. The Strategy includes the creation of a Community Benefits Board whose remit is to maximise the delivery of such benefits across the Council, overseeing the development of a wider Social Responsibility Policy and Charter aimed at promoting fair work practices across our suppliers and contractors.
  7. Development of the Strategy was informed by Welsh Government's Code of Practice on Ethical Employment in Supply Chains launched in March 2017, which covered a range of employment issues, such as Modern Slavery and human rights abuses, blacklisting, false self-employment, the unfair use of umbrella schemes, zero hours contracts, and payment of the Living Wage.
  8. The Committee welcomed the new Procurement Strategy approach, aiming to deliver commercial and social value, offering more flexibility whilst acting smarter, buying responsibly, collaborating and engaging. Members were particularly interested in the potential procurement holds for generating non-tangible community benefits, such as apprenticeships.

### **Socially Responsible Procurement Policy**

9. The Socially Responsible Procurement Policy attached at **Appendix A** supports the Council's Procurement Strategy focus on three Welsh Government initiatives, *Community Benefits* and *Ethical Employment in Supply Chains and Opening*



*Doors Charter*. These concepts are clearly described on page 6. Cardiff was the first Welsh Council to sign up to the Government's Code of Practice for Ethical Employment in Supply Chains.

10. The Policy provides an overarching framework to secure a joined up approach to the delivery of procurement that embodies the Well-being of Future Generations Act, the Wales Procurement Policy Statement, Cardiff What Matters Strategy and the Capital Ambition. Its six priorities are:

- Local Training and Employment
- Think Cardiff First
- Partners in Communities
- Green and Sustainable
- Ethical Employment
- Promoting the Wellbeing of Young People and Vulnerable Adults

11. To support the above ambitions the Council intends to:

- Expand the remit of the Community Benefits Board so that it becomes the Social Responsibility Board
- Promote the Policy
- Incorporate Community Benefits clauses in tender and contract documents
- Implement a Social Responsibility Charter to encourage commitment from other organisations
- Effectively manage the community benefits of all contracts.
- Where contracts exceed £1million, apply the Welsh Government Measurement Tool.

12. At page 8 of **Appendix 1** Members will find the list of strategic actions proposed to deliver each of the six priorities.

13. The Policy also addresses the governance and management of Community Benefits, setting out that the Community Benefits / Social Responsible Board, led by a Cabinet Member Champion Councillor Chris Weaver and senior managers

across the Council will meet quarterly to review delivery, provide challenge, scrutinise contractors' performance and develop an annual Socially Responsible Procurement Report.

### **Scope of the Scrutiny**

14. At the meeting Members will be provided with an overview of the Socially Responsible Procurement Policy, and may wish to test the likelihood of the Council successfully delivering the high-level outcomes, based on the actions listed for achieving each strategic priority on page 8.
15. In attendance to answer Members questions will be Councillor Chris Weaver, Cabinet Member for Corporate Services and Performance, Christine Salter, Corporate Director Resources, and Steve Robinson, Operational Manager Commissioning and Procurement.

### **Legal Implications**

16. 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**

17. 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:

- (i) Consider the Socially Responsible Procurement Policy;
- (ii) Agree whether it wishes to relay its comments and observations in a response to the consultation, and for consideration by the Cabinet.

**DAVINA FIORE**

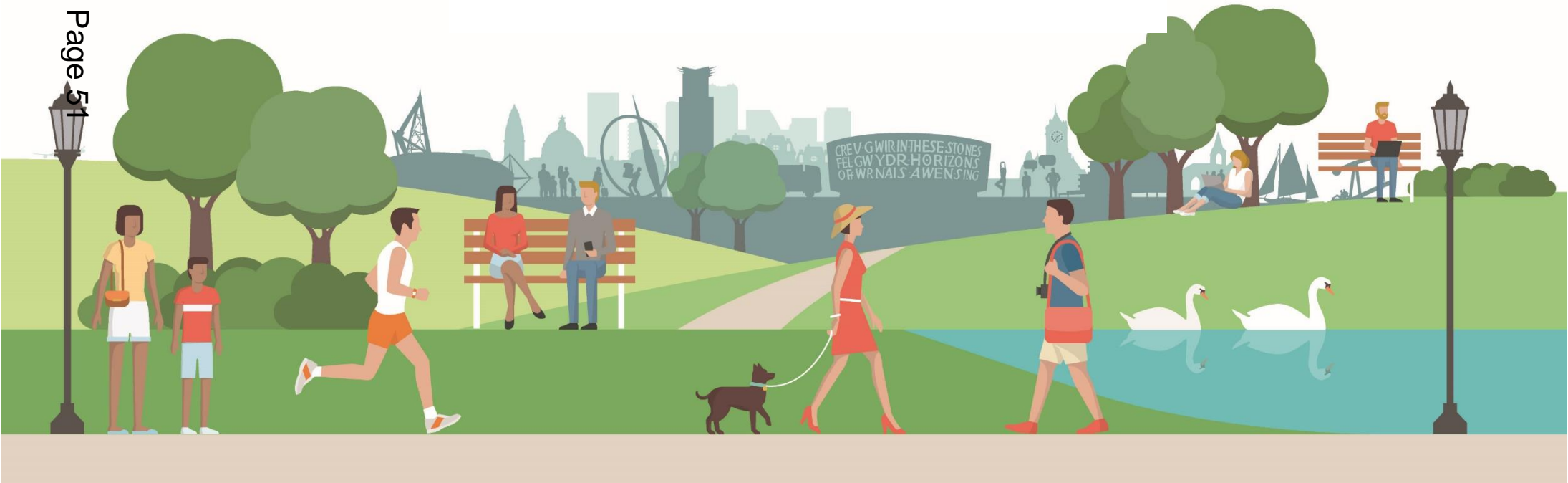
Director, Governance & Legal Services

14 September 2017

Mae'r dudalen hon yn wag yn fwriadol



# CARDIFF COUNCIL SOCIALLY RESPONSIBLE PROCUREMENT POLICY



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## FOREWORD



## INTRODUCTION

Cardiff Council is the largest local authority in Wales and is responsible for the delivery of a wide range of statutory and discretionary public services. The Council delivers its services directly through its own workforce, and through private and third sector organisations. The Council spends over £390 million a year procuring a diverse range of goods, services and works from over 8,000 suppliers, service providers and contractors.

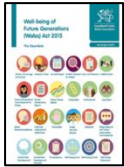
The Council has a responsibility to manage public money with probity, to ensure that value for money is achieved and to manage it in such a way that we can support wider Council objectives. The Council's Procurement Strategy 2017-2020 set an increased focus on the delivery social, economic, environmental and cultural well-being through the way in which it manages its procurement activity with a particular focus on three key Welsh Government initiatives:

- **Community Benefits** – drives the creation of employment and training opportunities including apprenticeships, support for small and medium sized enterprises and delivery of community, educational and environmental initiatives
- **Code of Practice Ethical Employment in Supply Chains** – focuses on ensuring a high standard of ethical employment practices by our suppliers, service providers and contractors
- **Opening Doors the Charter for SME Friendly Procurement** - The following Charter clearly sets out our commitment to changing the way we do business in Wales and also seeks support in helping to create a fair and open environment in which we can all do business together and address issues of particular concern to SMEs.

**This Socially Responsible Procurement policy aims to provide an over-arching framework for the delivery of these initiatives and the wider associated legislative and policy driven requirements. The aim of this policy is to ensure that the Council maximises the social, economic, environmental and cultural wellbeing that it delivers through its procurement activity.**

## WELSH POLICY DRIVERS

**The Wellbeing of Future Generations (Wales) Act 2015**, which came into force on 1 April 2016, focuses on improving the social, economic, environmental and cultural well-being of Wales. The aim of the Act is to help create a Wales that we all want to live in, now and in the future. The Act recognises the important role procurement can play:



*“The role of procurement will be an important part of how a public body allocates resources under the Act. It is expected that public bodies comply with their existing legal obligations in relation to procurement and that they also apply the Wales Procurement Policy Statement which adopts the Sustainable Procurement Task Force’s definition of sustainable procurement. This sets out the procurement practices and the specific actions expected of every public sector organisation in Wales”.*

**The Social Services and Well-being (Wales) Act 2014** introduces a duty on local authorities and local health boards to promote the development, in their area, of not for profit organisations to provide care and support for carers, and preventative services. These models include social enterprises, co-operative organisations, cooperative arrangements, user-led services and the third sector.



*Local authorities with local health board providers must also establish regional forums to support social value based providers to develop a shared understanding of the common agenda, and to share and develop good practice. The aim of the forum is to encourage a flourishing social value sector which is able and willing to fulfil service delivery opportunities.*

**The Wales Procurement Policy Statement (WPPS)** establishes a number of key principles by which the Welsh Government expects public procurement to manage across Wales. This includes a number of principles that directly support the delivery of the Wellbeing of Future Generations Act namely:

- *Social, Economic and Environmental Impact*
- *Community Benefits*
- *Open and accessible competition*
- *Simplified standard processes*

Community Benefits – Delivering Maximum Value for Welsh Pound

Code of Practice – Ethical Employment in Supply Chain

Opening Doors: The Charter for SME Friendly Procurement



## CARDIFF'S POLICY DRIVERS

The Council's commitment to social, economic and environmental well-being is reflected in the Cardiff's Local Well-being Plan objectives, which are clearly aligned to the Act. This commitment has been reinforced through the publication of **Capital Ambition**. The Capital Ambition restates the Council's commitment to Social Responsibility and to payment of the Living Wage.



Capital Ambition is the new administration's five-year plan for the city, outlines the Council's vision for Cardiff to become a leading city on the world stage. The plan focuses on four main areas:

- **Working for Cardiff** - Making sure everyone who lives and works here can contribute to, and benefit from, the city's success.
- **Working for Wales** - A successful Wales needs a successful capital city.
- **Working for the future** - Managing the city's growth in a sustainable way.
- **Working for public services** - Making sure public services are delivered efficiently, effectively and sustainably in the face of rising demands and reduced budgets.

**The Council's Procurement Strategy 2017-2020** set an increased focus on maximising social, economic, environmental and cultural wellbeing through its procurement activity. To this end it is committed to the delivery of community benefits, including employment and apprenticeship opportunities, and the promotion of "Fair Working Practices" including payment of the Living Wage.



**'THE CARDIFF COMMITMENT'** – sets out the Council's vision that "All young people in Cardiff make a successful transition from compulsory schooling to ongoing education, training and the world of work and are enabled to reach their full potential." The goal of the Cardiff Commitment is to ensure that all young people in Cardiff eventually secure a job that enables them to reach their full potential, whilst contributing to the economic growth of the city. Community Benefits will be used to support the delivery of this goal.



Cardiff is one of only three cities to be part of the **CHILD RIGHTS PARTNER PROGRAMME** having been successful in an application process in December 2016. Cardiff is aiming to use the framework provided by Unicef to embed a child's rights approach across a range of public services in four areas: Outcomes for Looked After Children, Locality Working, Commissioning, Child Friendly Streets.



The overarching goal of the **CITY DEAL** is to improve the economic conditions in the area however the specific aims of the Cardiff Capital Region can be summarised as: "Improve productivity; tackle worklessness; build on foundations of innovation; invest in physical and digital infrastructure; provide support for business; and ensure that any economic benefits are felt across the region".

## WHAT ARE COMMUNITY BENEFITS?

The Welsh Government Community Benefits Guidance Delivering Maximum Value for the Welsh Pound provides an overview of the Community Benefits that the public sector should be looking to deliver. The Guidance sets out six broad categories of Community Benefits which are shown in the diagram below.



In line with the Wales Procurement Policy Statement the Council applies Community Benefits clauses to all appropriate procurements where such benefits can be realised and applies the Measurement Tool to all such contracts over £1million to capture and report the outcomes.

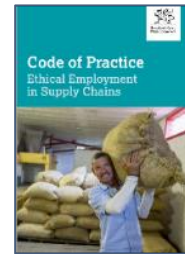
The Council's procurement processes mean that Community Benefits are

considered for all procurements over £150,000, and these are recorded on our Procurement Plans. To date the majority of contracts where community benefits have been delivered have been construction or building maintenance related projects.

To date Community Benefits have largely been delivered on the Council's construction and building maintenance contracts. This Policy seeks to deliver Community Benefits across all appropriate Council contracts. This will require a step change in how the Council utilises Community Benefits clauses in its tendering processes.

## WHAT IS ETHICAL EMPLOYMENT?

The Ethical Employment in Supply Chains Code of Practice has been designed by Welsh Government to support the development of more ethical supply chains to deliver contracts for the Welsh Public sector and third sector organisations in receipt of public funds. Businesses based in Wales and businesses involved in Welsh public sector supply chains will also be encouraged to adopt the Code. The Code is to ensure that workers in public sector supply chains are employed ethically and in compliance with both the letter and spirit of UK, EU and international laws. The code covers the following issues:



Modern Slavery and human rights abuses

Blacklisting

False self-employment

Unfair use of umbrella schemes and zero hours contracts

Paying the Living Wage

In signing up to the code, organisations agree to comply with 12 commitments designed to eliminate modern slavery and unethical employment practices. The Cardiff Council is already taking action to

implement and deliver the majority of the 12 Commitments. This includes already being an accredited Living Wage organisation, having a written whistle-blowing policy and strengthened pre-qualification checks and monitoring including clauses in our terms and conditions. "

Cardiff Council was the first Council in Wales to pay all its staff the 'real' Living Wage in 2012 and is the longest accredited Living Wage Council in Wales. The Council has a proud track record of promoting fair work practices. On 16th March 2017, Cardiff Council became the first Welsh Council to commit to sign up to the Welsh Government's Code of Practice for Ethical Employment in Supply Chains.

## PRIORITIES AND DELIVERY

This Policy aims to provide an overarching framework to ensure a joined up consistent approach to the delivery of 'Socially Responsible Procurement' that encapsulates the Wellbeing of Future Generations Act, the Social Services and Well-being Act, the Wales Procurement Policy Statement, Cardiff Local Wellbeing Plan and the Capital Ambition. To aid this the Council has identified the following six priorities:



This policy will set out the Council's ambition and commitment in respect of these key priorities and to support delivery the Council will:

- Establish a Socially Responsible Procurement Board chaired by our Community Benefits and Ethical Employment Champion
- Raise awareness of the Council's social responsibility objectives through promotion of this Policy
- Incorporate Community Benefits Action Plans and Clauses into relevant tender documents (see section X)
- Manage of delivery of community benefits through effective contract management arrangements and ensure that contractors utilise the Welsh Government Measurement Tool to measure delivery on appropriate contracts over £1million
- Develop and implement a Social Responsibility Charter which will seek a commitment from organisations across Cardiff, including our suppliers, providers and contractors, to support us in the delivery of these priorities
- Develop and implement a supporting toolkit and training for both suppliers and buyers
- Publish and co-ordinate Council priorities to ensure that suppliers and contractors are met co-ordinate what we want them to deliver

## Local Training & Employment

We want:

To create employment and training opportunities for local people in order to reduce unemployment and raise the skills level of our local workforce, especially in target groups such as long term unemployed.

We will:

- Require bidders for contracts worth over £1m to make a commitment to provide employment and training opportunities through a Community Benefits Action Plan
- Encourage our contractors to create more opportunities for apprenticeships, work placements and jobs.
- Work in partnership with employers, training providers and employment services to promote and co-ordinate access to local employment and training opportunities
- Seek opportunities to work with Primary and Secondary schools through the "Cardiff Commitment" to equip young people of Cardiff with the right skills to match the requirements of the labor market
- Maximise benefit from the City Deal and other major development opportunities to create employment and training.

## Think Cardiff First

We want:

To take account of the social and economic impacts of buying locally when commissioning and contracting, and want our suppliers and contractors to do the same

We will:

- Work with partners to support local businesses, social enterprises and SMEs to access tender opportunities.
- Work with partners such as Business Wales, Business in Focus, South Wales Chamber of Commerce to improve the skills of local SMEs to access public sector business opportunities
- Increase the number of opportunities advertised through Sell 2 Wales and advertise opportunities locally where appropriate
- Encourage our suppliers and partners to buy locally
- Promote our Selling to the Council guide and continue to standardise and simplify our procedures and processes.

## Partners in Communities

We want:

To play an active role in the local community and community support organisations, especially in those areas and communities with the greatest need.

We will:

- Make a local impact by improving local facilities and areas, by encouraging our suppliers to operate paid staff volunteering schemes.
- Encourage suppliers and contractors to work with schools and colleges, offering work experience and business awareness to students, especially those from disadvantaged areas or communities.
- Make opportunities, both directly from the Council and through our contractors, accessible to a diverse supply base including the third sector, social enterprises and local suppliers and provide mentoring and support to assist these organisations to tender for and deliver these supply opportunities where necessary.
- Help to support the health and wellbeing of communities in which the business operates by for example linking with local schools and colleges, other local businesses and residents' groups to help run or sponsor activities / events, which will directly benefit those living there.
- Promote diversity, inclusion, equality and fairness – target effort towards those in greatest disadvantage and tackle deprivation across the city

## Green and Sustainable

We want:

To protect the environment, minimise waste, reduce energy consumption and use other resources efficiently.

We will:

- Seek, in partnership with suppliers, to minimise any negative environmental impacts of goods and services purchased, across their life cycle from raw material extraction to end of life
- Ensure that we follow sustainable procurement policies and processes which will exploit the opportunity to minimise energy consumption, waste, pollution production of greenhouse gas emissions and detrimental environmental impacts while encouraging others to do likewise
- Reduce our carbon footprint
- Eliminate unnecessary waste by adopting the “reduce, reuse, recycle” philosophy and supporting circular economy.
- Promote sharing economy through 'Think before you purchase – do you really need it, could something else be used, or could we hire or borrow it?'
- Explore the opportunity for greater collaboration with neighboring local authorities on the delivery of recycling services including shared infrastructure services.
- Procure fair trade products where possible (fair trade supports farmers and workers in developing countries through better prices, decent working conditions and a fair deal)

## Ethical Employment

We want:

To employ the highest ethical standards in our own operations and those within our supply chain.

We will:

- Promote the Cardiff Council “Real” Living Wage Accreditation Support Scheme
- Organise employer workshops to promote the Living Wage, initially targeted at the construction sector
- Build a scored Fair Work Practices question into relevant tender documents to include section on Living Wage, unfair use of umbrella schemes and zero hour contracts and False Self-Employment Practices
- Implement and embed the Code of Practice, actions will include:
  - Appointing an Anti-Slavery and Ethical Employment Champion
  - Incorporating relevant statements into the Council’s Whistle Blowing Policy
- Deliver Modern Slavery and ethical employment training to procurement team
- Work with Welsh Government, WLGA and other Councils to develop and implement the Code
- Work with Legal to ensure that relevant clauses within Welsh Government Guidance are built into standard tender documents

## Promoting Wellbeing of Young People and Vulnerable Adults

We want:

Together with the support of entire community including local businesses, to safeguard and promote the welfare of children, young people and vulnerable adults businesses

We will:

- Help make cities and communities places where all children, including the most vulnerable to feel safe, heard and nurtured through the Child Rights Partnership
- Ensure that services we provide or commission across Cardiff safeguard people’s rights and dignity
- Enhance the support for young people when they leave local authority care, making sure that they’re given the opportunities to succeed through community benefits delivered from our contracts
- Endeavour to create an organisational culture where staff, councillors and contractors are sensitive to abuse and exploitation and take responsibility for and feel confident in reporting concerns.
- Require organisations that the Council contracts with or that provide the Council with services, to apply this policy and have appropriate safeguarding training and procedures in place
- Ensure that all suppliers of personal care and support services that the Council purchases for its service users must have the necessary safeguarding policies, procedures and training in place and be registered where appropriate with the Care and Social Service Inspectorate Wales (CSIW)
- Promoting provision of education, training and employment opportunities and achieving best outcomes for specific groups that the Council have a statutory responsibility for – e.g. Looked after children and Care Leavers – adults in need of Care & Support
- Promoting / valuing the Council’s Foster Carers, Unpaid Carers and Young Carers – this could be in the form of sponsorship of an annual celebratory event for carers.

## COMMUNITY BENEFITS ACTION PLANS

The Council will utilise Community Benefit Clauses in all contracts above £1,000,000 and look to utilise them in contracts below this threshold. It is the role of those planning the procurement to consider from the outset on a contract by contract basis the potential for community benefits to be delivered through the procurement process and the most appropriate way of achieving this.

Community Benefit clauses are requirements that aim to deliver wider benefits in addition to the core purpose of a contract. These clauses will be focused on contributing to the delivery of some of the six broad categories of community benefits and thereby delivering a range of well-being benefits.

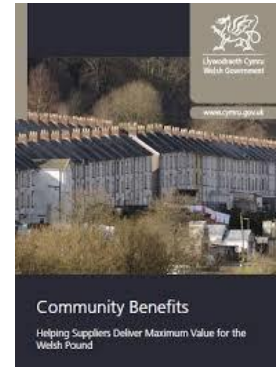
**CONTRACTUAL** - All Contractual Community Benefits form part of the contract and suppliers will have a contractual obligation to deliver these commitments. Appropriate contract conditions will be included to provide a remedy for failure to deliver Contractual Community Benefits. Contractual Community Benefits can be incorporated in the following ways:

**CORE** - Community Benefits included as contractual obligations and evaluated as part of the tender process (e.g. Targeted Employment and Training Initiatives). A weighting of between 5% and 20% (TO BE AGREED) of the total evaluation criteria will be attributed to Evaluated Community Benefits.

### NON – CORE

- Community Benefits proposals will be offered by the supplier but will not be assessed as part of the tender evaluation. Community Benefits offered and accepted by the Council will however form part of a supplier's contractual obligations to deliver. This method will be utilised when evaluated Community Benefits are not appropriate, e.g. within multi-lot framework agreements.
- Specific mandatory requirements may be stipulated within the specification, e.g. advertising sub-contracting opportunities or Targeted Recruitment and Training requirements (New Entrants, Work Placements etc.).

**VOLUNTARY** - The Council may seek to encourage Voluntary Community Benefits for a particular procurement activity. This will not form part of the evaluation, or indeed place a contractual obligation on the supplier; however those which are offered and accepted by the Council will be reported in the Corporate Procurement Annual Report. Delivery of Voluntary Community Benefits will be monitored through management information provided by the supplier and as part of the Contract and Supplier Management process.



## GOVERNANCE AND MANAGEMENT

The Social Responsibility Board will oversee the delivery of Socially Responsible Procurement Policy. The Cabinet Member who acts as the Council’s Community Benefits and Ethical Employment Champion chairs the Board. It includes senior managers from across the Council, with other key stakeholders invited to attend as required. The Board meets on a quarterly basis.

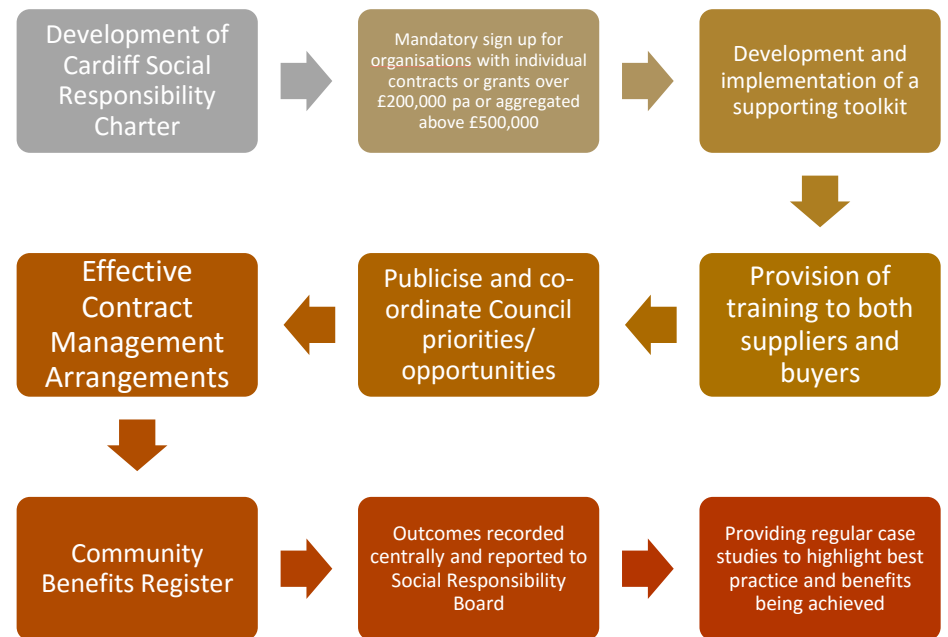
## REPORTING AND MONITORING

Successful contractors and suppliers will be required to provide regular monitoring information outlining Community Benefits delivery progress. The Commissioning and Procurement Team will review all monitoring information in consultation with relevant contract managers and once validated outcomes will be recorded in a Community Benefits Register.

The Community Benefits Board will review the Community Benefits Register on a regular basis, providing challenge, scrutinise contractors’ performance where necessary and make recommendations to Senior Management Team and/or

Cabinet as required. The Board will also oversee the development of an annual Community Benefits Report, including case studies, so that progress is widely reported, including to Welsh Government.

## COORDINATION OF OPPORTUNITIES



Mae'r dudalen hon yn wag yn fwriadol



**CYNGOR CAERDYDD  
CARDIFF COUNCIL**

**POLICY REVIEW & PERFORMANCE  
SCRUTINY COMMITTEE**

**20 September 2017**

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**Mental Health Policy & Manager's Guidance**

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**Reason for this Report**

1. To provide the Committee with a pre-decision scrutiny opportunity, examining the Council's new draft Mental Health Policy and the Manager's Guide prior to consideration by the Cabinet and adoption by the Council.

**Context**

2. Within its Terms of Reference, this Committee has responsibility for scrutiny of the implementation of the Council's policies, including its human resources policies.
3. The previous Policy Review & Performance Scrutiny Committee highlighted the importance of managers understanding mental health. Members re-enforced the importance of maintaining and monitoring Council-wide staff morale, and the importance of management effectiveness at identifying mental health issues in their staff.
4. Mental health conditions are widespread, with one in four adults in the UK experiencing at least one diagnosable mental health condition in any one year. The Council, as a part of its Employee Health and Wellbeing Strategy, is committed to promoting and maintaining the mental health and wellbeing of all employees through workplace practices, and encourages employees to take responsibility for their own mental health and wellbeing.

5. Mental health conditions can present in many ways and as an employer, the Council has a duty of care to employees, which includes ensuring that managers have the necessary skills and knowledge to identify the early signs of mental ill health and be proactive in supporting their staff.
6. From a business perspective, the proactive management of employees' mental and physical health can produce a range of benefits, including the reduction of sickness absence, greater staff engagement and productivity, and reduced staff turnover, recruitment and costs.

### **The Policy and Guidance**

7. The policy and guidance is a positive step towards making Cardiff a better place to work. Attached at **Appendix 1** is the draft Mental Health Policy, and at **Appendix 2** the Mental Health Manager's Guide that includes appendices on Support Contact details and an Employee Wellness Action Plan form.
8. The policy and guidance applies to all employees of the Council, irrespective of status and/or grade, except those employed directly by schools. The policy and guidance will be commended to school governing bodies.
9. The introduction of the policy and guidance will support the Council's application for the Corporate Health Standard Silver Award and is in line with the Time to Change Wales (TTCW) pledge.
10. The policy and guidance will assist the Council in:
  - Building and maintaining a workplace environment and culture that supports mental health and wellbeing and prevents discrimination.
  - Increasing employee knowledge and awareness of mental health and wellbeing issues and behaviours.
  - Reducing the stigma around depression and anxiety in the workplace, and all forms of mental health illness.
  - Facilitating employees' active participation in a range of initiatives/activities that support mental health and wellbeing.

11. The introduction of the policy and its guidance has been discussed with the Senior Managers Forum, Employee Ambassadors Forum, the Employee Networks, the Corporate Health Group and the Time to Change Wales sub group. The new policy will need to be communicated to employees and managers, and mental health training is proposed via the Cardiff Academy. The Trades Unions have been consulted and have warmly supported the policy and its guidance.
  
12. The Chair of the Committee has invited all Trades Unions to contribute to scrutiny of the Council's Mental Health Policy. The statement attached at **Appendix 3** has been received from UNISON.

### **Previous Scrutiny**

13. In June 2016, the previous Committee scrutinised the Council's new Employee Health & Well-being Strategy. The Committee welcomed the Strategy, and the many staff support mechanisms the Council had put in place, commending it as a good way forward for the Council in supporting staff further. The Committee particularly commended the Council's heralding of Time to Change Wales in recognising mental health. Members considered it was important that to retain a serious perspective on the benefits of such a strategy, and passed on constructive comments and observations for Cabinet consideration the new Committee may wish to reflect on.
  
14. Members strongly endorsed the importance of managers understanding mental health, the importance of maintaining and monitoring Council wide staff morale, and resolved in future to consider whether managers are improving in their ability to identify stress, particularly their ability to identify mental health issues in their staff.

## **Scope of the Scrutiny**

15. The Cabinet Member for Corporate Services and Performance, Councillor Chris Weaver, Corporate Director Resources, Christine Salter, Chief Human Resources Officer, Philip Lenz and HR People Partner, Anita Batten will attend Committee to outline the policy and answer Members questions.
16. The Policy has been subject to Works Council and Trades Union consultation and representatives of the Trades Union have been invited to inform the scrutiny.

## **Legal Implications**

17. 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**

18. 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 consider the draft Mental Health Policy and Managers Guide;

- how effectively it supports Managers in identifying mental health issues amongst their staff;
- how effectively it addresses the need to maintain staff morale;
- whether it wishes to relay any comments and observations for consideration when the Policy and Guidance are considered by the Cabinet.

## **DAVINA FIORE**

Director, Governance & Legal Services

14 September 2017

Mae'r dudalen hon yn wag yn fwriadol



## MENTAL HEALTH POLICY

Mae'r ddogfen hon ar gael yn Gymraeg.  
This document is available in Welsh.

<b>DATE DOCUMENT PUBLISHED</b>	
<b>APPROVED BY</b>	
<b>APPROVAL DATE</b>	
<b>DOCUMENT OWNER</b>	
<b>DATE FOR REVIEW</b>	

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## SECTION 1 - INTRODUCTION, ROLES and RESPONSIBILITIES

### Policy Statement

1. Mental health conditions are widespread and most of us will either experience one, or know someone who has experienced one. One in four adults in the UK experience at least one diagnosable mental health condition in any one year. The Cardiff Council is committed to promoting and maintaining the mental health and wellbeing of all employees through workplace practices, and encourage employees to take responsibility for their own mental health and wellbeing.
2. Mental health conditions can present in many ways and as an employer, the Council has a duty of care to employees which includes ensuring that managers have the necessary skills and knowledge to identify the early signs of mental ill health and be proactive in supporting their staff.
3. From a business perspective, the proactive management of employees' mental and physical health can produce a range of benefits, including the reduction of sickness absence, greater staff engagement and productivity, and reduced staff turnover, recruitment and costs.
4. The Council can offer a range of support from within and outside the authority to provide professional and practical help. Additionally an employee's Trade Union may also be a source of support.
5. This policy and supporting documentation (Mental Health – a Manager's Guide) is a positive step towards making Cardiff a better place to work.

### Roles and Responsibilities

6. It is important that everyone clearly understands their roles and responsibilities within these processes.

### 7. Managers Responsibilities

- (In addition to their responsibilities as employees):
- Ensure that all employees are made aware of this policy.
- Actively support and contribute to the implementation of this policy.
- Refer employees for assistance and support as appropriate.
- Maintaining confidentiality with the exception of safeguarding or criminal issues were confidentiality cannot be ensured.
- Approaching issues sensitively without making moral judgements.
- Seek advice from HR People Services when required.

- Know your limitations - you are not a health professional. Ensure you have the right information to signpost employees to appropriate advice, treatment and support services.

## **8. Employee Responsibilities**

It is the employee's responsibility to:

- Understand this policy and seek clarification from management where required.
- Support fellow workers in their awareness of this policy.
- Support and contribute to the Council's aim of providing a mentally healthy and supportive environment for all employees.
- Take reasonable care of their own mental health and wellbeing, including physical health.
- Take reasonable care to ensure their actions do not affect the health and wellbeing and safety of other people in the workplace.

## **9. HR People Services Responsibilities**

- Advise managers on the consistent application of the policy.
- Provide all employees and managers with information and advice as necessary.
- Refer employees for assistance and support as necessary.
- Review the application of the policy and procedures in the light of operational experience.

## SECTION 2 - POLICY

### Purpose

10. The Council believes that the mental health and wellbeing of its employees is key to organisational success and sustainability. The Council aims to:

- Build and maintain a workplace environment and culture that supports mental health and wellbeing and prevents discrimination.
- Increase employee knowledge and awareness of mental health and wellbeing issues and behaviours.
- Reduce stigma around depression and anxiety in the workplace, and all forms of mental health illness.
- Facilitate employees active participation in a range of initiatives/activities that support mental health and wellbeing.

### Who is covered by this Policy?

11. This Policy applies to all employees of the Council, irrespective of status and/ or grade, except those employed directly by Schools. The policy is commended to school governing bodies.

### Key Principles

12. ACAS have stated that there are three things employers can do to help maintain the health of employees, and help those with mental health conditions to remain in work and be productive:

- **Spot the signs** – This may initially mean taking a note of what you see as you walk around or in team meetings and then choosing the right moment to intervene.
- **Engage with the problem** – There are some good practical steps you can take to help with coping strategies, and some legal requirements you need to bear in mind, for example your duty to make reasonable workplace adjustments to the working environment in certain circumstances
- **Keeping a watching brief** – This does not necessarily mean passively observing, although in some circumstances this be the best option. Promote awareness of mental health issues and create a culture where employees feel they can talk to you about their concerns. Keeping communication channels open is critical.

### What is Mental Health?

13. Mental health is the mental and emotional state in which we feel able to cope with the normal stresses of everyday life. If we are feeling good about ourselves we often work productively, interact well with colleagues and make a valuable contribution to our team or workplace.
14. Positive mental health is rarely an absolute state. One may feel in good mental health generally but also suffer stress or anxiety from time to time. Mental ill health can range from feeling 'a bit down' to common disorders such as anxiety and depression and, in limited cases, to severe mental illnesses such as bipolar disorder or schizophrenia.
15. Mental health conditions may emerge suddenly, as a result of a specific event or incident, or gradually, over a period of time when the condition may worsen or improve. Mental ill health is very common, with 1 in 4 experiencing a period of mental ill health in the course of their lifetime. It is therefore essential that managers become confident in supporting staff with mental health issues.
16. It is important to realise that most mental health problems are short lived. Even when people experience more serious, long-term or recurring problems, they are still able to live meaningful and satisfying lives. This may mean making some adjustments to accommodate the effects of their mental health problems
17. Although certain symptoms are common in specific mental health conditions, no two people behave in exactly the same way when they are unwell. Many people who live with or are developing a mental health problem try to keep their feelings hidden because they are afraid of the reaction of others. Many people feel troubled without having a diagnosed or diagnosable mental health condition – although that does not mean they are not struggling to cope with daily life.
18. A range of factors within and beyond the workplace can contribute to mental health conditions. Outside work, these can include bereavement, debt, family problems, addiction, relationship breakdown, and housing problems. Within work - organisational change, workload, nature of relationships at work and management styles can affect an employee's mental health.

### **Addressing the Stigma of Mental Health Conditions**

19. In recent years, National Campaigns have gone some way to removing the stigma attached to mental illness. It is important for employees to know there is no shame attached to admitting that they may have a problem. It is not a sign of weakness to report that certain aspects of work or home life are having a negative effect on an individual's wellbeing.
20. The stigma associated with mental health remains a major obstacle to the effective diagnosis and treatment of mental health conditions. It can

prevent employees from talking to colleagues or managers about their problems because they fear discrimination. It may even prevent them from acknowledging to themselves that they have a problem.

### **SECTION 3 – PROCEDURE**

21. HR People Services will provide advice at any stage to managers or employees on the implementation of the policy. Managers are not expected to counsel employees or provide medical advice, indeed it would be considered inadvisable to provide unqualified counsel.
22. People who experience wellbeing in the workplace perform well and are therefore more effective in their roles. It is important to remember that everyone's experience of mental ill health is different –so two people with a diagnosis of depression may have different symptoms and need different adjustments.
23. If you think that an employee may have a mental health condition managers should try speaking with them in order to seek to persuade them to see their GP or Occupational Health. The most important thing is to let them know you are there to help and provide support. Not to judge them or make them do anything they feel uncomfortable about.
24. Practical guidance on dealing with an employee's disclosure about a mental health problem is contained in the Mental Health Manager's Guide.

#### **Spotting the Early Signs**

25. How people are treated and managed on a day-to-day basis is central to their mental well-being and engagement. Thus line managers have a key role in supporting well-being, spotting early signs of mental health problems and initiating early intervention. As with all medical conditions, early interventions and preventative measures have benefits for all.
26. Mental health must be managed in the same way as any other medical condition. Line managers should know their team better than anyone and are therefore ideally placed to spot the early signs that someone may be mentally unwell.
27. Getting it right is often a matter of common sense. A good manager will regularly ask staff how they are, take an interest in their wellbeing, communicate expectations, monitor and review workloads and be personally accessible. People with mental health issues say that having a supportive line manager makes a great difference to their working life.

#### **Team Members**

28. The manager also need to think about the effect on other team members when one member of the team has mental ill-health. You may need to discuss with the individual concerned whether they are willing to share some information with the rest of the team. You may need to raise awareness about mental ill-health, and what you can all do to help. You may also need to deal with other members of the team feeling under additional pressure.

### **Manager's Own Health**

29. As a manager who is managing a team member who has mental health issues, you may feel that there is a tension between your desire to support a team member and your need to ensure that work gets completed to deadlines. You may feel frustrated, or out of your depth and in need of support yourself. Managing someone with complex mental health issues may be challenging, and you may find it helpful to talk the situation through with your own line manager, Occupational Health staff, or a HR officer. Remember that you need to protect your own mental health wellbeing.

### **Reasonable Adjustments**

30. There are a number of reasons why employers should take steps to make adjustments for people with mental health conditions. From a regulatory perspective, the Equality Act (2010) outlines an employer's duty to make reasonable adjustments for people with disabilities in order to ensure that they have the same access to everything that involves gaining or keeping employment as a non-disabled person. According to the Act, a person is defined as disabled if they have a mental or physical impairment that has a substantial long-term (i.e. more than 12 months) effect on their normal day-to-day activities. A person is also protected under the Act if they have been affected in this way in the past but have been well for some time.

31. It is good practice to make adjustments that are 'reasonable' for any employee with mental health conditions, whether or not they may be covered by the Equality Act. Advice should be sought from Occupational Health.

### **32. Good practice for applying workplace adjustments (Refer to Reasonable Adjustments Guidance 5.C.275)**

- Have an open, honest and practical conversation with the person about how their mental health condition impacts their work and what adjustments can be made.
- Ask the individual what they need – they are often the best experts of managing their condition.
- Focus on what the person can do – not what they can't.

- Tailor adjustments to the specific needs and abilities of the individual – be creative.
- Be flexible – as some mental health conditions can be episodic. It may be more helpful to agree adjustments that can be implemented as and when required and revoked when not.
- Regularly review the adjustments to ensure they are working and are still appropriate.
- Be realistic about what you can offer. If you are unsure, consult HR People Services.
- With the permission of the individual communicate the adjustments to other team members to alleviate perceptions of favourable treatment.
- Refer to Occupational Health if appropriate or sign post to support services.

### **32. Practical examples of workplace adjustments**

- Being flexible and creative is important when considering solutions. Below are examples, which could act as prompts for line managers and employees exploring these issues together and would be subject to the service requirements of the Directorate.

### **33. Working hours or patterns**

- Take a flexible approach to start/finish times and/or shift patterns in line with the Flexible Working Policy.
- Phased return to work.
- Equal amount of break time, but in shorter, more frequent chunks.
- Allow someone to arrange their annual leave so that is spaced regularly throughout the year.
- Allow the possibility to work from home at times.
- Temporary reallocation of some tasks.

### **34. Physical environment**

- Minimise noise – e.g. reducing pitch or volume of telephone ring tones providing office/room dividers/partitions if practical.

- Provide a quiet space for breaks away from the main workspace.
- Allow for increased personal space.
- Move workstation – to ensure for example that someone does not have their back to the door.

### **35. Support with workload**

- Increase frequency of supervision.
- Support someone to prioritise their work.
- Allow the individual to focus on a specific piece of work.

### **36. Support from others**

- Provide a buddy or mentor.
- Consider mediation as an option if there are difficulties between colleagues.
- See section 5

### **37. Employee Wellness Action Plan**

- Discuss Completing the Employee Wellness Action Plan and action accordingly.

## **SECTION 4 – RELATED DOCUMENTS**

Mental Health –A Manager’s Guide  
 Attendance and Wellbeing Policy 1.CM.049  
 Flexible Working Policy 1.CM.088  
 Reasonable Adjustments Guidance 5.C.275  
 Redeployment Policy 1.CM.207  
 Stress Management Policy 1.CM.118  
 Stress Risk Assessment Code of Guidance 1.CM.113  
 Carers Policy 1.CM.188  
 Management of Alcohol, Drugs and Substance Misuse 1.CM.134



## SECTION 5 SUPPORT SERVICES

**Employee Assistance Programme – Carefirst** – This free phone telephone service is available 24 hours a day, 365 days of the year. All calls are answered directly by a team of qualified and experienced counsellors. Professional information and advice services are also provided by a separate team of information specialists plus there is access to a web based information service. Telephone 0800 174319  
<http://cmsweb/cardiff/content.asp?id=40976>

**Employee Counselling Service** – The Employee Counselling Service (ECS) offers free and confidential counselling to anyone who is employed by the Cardiff Council. Telephone 029 2078 8301  
<http://cmsweb/cardiff/content.asp?id=11153&d1=0>

### **NHS**

### **Choices**

The NHS website has a wide range of advice and practical tools for raising awareness of mental health issues, self-management of symptoms and sources of further specialist help.

[www.nhs.uk/livewell/mentalhealth](http://www.nhs.uk/livewell/mentalhealth)

### **NHS Direct Wales**

Telephone 0845 4647

Website [www.nhsdirect.wales.nhs.uk](http://www.nhsdirect.wales.nhs.uk)

Health advice 24 hours a day, 365 days a year.

### **Centre for Mental Health**

The Centre for Mental Health works to improve the quality of life for people with mental health problems by influencing policy and practice in mental health and related services. It focuses on criminal justice and employment.

Tel: 020 7827 8300

[www.centreformentalhealth.org.uk](http://www.centreformentalhealth.org.uk)

### **Samaritans**

Telephone: 08457 90 90 90 (24 hours a day) or 116 113

Cardiff 02920 344022 (9am to 9pm)

Email [jo@samaritans.org](mailto:jo@samaritans.org)

Website [www.samaritans.org](http://www.samaritans.org)

Provides confidential, non-judgmental emotional support for people experiencing feelings of distress or despair, including those that could lead to suicide. You can phone, email, write a letter or in most cases talk to someone face to face.

## **CALL (Community Advice and Listening Line)**

**Telephone 0800 132 737**

**Website [www.callhelpline.org.uk](http://www.callhelpline.org.uk)**

Offers emotional support and information/literature on Mental Health and related matters to the people of Wales. Anyone concerned about their own mental health or that of a relative or friend can access the service. C.A.L.L. Helpline offers a confidential listening and support service.

## **Saneline**

**Telephone 0845 767 8000 (6pm-11pm)**

**Website [www.sane.org.uk](http://www.sane.org.uk)**

Saneline is a national mental health helpline providing information and support to people with mental health problems and those who support them. If you're a carer needing support you can contact all of the above as well as Carers Direct and the Princess Royal Trust for Carers, both of whom are able to provide support and advice on any issues affecting you

## **Rethink Mental Illness Advice Line**

**Telephone 0845 456 0455 (10am-1pm Monday to Friday)**

**Email [info@rethink.org](mailto:info@rethink.org)**

**Website [www.rethink.org](http://www.rethink.org)**

Rethink is the largest national voluntary sector provider of mental health services with 340 services and more than 130 support groups. It helps over 48,000 people every year through its services, support groups and by providing information on mental health problems.

It expert advice and information to people with mental health problems and those who care for them, as well as giving help to health professionals, employers and staff.

Helpline: 0300 5000 927

[www.rethink.org](http://www.rethink.org)

## **Mind Infoline**

**Telephone: 0300 123 3393 (9am-5pm Monday to Friday)**

**Email [info@mind.org.uk](mailto:info@mind.org.uk)**

**Website [www.mind.org.uk](http://www.mind.org.uk)**

Mind is the leading mental health charity in England and Wales. It campaigns to create a better life for everyone with experience of mental distress. Mind

provides confidential mental health information services. With support and understanding, Mind enables people to make informed choices. The Infoline gives information on types of mental distress, where to get help, drug treatments, alternative therapies and advocacy. Mind also has a network of nearly 200 local Mind associations providing local services.

### **Education Support Helpline (for teachers and employees in education)**

Telephone: 08000562561

Advice, support and Counselling 24 x 7

Website [www.education-supportpartnership.org.uk](http://www.education-supportpartnership.org.uk)

### **TUC**

Website [www.tuc.org.uk](http://www.tuc.org.uk)

Advice on mental health first aid.

### **Cognitive Behaviour Therapy**

[WWW.MOODJUICE.CO.UK](http://WWW.MOODJUICE.CO.UK)

[WWW.MOODGYM.CO.UK](http://WWW.MOODGYM.CO.UK).

### **Dewis Wales**

Information and advice about individual well-being or how you can help someone else.

### **Sources of advice and information for managers:**

Employee Assistance Programme Manager Support Line

NHS Health for Work Adviceline

Tel: 0800 077 8844

<http://www.nhshealthatwork.co.uk/>

The Mind Infoline

Lines are open 9am to 6pm, Monday to Friday (except for bank holidays).

Tel: 0300 123 3393 [info@mind.org.uk](mailto:info@mind.org.uk). Text: 86463

Mindful Employer - [www.mindfulemployer.net](http://www.mindfulemployer.net)

Developed, led and supported by employers, the MINDFUL EMPLOYER® initiative is aimed at increasing awareness of mental health at work and providing support for businesses in recruiting and retaining employees.

Centre for Mental Health - <http://www.centreformentalhealth.org.uk/>

The Centre for Mental Health aims to help to create a society in which people with mental health problems enjoy equal chances in life to those without.

Health and Safety Executive – <http://www.hse.gov.uk/stress/>

Mental Health First Aid Guidance for Line Managers-  
[http://mhfaengland.org/files/5613/9101/5215/MHFA\\_Line\\_Managers\\_Resource.pdf](http://mhfaengland.org/files/5613/9101/5215/MHFA_Line_Managers_Resource.pdf)

Time to Change Wales - Time to Change Wales is the first national campaign to end the stigma and discrimination faced by people with mental health problems. <http://www.timetochangewales.org.uk/en/>

### **Bereavement**

Cruse Bereavement Care helpline for bereaved people and those caring for bereaved people

Tel: 0844 477 9400

Email: [helpline@cruse.org.uk](mailto:helpline@cruse.org.uk)

[www.Crusebereavementcare.org.uk](http://www.Crusebereavementcare.org.uk)

### **Teachers**

Teacher Support Network is an independent charity that provides practical and emotional support to trainee, serving and retired teachers and their families.

24/7 Support Line; 08000 562 561(UK) 08000 855 088 (Wales)

Email: [support@teachersupport.info](mailto:support@teachersupport.info) [www.teachersupport.info](http://www.teachersupport.info)

### **Debt**

Stepchange Debt Charity provides help for anyone in debt or concerned they may fall into debt

Freephone 0800 138 111(includes all mobiles) [www.stepchange.org](http://www.stepchange.org)

Email [www.Stepchnage.org/contactus/sendusanemail.aspx](http://www.Stepchnage.org/contactus/sendusanemail.aspx)

### **Gambling**

Gamcare offers confidential counselling, advice and information for anyone affected by a gambling dependency.

[Tel:0808 802 0133](tel:08088020133) [www.gamcare.org.uk](http://www.gamcare.org.uk)

## Appendix 1

### EMPLOYEE WELLNESS ACTION PLAN

The information in this form will be held confidentially and should be regularly reviewed by the employee and line manager. Whilst the employee only needs to provide information that they are comfortable sharing and that relates to their role and workplace, the aim is to provide support and therefore the sharing of information will aid this. It can help the employee and manager to agree, together, how to practically support you the employee in your role and address any health needs. It is the responsibility of the manager to ensure that data gathered in this form will be kept confidential and will not be shared with anyone without the permission of the employee, the exception to this is safeguarding or criminal issues where confidentiality cannot be ensured.

However, it should be recognised that some mental health issues are irregular and ill defined. The unpredictability may therefore make the completion of a plan difficult.

The employee may wish to complete the action plan themselves and then arrange a meeting to discuss. Remember it is important to choose an appropriate place – somewhere private and quiet where the person feels comfortable and equal.

#### 1. What helps you stay mentally healthy at work?

(For example taking an adequate lunch break away from your desk, getting some exercise before or after work or in your lunchbreak, light and space in the office, opportunities to get to know colleagues, quiet place to work)

2. What can your manager do to proactively support you to stay mentally healthy at work? (For example regular feedback and catch-ups, flexible working patterns, explaining wider organisational developments minimising impact of unsuitable environment (heat, light, noise, etc), home working)

3. Are there any situations at work that can trigger poor mental health for you? (For example conflict at work, organisational change, tight deadlines, something not going to plan)

4. How might experiencing poor mental health impact on your work?  
(For example you may find it difficult to make decisions, struggle to prioritise work tasks, difficulty with concentration, drowsiness, confusion, headaches, tiredness)

What does good mental health at work look like for you?

5. Are there any early warning signs that we might notice when you are starting to experience poor mental health? (For example changes in normal working patterns, withdrawing from colleagues tiredness, changes in expressing self, changes in clothing/hygiene)

6. What support could be put in place to minimise triggers or to support you to manage symptoms? (For example: extra catch-up time with line manager, environmental factors)

7. Are there elements of your individual working style or temperament that it is worth your manager being aware of?

(For example a preference for more face to face or more email contact, a need for quiet reflection time prior to meetings or creative tasks, negotiation on deadlines before they are set, having access to a mentor for questions you might not want to bother your manager about, having a written plan of work in place which can be reviewed and amended regularly, clear deadlines if you have a tendency to over-work a task, tendency to have particularly high or low energy in the morning or in the afternoon)

8. If we notice early warning signs that you are experiencing poor mental health – what should we do?

(For example talk to you discreetly about it, contact someone that you have asked to be contacted)

9. What steps can you take if you start to experience poor mental health at work? Is there anything we need to do to facilitate them?  
(For example you might like to take a break from your desk and go for a short walk, or ask your line manager for support)

10. Is there anything else that you would like to share?

11. Agreed actions( if appropriate)

12. What (if any) information may be shared with colleagues?

Employee  
signature \_\_\_\_\_

Date \_\_\_\_\_  
\_\_\_\_\_

Line manager  
signature\_\_\_\_\_

Date\_\_\_\_\_

Date to be reviewed\_\_\_\_\_

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## **Mental Health - Manager's Guide**

**Cardiff Council  
HR People Services  
Employee Relations Team**

**Mae'r ddogfen hon ar gael yn Gymraeg.  
This document is available in Welsh**

**July 2017**

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Appendix 1 Support Contact Details

Appendix 2 Employee Wellness Action Plan

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## 1.0 Introduction

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1.1 This guidance is designed to assist line managers in dealing with an employee's disclosure about a mental health concern. Mental health concerns may emerge gradually, suddenly, as a result of a specific event, or may be known to you due to a disclosure at the recruitment stage.

1.2 Ideally, speaking about mental health problems should be an intrinsic part of the culture of your workplace. Remember that the Council has a legal duty to make reasonable adjustments for disabled people, including those with mental health issues. However, it is imperative to know your limitations – line managers are not health professionals, and are not expected to counsel employees or provide medical advice.

1.3 This guidance should be read in conjunction with the Council's Mental Health Policy.

## 2.0 Identifying early signs of stress or possible mental ill-health

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2.1 Identifying signs of stress or mental ill health at an early stage means that managers can encourage an employee to seek help before difficulties escalate into a crisis or sickness absence. Often a key indicator is a change in typical behaviour. Symptoms will vary, and every employee's experience is different, but potential indicators include:

- physical symptoms e.g. fatigue, headaches, indigestion, changes in sleep patterns;
- psychological symptoms e.g. including anxiety, tearfulness, low mood, indecisiveness, loss of humour, illogical thought processes;
- behavioural symptoms e.g. including increased smoking and drinking, withdrawal, irritability, restlessness, uncharacteristic errors, and uncharacteristic problems with colleagues,
- changed attendance patterns (lateness, working long hours, taking leave at short notice).
- Slipping hygiene or poor self care.
- Over commitment or positivity-possible followed by failure to deliver.

2.2 If managers notice some of these signs, or have other reasons to think that an employee is not well, it would be appropriate to talk to the employee privately to explore what is going on. Remember that even if an employee is displaying some of these signs it does not automatically mean that they have a mental health problem. The person may have a different health condition or some other issue.

2.3 An employee who is experiencing early signs of mental ill health may have difficulty in recognising that they have a real health problem and need to seek medical help. You may want to encourage them to access the Employee Assistance Programme, seek a referral to Occupational Health, visit their G.P. or sign post to the support detailed at appendix 1.

2.4 There may be occasions when you suspect from the employee's behaviour that they may have a mental health issue, but they insist that there is no problem. In this situation, you need to establish clear expectations for behaviour and performance. It may take a while before the employee recognises that they are not functioning well. Alternative it may be necessary to seek specific advice from HR particularly if the employee behaviour is causing concern whereby colleagues feel endangered for both the employee's safety and their own.

### **3.0 An Employee discloses a mental health issue**

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3.1 An employee disclosing a mental health problem may do this in a planned one to one meeting or may ask to speak with you separately. Remember that you do not need to be an expert to talk about mental health.

3.2 Choose an appropriate place – somewhere private and quiet where the person feels comfortable and equal. Possibly a neutral space outside of the workplace or away from the main office. It would not be appropriate at any point to hold discussions in a place where other employees may overhear conversations.

3.3 It is important that the employee has some control over the space they are disclosing in. Ideally, your workplace will have a quiet room or a space where you will be able to have a private conversation. Identify if it is appropriate to move the conversation somewhere private. Treat this as an informal conversation. Unless it is in the realms of a performance management meeting, this should not be considered a formal discussion.

3.4 If an employee tells you they have a mental health problem aim to hold an open and honest conversation with them. Disclosing a mental health problem may feel a risky step to take, therefore it is important to keeping an open mind and listen to the employee. Avoid making assumptions about a person's symptoms, or how they may affect their ability to do their job. Many people manage their condition and perform their role to a high standard.

3.5 Reassure the employee that you will treat this as confidential information, and you will not pass on private information to their colleagues unless it is agreed what information can be shared. However, it is essential to inform an employee that should they indicate something that means you believe that they or someone else is at risk of harm, when you have a duty of care to speak.

3.6 Encourage the employee to talk – ask simple, open and non-judgmental questions and let them explain in their own words how their mental health problem manifests, the triggers, how it impacts on their work and what support they need.

3.7 Do not make assumptions – do not try to guess what symptoms an employee might have and how these might affect their ability to do their job. Many people are able to manage their mental health problem but may require support measures when experiencing a difficult period.

3.8 Listen to them and respond flexibly – everyone's experience of a mental health problem is different so treat people as individuals and focus on the person, not the problem. Adapt your support to suit the employee and involve them as much as possible in finding solutions to any work related difficulties they are experiencing.

3.9 Remember effective reasonable adjustments are often quite individual but need not be costly or require huge changes. Often it might be offering flexible working hours or moving to a quieter desk.

3.10 Be aware of risks outside the workplace - Be aware of what is happening in people's personal lives as stress outside of work, for example due to illness, bereavement or financial worries might be contributing to them struggling to cope in the workplace.

3.11 Be honest and clear – if there are specific grounds for concern, such as high absence levels or impaired performance, it is important to address these at an early stage.

3.12 Ensure confidentiality – people need to be reassured of confidentiality. It is sensitive information and should be shared with as few people as possible. Discuss with the individual what information they would like shared and with whom. However it is essential to inform the employee that if it is a safeguarding or criminal issue confidentiality cannot be ensured and appropriate steps may need to be taken.

3.13 Safeguarding concerns - If an individual indicates, they cannot keep themselves or others safe or has suicidal thoughts they should be encouraged to seek help immediately. Depending on the circumstances this may involve:

- going to a hospital A&E
- contacting their own GP for an immediate referral
- contacting occupational health
- contacting the Samaritans or other appropriate organisation
- contacting their carer or other relevant individual
- contacting NHS Direct.
- calling 999

The most important thing will be to encourage the employee to seek professional help. The manager should, in turn seek immediate support from their own line manager or HR People Services as to what steps may be appropriate.

3.14 Being at Work - explore how the condition affects the employee, and how you can help them at work. Being at work, rather than taking sickness absence, helps to maintain mental wellbeing. The employee benefits from the regular routine, from

being able to perform useful work and from the social contacts. There may be things that a manager can do to help the employee.

3.15 Encourage the employee to seek advice and support – they should speak to their GP about available support from the NHS or if appropriate a referral to Occupational Health should be made. A list of external and internal support is detailed in appendix 1 and information is available on the Council's intranet.

3.16 Reassure them – Employees may not always be ready to talk fully about the problems they are experiencing so it is important you outline what support is available, tell them your door is always open and let them know you will help to ensure they get the support they need.

3.17 Medication – Employees experiencing mental health issue may have been or will be prescribed medication. Unfortunately, certain medications can have negative and debilitating side effects, particularly in the early stages of treatment. These can include:

- Nausea
- Vomiting
- Insomnia
- Dizziness
- Drowsiness

## 4.0 Following Disclosure

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4.1 Record the conversation as accurately as you can to make a plan with the employee to carry out the next steps. This will help with your commitment to supporting the employee, provide a copy to the employee involved to ensure they agree that it is accurate.

4.2 The Equality Act (2010) outlines an employer's duty to make reasonable adjustments for people with disabilities in order to ensure that they have the same access to everything that involves gaining or keeping employment as a non-disabled person. If relevant, seek advice for HR People Service or Occupational Health.

4.3 It may be appropriate to inform someone else of the disclosure. This may be for the safety of the employee, or others, or it may be to ensure continuity of support during their absence or annual leave. This needs to be discussed with the employee first.

4.4 Commit to regular catch-ups or one to one meetings to continue the conversation and help the employee feel that their mental health problem is being treated in the same way as a physical illness would.

4.5 Seek advice and support yourself. The Employee Assistance Programme can provide tailored advice to support employees.

## **5.0 Planning Ahead**

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5.1 Develop an action plan – work with your employee to develop an individual action plan which identifies the signs of their mental health problem, triggers for stress, the possible impact on their work, who to contact in a crisis, and what support they might need. (Appendix 2) The plan should include an agreed time to review the support measures to see if they are working. Where appropriate seek advice from the Occupational Health Service or from HR People Services. It is likely the employee will require a period of time to complete the action plan and an additional meeting or meetings to discuss. It should however, be recognised that some mental health issues are episodic, and nebulous. The unpredictability may therefore make the completion of a plan difficult.

The plan may contain:

- Details of possible reasonable adjustments to help the employee stay healthy in the workplace.
- A list of factors that can contribute to the employee becoming unwell, and how the employee will manage them if they cannot be avoided.
- Early warning signs of an employee's deteriorating mental health, and how they would like their manager (or were appropriate colleagues) to respond.
- Definite signs that the employee is unwell and how they would like their manager to respond.
- Contact numbers for the manager to call if they are concerned about the employee's health.
- Agreement as to who may see the information.
- Signatures from manager and employee that the information expresses their agreement.
- Review date to be agreed mutually.
- Things that the employee undertakes to do outside work to support themselves in returning to good health e.g. balanced diet, adequate sleep etc.

## **6.0 While an employee is off sick:**

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6.1 Actions to be considered:

- Keep in regular contact with the employee, in line with the Attendance and Wellbeing Policy.

- Arrange how work will be handled during the employee's absence. It should not just pile up until the person's return. This is especially important if the original difficulties were related to the stress of managing the workload. The Stress Management Policy (1.CM.118 ) can provide further guidance.
- Consider whether any reasonable adjustments are needed in the workplace.
- Discuss a phased return to work.
- Manage the absence in line with the Attendance and Wellbeing Policy.

### **7.0 When an employee returns from sickness absence:**

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- Hold a return-to-work interview to discuss any support needs and agree regular reviews. Discuss an early warning system for any future difficulties.
- If workplace stress contributed to the employee's ill health, agree a plan for how to prevent a recurrence of their illness. This may involve assistance with prioritising, reallocation of some work, further training or revision of work processes.
- Consider a gradual resumption of tasks. It may be better for the employee to start with a limited number of tasks.
- If agreed brief other team members about the employee's wishes, so that they can be supportive but not intrusive. Respect the employee's wishes on privacy. In general a simple enquiry about an employee's wellbeing can be supportive and may help prevent any feelings of isolation.
- Update the employee about any workplace developments in their absence.
- Remember that even though the employee is back at work, they may still be living with mental ill health. Being at work may be part of their recovery process.
- Monitor performance and give the employee honest feedback.
- All of the above should be carried out in line with any guidance/reports from Occupational Health.

### **8.0 Performance concerns**

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8.1 If there are concerns about poor performance, the manager should explore whether there is a health or disability issue, or where it is known a mental health issue, before implementing any formal performance management steps. Asking simple questions about how an employee is, and whether anything is affecting their performance can give them an opportunity to disclose a disability, mental health issue or something else going on in their lives. It may also be useful to ask about relations with colleagues.



8.2 Managers should not force employee to disclose a mental health issue, or suggest they are ill, but can explore this in a way that is not intrusive or judgemental. One way is to start from your own observations e.g. "I've noticed that you've been having a lot of headaches recently. How are you feeling?"

8.3 If the manager is aware of a mental health issue, they should explore possible **reasonable adjustments for mental ill health** and performance should be monitored (Reasonable Adjustments Guidance - 5.C.275). In the small number of cases where an employee with severe mental health issues is unable to perform their role despite adjustments, advice should be sought from HR People Services.

8.4 Evidence of performance, including attendance records, should be collected, and should form the basis for an honest discussion between manager and employee. This makes it more difficult for the employee to deny the existence of any difficulties.

8.5 It may be helpful for a second person to sit in as an observer on all one-to-one meetings or the employee may wish to be accompanied by their Trade Union representative. A person with complex mental health issues may have difficulty in making a realistic assessment of a situation.

8.6 Managers should refer to the Capability Policy before commencing any process regarding performance and a referral to Occupational Health should be considered.

## 9.0 Tips for talking about mental health concerns

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### 9.1 Where

- In private, preserving confidentiality for the employee. Avoid glass-walled offices.
- In a venue where the employee feels equal e.g. seated at same level.
- An employee who is on sickness absence may find it easier to meet away from the office on neutral ground.
- Avoid interruptions by phone or other people. Make sure people cannot walk in on you.
- A place where any conversations cannot be overheard

### 9.2 How

- Speak calmly.
- Listen carefully.
- Set clear parameters for confidentiality: "I'm not going to share this information with anyone unless I believe that you or someone else is at risk of harm, when I have a duty of care to speak."

- Encourage the employee to talk.
- Be prepared for some silences – it may be difficult for an employee to talk.
- Avoid being too prescriptive with advice or recommendations. The employee must agree to any actions proposed.
- Try to use open questions such as:
  - “You seem a bit down/angry/under pressure, how are you feeling?”
  - “Would you like to talk about it?”
  - “How can I help of support you?”
  - “Have you spoken to your GP or anyone else?”
- Try to keep your own emotions out of the situation. An approach of curiosity, and wanting to learn, may work best. The employee may already be having difficulty in managing their powerful feelings. Sometimes you may be able to help them recognise how they are feeling, and add a broader view, “I hear that you are annoyed with yourself for making that error, but you recognised it immediately and took appropriate action.”
- Focus on solutions not problems.

## 10.0 What next?

10.1 It is important that several things emerge from any discussion:

- The employee should feel reassured that they have been listened to.
- The manager and employee agree a plan of action and support, detailing the steps that will be taken to help the employee recover.
- Agree whether further support will be sought e.g. from Occupational Health Service.
- A time and place are agreed for a meeting to review whether any support agreed is working, and whether the employee is benefitting.

## 11.0 Colleagues having concerns about fellow employees

An employee with a mental health issue will sometimes come to the notice of a fellow employee/s. It is in the employee's interests to be offered support as soon as possible, as it improves the chances of a successful outcome. It is imperative that managers create an environment where colleagues feel confident to be open and supportive in these circumstances. Although it may be difficult, employees are encouraged to raise the issue with their line manager.

## 12.0 Related Documents

Mental Health Policy  
Attendance and Wellbeing Policy 1.CM.049

Flexible Working Policy 1.CM.088  
Reasonable Adjustments Guidance 5.C.275  
Redeployment Policy 1.CM.207  
Stress Management Policy 1.CM.118  
Stress Risk Assessment Code of Guidance 1.CM.113  
Carers Policy 1.CM.188  
Management of Alcohol, Drugs and Substance Misuse 1.CM.134

## Appendix 1 Support Contact Details

**Employee Counselling Service** – The Employee Counselling Service (ECS) offers free and confidential counselling to anyone who is employed by the Cardiff Council. Telephone 029 2078 8301 <http://cmsweb/cardiff/content.asp?id=11153&d1=0>

**Employee Assistance Programme – Carefirst** – This free phone telephone service is available 24 hours a day, 365 days of the year. All calls are answered directly by a team of qualified and experienced counsellors. Professional information and advice services are also provided by a separate team of information specialists plus there is access to a web based information service. Telephone 0800 174319 <http://cmsweb/cardiff/content.asp?id=40976>

### NHS Choices

The NHS website has a wide range of advice and practical tools for raising awareness of mental health issues, self-management of symptoms and sources of further specialist help.

[www.nhs.uk/livewell/mentalhealth](http://www.nhs.uk/livewell/mentalhealth)

### NHS Direct Wales

Telephone 0845 4647

Website [www.nhsdirect.wales.nhs.uk](http://www.nhsdirect.wales.nhs.uk)

Health advice 24 hours a day, 365 days a year.

### Centre for Mental Health

The Centre for Mental Health works to improve the quality of life for people with mental health problems by influencing policy and practice in mental health and related services. It focuses on criminal justice and employment.

Tel: 020 7827 8300

[www.centreformentalhealth.org.uk](http://www.centreformentalhealth.org.uk)

### Samaritans

Telephone: 08457 90 90 90 (24 hours a day)

Email [jo@samaritans.org](mailto:jo@samaritans.org)

Website [www.samaritans.org](http://www.samaritans.org)

Provides confidential, non-judgmental emotional support for people experiencing feelings of distress or despair, including those that could lead to suicide. You can phone, email, write a letter or in most cases talk to someone face to face.

### **CALL (Community Advice and Listening Line)**

**Telephone 0800 132 737**

**Website [www.callhelpline.org.uk](http://www.callhelpline.org.uk)**

Offers emotional support and information/literature on Mental Health and related matters to the people of Wales. Anyone concerned about their own mental health or that of a relative or friend can access the service. C.A.L.L. Helpline offers a confidential listening and support service.

### **Saneline**

**Telephone 0845 767 8000 (6pm-11pm)**

**Website [www.sane.org.uk](http://www.sane.org.uk)**

Saneline is a national mental health helpline providing information and support to people with mental health problems and those who support them. If you're a carer needing support you can contact all of the above as well as Carers Direct and the Princess Royal Trust for Carers, both of whom are able to provide support and advice on any issues affecting you

### **Rethink Mental Illness Advice Line**

**Telephone 0845 456 0455 (10am-1pm Monday to Friday)**

**Email [info@rethink.org](mailto:info@rethink.org)**

**Website [www.rethink.org](http://www.rethink.org)**

Rethink is the largest national voluntary sector provider of mental health services with 340 services and more than 130 support groups. It helps over 48,000 people every year through its services, support groups and by providing information on mental health problems.

It expert advice and information to people with mental health problems and those who care for them, as well as giving help to health professionals, employers and staff.

Helpline: 0300 5000 927

[www.rethink.org](http://www.rethink.org)

### **Mind Infoline**

**Telephone: 0300 123 3393 (9am-5pm Monday to Friday)**

**Email [info@mind.org.uk](mailto:info@mind.org.uk)**

**Website [www.mind.org.uk](http://www.mind.org.uk)**

Mind is the leading mental health charity in England and Wales. It campaigns to create a better life for everyone with experience of mental distress. Mind provides confidential mental health information services. With support and understanding,

Mind enables people to make informed choices. The Infoline gives information on types of mental distress, where to get help, drug treatments, alternative therapies and advocacy. Mind also has a network of nearly 200 local Mind associations providing local services.

### **Education Support Helpline (for teachers and employees in education)**

Telephone: 08000562561

Advice, support and Counselling 24 x7

Website [www.education-supportpartnership.org.uk](http://www.education-supportpartnership.org.uk)

### **TUC**

Website [www.tuc.org.uk](http://www.tuc.org.uk)

Advice on mental health first aid.

### **Cognitive Behaviour Therapy**

[WWW.MOODJUICE.CO.UK](http://WWW.MOODJUICE.CO.UK)

[WWW.MOODGYM.CO.UK](http://WWW.MOODGYM.CO.UK)

### **Dewis Wales**

Information and advice about individual well-being or how you can help someone else.

### **Sources of advice and information for managers:**

Employee Assistance Programme Manager Support Line

NHS Health for Work Adviceline

Tel: 0800 077 8844

<http://www.nhshealthatwork.co.uk/>

The Mind Infoline

Lines are open 9am to 6pm, Monday to Friday (except for bank holidays).

Tel: 0300 123 3393 [info@mind.org.uk](mailto:info@mind.org.uk). Text: 86463

Mindful Employer - [www.mindfulemployer.net](http://www.mindfulemployer.net)

Developed, led and supported by employers, the MINDFUL EMPLOYER® initiative is aimed at increasing awareness of mental health at work and providing support for businesses in recruiting and retaining employees.

Centre for Mental Health - <http://www.centreformentalhealth.org.uk/>

The Centre for Mental Health aims to help to create a society in which people with mental health problems enjoy equal chances in life to those without.

Health and Safety Executive – <http://www.hse.gov.uk/stress/>

Mental Health First Aid Guidance for Line Managers-

[http://mhfaengland.org/files/5613/9101/5215/MHFA\\_Line\\_Managers\\_Resource.pdf](http://mhfaengland.org/files/5613/9101/5215/MHFA_Line_Managers_Resource.pdf)

Time to Change Wales - Time to Change Wales is the first national campaign to end the stigma and discrimination faced by people with mental health problems.

<http://www.timetochangewales.org.uk/en/>

### **Bereavement**

Cruse Bereavement Care helpline for bereaved people and those caring for bereaved people

Tel: 0844 477 9400

Email: [helpline@cruse.org.uk](mailto:helpline@cruse.org.uk)

[www.crusebereavementcare.org.uk](http://www.crusebereavementcare.org.uk)

### **Teachers**

Teacher Support Network is an independent charity that provides practical and emotional support to trainee, serving and retired teachers and their families.

24/7 Support Line; 08000 562 561(UK) 08000 855 088 (Wales)

Email: [support@teachersupport.info](mailto:support@teachersupport.info) [www.teachersupport.info](http://www.teachersupport.info)

### **Debt**

Stepchange Debt Charity provides help for anyone in debt or concerned they may fall into debt

Freephone 0800 138 111(includes all mobiles) [www.stepchange.org](http://www.stepchange.org)

Email [www.Stepchnage.org/contactus/sendusanemail.aspx](http://www.Stepchnage.org/contactus/sendusanemail.aspx)

### **Gambling**

Gamcare offers confidential counselling, advice and information for anyone affected by a gambling dependency.

[Tel:0808 802 0133](tel:08088020133) [www.gamcare.org.uk](http://www.gamcare.org.uk)

## Appendix 2

### EMPLOYEE WELLNESS ACTION PLAN

The information in this form will be held confidentially and should be regularly reviewed by the employee and line manager. Whilst the employee only needs to provide information that they are comfortable sharing and that relates to their role and workplace, the aim is to provide support and therefore the sharing of information will aid this. It can help the employee and manager to agree, together, how to practically support you the employee in your role and address any health needs. It is the responsibility of the manager to ensure that data gathered in this form will be kept confidential and will not be shared with anyone without the permission of the employee, the exception to this is safeguarding or criminal issues were confidentiality cannot be ensured.

However, it should be recognised that some mental health issues are irregular and ill defined. The unpredictability may therefore make the completion of a plan difficult.

The employee may wish to complete the action plan themselves and then arrange a meeting to discuss. Remember it is important to choose an appropriate place – somewhere private and quiet where the person feels comfortable and equal.

1. What helps you stay mentally healthy at work?

(For example taking an adequate lunch break away from your desk, getting some exercise before or after work or in your lunchbreak, light and space in the office, opportunities to get to know colleagues, quiet place to work)

2. What can your manager do to proactively support you to stay mentally healthy at work? (For example regular feedback and catch-ups, flexible working patterns, explaining wider organisational developments minimising impact of unsuitable environment (heat, light, noise, etc), home working)

3. Are there any situations at work that can trigger poor mental health for you? (For example conflict at work, organisational change, tight deadlines, something not going to plan)

4. How might experiencing poor mental health impact on your work?

(For example you may find it difficult to make decisions, struggle to prioritise work tasks, difficulty with concentration, drowsiness, confusion, headaches, tiredness)  
What does good mental health at work look like for you?

5. Are there any early warning signs that we might notice when you are starting to experience poor mental health? (For example changes in normal working

patterns, withdrawing from colleagues tiredness, changes in expressing self, changes in clothing/hygiene)

6. What support could be put in place to minimise triggers or to support you to manage symptoms? (For example: extra catch-up time with line manager, environmental factors)

7. Are there elements of your individual working style or temperament that it is worth your manager being aware of?

(For example a preference for more face to face or more email contact, a need for quiet reflection time prior to meetings or creative tasks, negotiation on deadlines before they are set, having access to a mentor for questions you might not want to bother your manager about, having a written plan of work in place which can be reviewed and amended regularly, clear deadlines if you have a tendency to over-work a task, tendency to have particularly high or low energy in the morning or in the afternoon)

8. If we notice early warning signs that you are experiencing poor mental health – what should we do?

(For example talk to you discreetly about it, contact someone that you have asked to be contacted)

9. What steps can you take if you start to experience poor mental health at work? Is there anything we need to do to facilitate them?

(For example you might like to take a break from your desk and go for a short walk, or ask your line manager for support)

10. Is there anything else that you would like to share?

11. Agreed actions( if appropriate)

12. What (if any) information may be shared with colleagues?



Employee signature \_\_\_\_\_

Date \_\_\_\_\_

Line manager signature \_\_\_\_\_

Date \_\_\_\_\_

Date to be reviewed \_\_\_\_\_

DRAFT

Mae'r dudalen hon yn wag yn fwriadol

**UNISON** welcomes the creation of a Mental Health policy and congratulates Cardiff Council for being a leading example in addressing the issues faced by staff in the workplace who suffer from Mental Ill Health. This is an excellent step in the right direction and follows on from the positive work already undertaken by singing up for Time To Change Wales.

We would just like it noted that we are mindful that the best policies are of little use unless there is consistent and sympathetic implementation by managers. Our members with mental health conditions covered under the Equality Act are still often facing punitive and stressful measures under the Attendance and Wellbeing Policy. This sometimes exacerbates their conditions and consequently adversely affects their attendance at work. So we would like Cardiff Council to address some of the discrepancies entailed in both the Mental Health and Attendance policies and work in consultation with Trade Unions and other relevant bodies to resolve them.

Mae'r dudalen hon yn wag yn fwriadol

**CYNGOR CAERDYDD  
CARDIFF COUNCIL**

**POLICY REVIEW & PERFORMANCE  
SCRUTINY COMMITTEE**

**20 September 2017**

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**WORK PROGRAMME 2017/18**

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**Purpose of the Report**

1. To seek Members' approval for the Committee's 2016/17 planned programme of work.

**Context**

2. At its meeting on 18 July 2017 the Committee heard from four Directorates relevant to its Terms of Reference, the key challenges they faced for 2017/18; and how Directors felt the Committee's work programme for 2017/18 could constructively assist in the improvement of services.
3. The Council's Constitution states that each Scrutiny Committee will set its own work programme for the forthcoming year (*Scrutiny Procedure Rule 7*). The Committee is tasked with constructing a work programme that ensures the time available to the Committee is used most effectively by considering items in a timely fashion that maximise the impact of scrutiny.
4. Members are reminded that the Committee's terms of reference is corporate policy and performance overview focussed, with responsibility for scrutinising, measuring and actively promoting improvement in the Council's overarching performance. It is also responsible for scrutinising the performance of a number of specific services that fall within the following four Directorates: **Resources**: (Finance; Commissioning & Procurement; Performance; Partnerships; Organisational Development Programme; ICT; HR; Communications); **Governance & Legal** (Legal; Scrutiny; Equalities; Governance & Member

Support; Bilingual Cardiff; Glamorgan Archives); **Economic Development:** (Strategic Estates); and **Communities, Housing & Customer Services.** (Customer Services).

5. Full Council, on 29 June 2017, approved the following meeting dates for this Committee, which fall on a Wednesday, starting at 4.30pm.

20 September 2017	14 March 2018
4 October 2017	18 April 2018
15 November 2017	16 May 2018
6 December 2017	20 June 2018
17 January 2018	4 July 2018
14 February 2018 (budget scrutiny)	

## Work Programming

6. The work programme is constructed at the beginning of the municipal year, and is updated and amended during the year in order to respond to urgent priorities or policy developments. It also has to remain flexible and responsive in order to cover any urgent issues occurring throughout the year.
7. At its 18 July meeting the Committee agreed to the Chair in liaison with the Principal Scrutiny Officer completing the list of possibilities identified by stakeholders and circulating a list of options for Member's prioritisation during the summer. Members agreed the final Work Programme would be discussed at an informal work-programming forum to be held prior to committee on 20 September 2017, and agreed at the formal meeting.
8. In August 2017 **Appendix 1**, titled 'Work Programming Prioritisation' was circulated to Members, requesting input to PRAP Scrutiny Committee's 2017/18 Work Programming, inviting Members to prioritise items, setting the tone and influencing the content of the Committee's work focus.

9. The document lists around 40 possible items potentially available to the Committee. To maximise the impact of the Committee's work Members were invited to RAG rate each item. An item rated RED would be programmed; rated AMBER we would aim to programme; and rated GREEN was unlikely to be programmed, due to a lack of available Committee time.
10. Discounting September and February meetings, the Committee can consider around 27 items over the remaining nine meetings.

### **Way Forward**

11. Committee Members will have the opportunity to discuss priorities emerging from responses received at the informal work programme forum prior to the committee. At the formal meeting, Members are invited to agree priorities, and agree whether any amendments are required, prior to circulation of the final programme.

### **Legal 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 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**

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 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 agree its work programme for 2017/18, including that:

- i. The Work Programme list at Appendix A be updated to include priorities agreed at the forum prior to committee;
- ii. The Chair will circulate the final Work Programme for 2017/18 to all Committee members.

### **DAVINA FIORE**

Director Governance & Legal

14 September 2017



	<b>Standard Items</b>	Source	SRO	Scope for Scrutiny	Timing	R	A	G
1	<p><b>Corporate Plan 2018/2020</b></p> <p>The Council refreshes its Corporate Plan each year. The new administration will not be refreshing the existing Corporate Plan but will continue to monitor performance against the existing Corporate Plan until production of the 2018/20 Corporate Plan, when Capital Ambition priorities will be converge with the new Plan, and the two will sit alongside one another.</p> <p>See below (page 18) Corporate Plan 2016/17 Objectives relevant to the Committees Terms of Reference. All Objectives have been integrated in the following list of potential items for the Committee's 2017/18 work programme.</p>	SO	Chief Exec  Gareth Newell	Policy development  Pre-decision	Jan  Feb			
2	<p><b>Draft Budgetary Proposals 2018/19</b></p> <p>The Committee will have a two-fold responsibility to scrutinise the whole Council budget, factoring in the concerns of all four other scrutiny committees, and to focus on those services specifically under its Terms of reference.</p>	CM/SO	Cllr Weaver  Christine Salter	Pre-decision	Feb			
3	<p><b>Budget Monitoring 2017/18</b></p> <p>There is an option for the Committee to monitor the budget, based on quarterly monitoring by the Cabinet. Reports would be available post consideration by Cabinet. Option to undertake this via an informal budget panel that escalates issues for further scrutiny to the next available full formal committee.</p>	SO	Christine Salter  Ian Allwood	Monitoring				
	Month 4				Sept/ Oct			
	Month 6				TBA			
	(Month 9)				TBA			

4	<p><b>Budget Strategy 2018/19 and MTFP</b></p> <p>The <b>3 year financial position</b> (Save £80m over 3 years)</p> <p>The Cabinet set out its financial strategy for addressing the 2018/19 budget at its meeting on 27 July 2017. Members may find a briefing a useful foundation for budget scrutiny/monitoring.</p>	CM	Christine Salter	Briefing to inform financial scrutiny going forward.	Sept			
5	<p><b>Quarterly Performance Monitoring Reports – Corporate overview</b></p> <p>Cabinet considers quarterly performance monitoring reports</p> <p>Committee has previously taken a close interest in pre-decision scrutiny of ongoing proposals to refresh the Council’s performance management framework, and to refresh performance-monitoring arrangements.</p> <p>The Resources Directorate delivery plan has an action to implement the Performance Management Strategy across the organisation to support the Council’s continued improvement.</p> <p>Option to consider reports formally at Committee, either quarterly or six-monthly; or to receive reports for information/briefing only, to identify/inform future scrutinies /deep dives and agenda planning.</p>	SO	Chief Exec Joe Reay	Monitoring. Strategy and delivery.  To identify deep dives				
	Quarter 1				Sept			
	Quarter 2				Dec			
	Quarter 3				March			
	(Quarter 4)				TBA			
	<b>Annual Complaints Report</b>	For-	Sarah	Pre-decision	Oct			

6	<p>The annual complaints report for the Council provides the total number of complaints and compliments received by the Authority each financial year. This includes information on the volumes received by each service area with narrative provided on trend analysis, explaining any increase or decrease from the previous year. Improvements made by the Council because of customer feedback is also considered and documented.</p> <p>Additional information is provided on complaints that have been escalated to the Public Ombudsman for Wales including data such as the number of complaints being upheld.</p> <p>The report is on the Cabinet forward plan for October.</p>	ward Plan	McGill/ Isabelle Bignall	<p>monitoring.</p> <p>Inform Committee's forward work planning</p>	All year				
<b>Committee Business</b>									
7	<b>Work Programme reports</b> - update Members quarterly	PSO			Nov/ March /June				
8	<b>Annual Report 2017/18</b> - usually presented to June Council	PSO		Approval	May				
9	<b>Correspondence updates</b> – Bi-Monthly record of Committees recommendations and Cabinet responses.	PSO			Nov/Jan /March /May				
10	<b>Audit Committee minutes</b> – For information as available		Ian Allwood		Jan/ Mar				
<b>Partnership Scrutiny</b>									
11	<b>Public Services Board (PSB)- Well-being Plan</b>	Leader /SO	Chief Exec  Joe Reay	Pre-decision response to consultation.	Oct  March				
	The Well-being of Future Generations (Wales) Act 2015 requires the Council and its								

	<p>partners that form the PSB to assess the state of economic, social, environmental and cultural well-being in its area, and develop a Well-being Plan. Cardiff's PSB has developed draft well-being objectives and will be consulting on its Well-being Plan <i>autumn</i> 2017. The Committee is a statutory consultee.</p> <p>Following July's meeting Members proposed, subject to agreeing the Committees work programme on 20 September 2017 to scrutinise Cardiff's Well-being Plan, during the 12-week consultation period (Autumn 2017) and prior to final approval by the Board. (Spring 2018). Members are looking for measurable targets and outcomes in the final Well-being Plan that enables the Committee to monitor progress over time.</p> <p><i>(Note a priority of Capital Ambition is an emphasis on partnerships facilitating the City's economic leverage to improve the living standards of most people.)</i></p>		Gareth Newell					
	<b>Work prioritised following previous scrutiny in 2016/17.</b>							
12	<p><b>Alternative Delivery Model - follow up</b></p> <p>The Committee undertook a joint scrutiny with the Environment Scrutiny Committee to evaluate ADM options. The commercialisation approach to delivering services continues, with work particularly focussed on non-domestic facilities management, fleet management and schools maintenance. The Council has successfully outsourced the provision of Leisure services.</p>	Chair	Neil Hanratty/ Tara King	Request progress briefing on roll out of further ADM /Commercial approaches to the provision of Council services.	Jan?			
13	<p><b>Visit to Connect 2 Cardiff</b></p> <p>Committee may wish to familiarise itself with the breadth of services delivered by C2C</p>	SO/IB	Isabelle Bignall		TBA			

	during the year, prior to holding a full Scrutiny Committee at Wilcox House. (Includes the Alarm Receiving Centre (ARC); and Welsh Interpretation & Translation Service (WITS).						
14	<p><b>Employee Health and Wellbeing Strategy 2016-19</b></p> <p>The previous Committee agreed (June '16) that it would like to monitor whether managers are improving in their ability to identify work related stress, particularly their ability to identify mental health issues in their staff.</p> <p>An action of the Resources Directorate delivery plan is to achieve the <i>Silver Level</i> of the <i>Corporate Health Standard</i> by March 2018 to promote and support the health and well-being of employees.</p> <p><i>(This item links well with the Mental Health Strategy, under development and programmed for Cabinet in the Autumn.)</i></p>		Christine Salter/ Philip Lenz	Policy review	Oct/ Nov		
15	<p><b>Non Operational Investment Property Estate</b></p> <p>Committee has previously requested an annual report on the performance of the <b>Investment Estate Board</b>; supported by a cash flow statement outlining all sources of income and allocation of funding.</p>		Neil Hanratty/ Helen Jones	Monitoring			
16	<p><b>Business continuity</b></p> <p>Previous Committees have expressed concern (July '16) that 100% of the risk around Business Continuity had not been mitigated and wished to factor further work on this topic into work programming discussions, allowing for consideration of full Business</p>	Chair/ CM	Christine Salter	Policy Development/ Short scrutiny?	2018		

	Continuity plans and red/amber risks. The Cabinet Member responsible has expressed an interest in the Committee assisting in identifying who does this well (private or public) and benchmarking the Council's approach.							
<b>Corporate Improvement</b>								
17	<b>WAO Annual Improvement Report 2016/17</b>  This Annual Improvement Report summarises audit work undertaken by WAO, CSSIW and ESTYN in the Council over the past year, and provides the Auditor General's determination as to whether the Council has put in place reasonable arrangements for improvement to comply with the requirements of the Local Government Measure.	SO	Joe Reay	Circulate for info; bring to Oct/Nov to inform future lines of enquiry.	Oct/Nov			
18	<b>WAO Annual Plan 2017/18</b>  A key pillar of the WAO 2017/18 plan is to further enhance its work on supporting effective scrutiny and accountability. This is proposed by providing support and guidance to committee chairs and providing good practice seminar opportunities and awareness raising sessions for committee members on relevant issues.  In September WAO will commence a review of how well placed local government scrutiny is to deal with the statutory responsibilities of the Well-being of Future Generations Act, and the future challenges of the White paper agenda for regional service delivery. The review framework will involve a limited number of evidence gathering interviews and review of arrangements for PSB scrutiny. There will be regional seminars for WAO to report back findings, and local rather than a national report. The review is likely to map the direction of travel of scrutiny resources.	WAO	Joe Reay  Davina Fiore	Engage with review as appropriate.  Scrutiny of findings to reflect on Council's position and make recommendations to Cabinet if necessary.				

19	<p><b>Statutory Annual Improvement Plan 2016/17</b></p> <p>The Council must produce this statutory document each year as a reflection of its performance and activities in the previous financial year in line with the Corporate Plan.</p>	SO	Joe Reay	Monitoring Council performance	Oct			
20	<p><b>WAO Governance Review</b></p> <p>As a part of its 2016/17 work plan the WAO undertook a review of governance arrangements in the Council. The final report is available, and Members may wish to receive a briefing note, or a fuller briefing at committee.</p>	SO	Joe Reay	To inform future work programming and lines of inquiry.				
21	<p><b>Organisational Change Programme</b></p> <p>New <b>3-year organisational development</b> programme.</p> <p>Cabinet will consider a provisional account of the Council's programme of future change activity, highlighting the intended overall structure, headline projects and key areas of focus. The Committee's role is both to monitor the progress of the overarching change programme, as the organisations prime vehicle for improvement, and to focus in more detail on those projects within strands that are pertinent to its Terms of Reference.</p> <p>An external review of the ODP has recently been completed and the new change programme will have a narrower focus, a smaller number of projects, and greater focus on technology, particularly IT in the workplace.</p>	Cllr Weaver /Chief Exec	Chief Exec	To consider the proposed headline programme and identify projects for future scrutiny, continuing to monitor progress throughout 17/18	Sept			

	Committee is a key stakeholder, and consideration of this provisional account will be key to the committee's work programme.						
22	<p><b>Organisational Change Programme projects</b></p> <p>Following sight of the provisional change programme, specific change projects may require in depth progress reports during 17/18, containing greater detail.</p>	Chief Exec	Chief Exec	Progress monitoring/ pre-decision scrutiny of projects	as appropriate		
23	<p><b>Digitalisation</b></p> <p>Capital Ambition aspires to a digital first approach to Council services. The Resources Directorate is tasked with progressing digitalisation to change the Council's way of working through digitalisation, reflecting changes in customer preference by enabling them to interact with our services through their preferred methods, and to enable the Council to adopt more efficient working practices.</p> <p>The Director has indicated digitalisation within the Council needs to accelerate and provide the Council with savings, and she had hoped that Customer Relationship Management work would be further down the line. The MTFP needs savings over the next 3 years, such as the e-billing of Council tax.</p> <p>The previous Committee proposed</p> <ul style="list-style-type: none"> <li>Continuing to monitor progress in finding a solution to the implementation of the CRM model across the organisation;</li> <li>Undertaking a case study exercise that monitors the customer journey of socially excluded, elderly and technologically disengaged customers.</li> <li>Exploring opportunities for technological collaboration with other councils, in discussion with the WLGA.</li> <li>Considered channel choice important, particularly maintaining services for those less digitally focussed, such as the elderly</li> </ul>	Members/ SO	Christine Salter	Monitoring progress with a view to deeper inquiry in 2018, including testing the customer experiences of the less digitally able.	March /April		



	<p>Actions within the <i>Communities, Housing and Customer Services</i> directorate that are linked to Digitalisation progress include increasing customer contacts to the Council using digital channels, and reviewing, promoting and increasing current online services offered by C2C.</p> <p>New Members have highlighted Customer Services and the rapidly changing channel shift/access to services as an area of interest. Digital inclusiveness is considered important.</p>		Sarah McGill				
24	<p><b>Social Responsibility Policy. (Community Benefits Charter)</b></p> <p>The Social Responsibility Policy and Charter (Community Benefits Charter) will aim to ensure local communities benefit when the Council spends money on goods and services.</p> <p>The Policy will cover Social Responsibility, Community Benefits and the Living Wage. It outlines the council’s approach to maximising the delivery of Community Benefits across the city, and wider region, through the inclusion of community benefits clauses in Council contracts and the delivery of a Community Benefits Charter.</p> <p>The Charter is a set of guiding principles to which Cardiff City Council will adhere and will invite its contracted suppliers, the wider business community, other public sector bodies (including schools), and third sector organisations (including grant recipients), to adopt.</p> <p>An action of the Resources delivery plan is to work with major contractors and providers to deliver increased social value through Council contracts by creating opportunities for apprenticeships, work placements and employment.</p> <p>Community Benefits Charter signatories will consider and describe how they can improve the economic, social and environmental well-being of Cardiff that result from</p>	Cllr Weaver	Christine Salter	Pre- decision	Oct		

	their activities. This includes indirect outcomes through commissioning and procurement.							
25	<p><b>Mental Health Policy</b></p> <p>As a part of the Employee Health &amp; Wellbeing Strategy, the Cabinet will consider a new Mental Health Policy. The Committee's views are sought as a part of the Council's decision-making framework.</p>	Employee Voice	Philip Lenz	Pre-decision	Oct/Nov			
26	<p><b>Workforce Strategy</b></p> <p>A Capital Ambition is to develop and appropriately skill the workforce to meet the changing needs and demands of the Council. The Resources directorate delivery plan includes a Strategic Priority to implement the workforce strategy by increasing apprenticeships, traineeships and work placements.</p>	SO	Christine Salter	Request briefing/update to monitor progress				
27	<p><b>International Strategy</b></p> <p>The Corporate Plan indicates the Council will develop a revised International Strategy for Cardiff in 2017/18 reflecting the implications of and opportunities from last year's referendum decision for the UK to leave the EU.</p> <p>The Cabinet considered an initial report on the implications of the outcome of the European Referendum in July '16.</p> <p>During induction work programming discussions Members expressed an interest in how the council can prepare for the implications of Brexit. (suggested by Cllr Boyle).</p>	Member	Leader/ Chief Exec	Request a briefing on current position/future preparations.	TBA			

28	<p><b>Voluntary /Third sector relations:</b></p> <p>The role of Dewis Cymru and how the weight of the voluntary and third sector can be more effectively harnessed by the local authority to deliver services. (suggested by Cllr Boyle )</p> <p>The Dewis Cymru directory is a centralised website for residents to find quality information about well-being from a network of social care, health and third sector organisations across Wales without going to a professional or calling for help. With over 1,500 well-being resources registered, Visitors to <a href="https://www.dewis.wales/">https://www.dewis.wales/</a> can select the category they are interested in and a range of advice and links to services available. It should be a valuable tool.</p> <p>The Committee heard from Sarah McGill of the growing community and 3<sup>rd</sup> sector partnership work with the Council and a stronger join up with the Council.</p>	Cllr Boyle  Sarah McGill	SM/IB	<p>Committee has voluntary sector relations within its Terms of Reference and may wish to request a briefing on Dewis Cymru; and how it contributes to effective customer service.</p> <p>Option to scope deeper inquiry into strengthening 3<sup>rd</sup> sector relations.</p>	Oct	
29	<p><b>Community Asset Transfers</b></p> <p>Where delivery models of service provision are changing, how successful have community asset transfers been?</p> <p>Committee heard there have been just 2 CAT's over the past 18 months, where community groups have taken over responsibility for maintaining community land and facilities.</p>	Cllr Berman  SO	Neil Hanratty	Scope deeper inquiry/short scrutiny	Sept/  Oct	

30	<p><b>Corporate Risk Register</b></p> <p>Available to inform the Committees planning and scrutiny focus. For information/planning purposes only</p>	Ian Allwood	Christine Salter	Circulate mid and end of year reports.			
31	<p><b>Corporate Safeguarding</b></p> <p>The Council is proposing to develop a Corporate Safeguarding policy that will apply to all Members of staff. It will consider how staff should deal with a situation where they encounter evidence of neglect and domestic violence, and examine how best to share such intelligence across Council services.</p>	Cllr Weaver	Tony Young	Policy Development	TBA		
<b>National Developments</b>							
32	<p><b>Welsh Government proposals for regional collaboration &amp; shared local government services.</b></p> <p>Alongside the statutory Public Services Boards recently established under the Well-being of Future Generations (Wales) Act 2015, an enhanced level of regional planning has been proposed for local government services in Wales, with associated reforms to funding mechanisms and an increase in the complexity of governance models.</p> <p>The White Paper-Resilient and renewed, published in January 2017 aspired to Local Authorities taking the opportunity of new regional</p>	SO	Chief Exec	<p>Contribute to Council response.</p> <p>Feed into development of governance arrangements.</p>	As required		

	arrangements to develop smart scrutiny approaches.....move away from scrutinising the minutiae of day to day operations and focusing on where major impacts for citizens are or on matters that are new or contentious....eg using digital technology....giving citizens a key role in the process.						
33	<p><b>Electoral Reform</b></p> <p>The Wales Act 2017 will introduce new reserved powers for the National Assembly. The white paper Resilient and Renewed indicated that, subject to the passing of the Act, the Assembly proposes to make legislation that will allow all councils in Wales to decide which voting system best reflects, the needs of local people. The Government is currently seeking views on a range of proposed electoral reforms; Voting eligibility; improving registration; the voting system and process; standing for election; and Returning officers.</p> <p>Consultation responses must be returned by 10 October 2017.</p> <p>Note: Committee has previously highlighted concerns at how Council elections are resourced.</p>	SO	Davina Fiore	Request an opportunity to feed Committee views into the Council's response to WG consultation.	Sept/ Oct		
34	<p><b>Welsh language Standards</b></p> <p>Capital Ambition supports the creation of truly bilingual city. The Bilingual Cardiff Member Group has previously requested that the Welsh Language Standards Annual Report comes to scrutiny annually prior to full Council in June.</p> <p>Previous Committee proposed</p> <ul style="list-style-type: none"> <li>○ Conducting more focussed case study type inquiry work, with a view to examining the challenge to a private sector employer of offering a</li> </ul>	Capital Ambition  SO	Davina Fiore	Monitoring Pre-Council  Scope possible case studies	May		

	<p>bilingual service, and at how the Council is supporting bilingualism in an English speaking school;</p> <ul style="list-style-type: none"> <li>○ Monitoring progress in delivering the Welsh Language Standards on an annual basis.</li> </ul>							
<b>Potential Inquiry/Short Scrutiny</b>								
35	<p><b>Customer Service</b></p> <p><b>Phase 1: Customer Leadership</b> Task &amp; Finish Group. – Customer culture.</p> <p>“How to achieve a Council Wide customer first culture / ethos”</p> <p>Understand and outline the challenges the Council faces as an organisation;</p> <ul style="list-style-type: none"> <li>● Diverse services</li> <li>● Multiple touch points</li> <li>● Large staff group</li> <li>● No standard approach to customer service and management</li> </ul> <p><i>In scope;</i></p> <ul style="list-style-type: none"> <li>● Customer charter detailing expectations from customer and staff perspective</li> <li>● Customer “champions” in each area</li> <li>● Attitudes towards customers and taking responsibility for their issues / enquiries</li> <li>● Customer Service Training corporately</li> <li>● Imbedding a customer service ethos in all staff</li> <li>● Closing the “loop” – if you have to pass a query on how to ensure closure</li> </ul>							

	<ul style="list-style-type: none"> <li>• Our policy (guidelines) for supporting the digitally disadvantaged</li> <li>• Digital inclusiveness</li> </ul> <p><i>Out of scope</i></p> <ul style="list-style-type: none"> <li>• Technology solutions</li> </ul> <p>The Communities, Housing and Customer Services Directorate has offered staff time to support this task, with a view to taking responsibility for implementing the review findings.</p> <p><b>Phase 2 – Customer technology.</b></p> <p>See Digitalisation at 23 above.</p>					
36	<p><b>Well-being of Future Generations Act 2015</b></p> <p>Cllr Bowen-Thompson has suggested consideration of the how Scrutiny can apply the ways of working proposed in the Act.</p> <p>Note In January 2018 the Wales Audit Office will hold a seminar examining the implications of the WFG Act for the scrutiny function.and the role that this plays in the overall governance framework of public bodies.</p> <p>The seminar is aimed at officers and members from across the 44 bodies that come under the Act and members/ non execs with direct responsibility for scrutinising executive functions. Attendees will gain an understanding of the implications of the WFG Act for those that scrutinise public services, particularly in relation to the five</p>	Member	Davina Fiore	<p>Scoping paper of implications of applying the Act to Scrutiny.</p> <p>Expressions of interest to attend.</p>		

	ways of working.							
37	<p><b>Operational estate - management of the schools estate (commercialisation)</b></p> <p>Members enquired as to the sufficiency of resources allocated to deal with the priority of taking steps to address the historic maintenance backlog in school buildings, given that currently £2m pa is programmed to deal with potentially £4.5m pa of maintenance required.</p> <p>Members may wish to consider the standard of the schools estate, the risks posed for the Council, and financial strategies to mitigate the risks.</p>	SO	Neil Hanratty Tara King	Scoping paper on the proposed programme of maintenance, how the Council proposes to mitigate Health and Safety and reputational risks, and resource necessary maintenance.	Sept /Oct			
38	<p><b>Sickness absence</b></p> <p>The Council's sickness absence rate is increasing again, after several years of improvement. The Resources directorate has an action to reduce corporate sickness absence to 9 days p.a. by March 2018 through continued monitoring, compliance and support for employees and managers. The Cabinet Member has brought to the Chairs attention that APSE has recently been working with the Council to review the position and policy, whether there is a policy gap, or an implementation gap. Committee has been offered sight of this review, and may wish to consider further in depth scrutiny of the <i>causes</i> of increasing sickness absence rates.</p>	CM	Christine Salter	Scope short scrutiny/inquiry				
39	<b>Democratic engagement.</b>	SO	Davina	Scope possible short scrutiny	Sept/			



	<p>How to increase public engagement with democratic processes. What works elsewhere? How to balance with resource requirements.</p> <p>Capital Ambition prioritises Citizens becoming <b>more involved in the decision making</b> (budget deficit, services and increased webcasting).</p>		Fiore		Oct			
40	<p><b>Identifying best practice - benchmarking</b></p> <p>Explore potential for a short inquiry to support the Council in identifying 'best practice' of other LA's in the UK (including Scotland and NI)</p> <p>Research and scope how Directorates compare themselves with others, and identify innovations elsewhere that are productive.</p> <p>Explore how well established the use of benchmarking is in the performance monitoring of council services. Is there value in routine publication of benchmarking against core cities for key council services?</p>	Chair		<p>Discuss angle of Terms of Reference and Scope options.</p> <p>Explore further with Head of Performance</p>	Sept /Oct			

## Appendix A

## Corporate Plan Objectives 2017/18 that fall within PRAP's Terms of Reference

## Priority 3: An economy that benefits all our citizens

**Well-being objective 3.4** Ensure high quality and sustainable provision of culture, leisure and public spaces in the city. Commitment is:

- Work with partners to double the number of Welsh speakers in Cardiff by 2050 through the **Bilingual Cardiff Strategy**, in line with Welsh Government's vision.

## Priority 4: Working together to transform services

**Well-being objective 4.1:** Communities and partners are involved in the redesign, development and delivery of local public services. Commitment is:

- Continue to deliver the **Community Hubs development programme** to provide a wide range of services, including advice, support and library provision within communities.

**Well-being objective 4.2:** Ensure effective governance arrangements and improved performance in key areas. Commitments are:

- Implement the new **Performance Management Strategy** across the organisation to support the Council's continued improvement.
- Further, **reduce sickness absence** by March 2018 through continued monitoring, compliance and support for employees and managers.
- Implement refreshed **Personal Performance and Development Review scheme** by March 2018 to improve staff performance.
- Ensure the Council's **decision-making process** is timely, inclusive, open, honest and accountable.

**Well-being objective 4.3:** Our services are transformed to make them more accessible, more flexible and more efficient. Commitments are:

- Deliver the Council's **Property Strategy** for fewer but better buildings

- Change our way of working through **digitalisation**, reflecting changes in customer preference by enabling them to interact with our services through their preferred methods, enabling the Council to adopt more efficient working practices.
- **Commercialise key Council services** to increase net gross income.
- Further, **develop the Medium Term Financial Plan** to inform the Annual Budget Setting Process, ensuring robust decision making which is sustainable in the longer term.
- Implement the **workforce strategy** to develop and appropriately skill the workforce to meet the changing needs and demands of the Authority.

Mae'r dudalen hon yn wag yn fwriadol