

## POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

4 OCTOBER 2017

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

87 : APOLOGIES FOR ABSENCE

None

88 : DECLARATIONS OF INTEREST

The Chairperson advised Members that they had a responsibility under Article 16 of the Members' Code of Conduct to declare any interests and complete Personal Interest Forms.

89 : SENIOR MANAGEMENT ARRANGEMENTS - CONSULTATION

The Chairperson welcomed Councillor Huw Thomas, Leader of the Council, Councillor Chris Weaver, Cabinet Member for Finance, Modernisation and Performance alongside Paul Orders, Chief Executive.

The Chairperson advised the Committee that in line with this Committee's responsibility for scrutiny of the Council's use of human resources this report would give Members an opportunity to consider new proposals for senior management arrangements. The Chief Executive had invited the Committee's comments and observations as an integral part of the consultation process. Final proposals to Cabinet in November 2017 would take account of all consultation responses, including this Committee's.

The Chairperson invited Councillor Huw Thomas to make a statement.

Councillor Thomas explained the report proposals would support and deliver the Administrations priorities. This gave the Chief Executive permission to remodel the Senior Management team subject to the outcome of the agreed consultation. This proposal would also support the Capital Ambition and principles for delivery.

The Committee was advised the report was in the consultation process and the decision would be taken to Cabinet in November 2017.

The Chief Executive told the Committee there was an overall review of the current Senior Management team in place and part of the decision would affect individuals currently in post. The Capital Ambition aspect was central to proposed changes and the proposed structure would support the Social Services dimension. Benchmarking had taken place against Senior Management posts in Core Cities. This was a critical move to establish a Corporate Director People and Communities driven by factors emerging from Social Services, Preventative Care and Independent Living Services. The current working methodology allowed for duplication in these areas when supporting the vulnerable and should be covered under one umbrella. Budget issues were also a pressing factor with increase in demand and supply. This

proposed robust Senior Management Model would strengthen Corporate Management capacity and ensure sound safeguarding practices were in place.

The post of Chief Digital Officer was proposed, to support and drive forward the Council's Digital Agenda. The Assistant Director Street Scene was required to accelerate Cleansing issues being experienced and Assistant Director Corporate Landlord was created to manage the large and aging estate with high levels of maintenance backlog.

The establishment of a Head of Democratic Services was a statutory requirement and an opportunity to strengthen the support for elected members and the services provided through the Members Services Team.

The Committee noted the proposed senior management team model was cost-neutral and reduced the current senior management structure from 17 to 16.

The Chairperson invited the Committee to ask questions.

The Committee was keen to know why the previous management structure was not working and how this restructure had come about.

Members were advised that following assessment it was decided that this proposal would strengthen the current management of the organisation.

The Committee drew attention to the quality of applicants the Council was trying to attract into posts, The market availability of good quality candidates, and the potential for finding suitable candidates to recruit.

The Chief Executive explained that discussions had taken place with HR consultants, HayGroup who were asked to benchmark the proposed senior management arrangements, comparing the authority with others in the UK including Core Cities. Further work was required from HayGroup when developing suitable job descriptions to suit the market.

The Committee was assured that the position of Director of Social Services was not being downgraded, with changes being made to the reporting structure. Performance in Social Services had improved along with its reputation . The Council hoped to attract professionals with a social work background with added senior management experience. The Corporate Director would be dealing with the service whilst managing demand with the ability to focus on interrelated departmental issues.

Cardiff was set to deliver on its priorities, and the role of Corporate Director People and Communities was a platform to support Social Services and Housing concurrently.

The Committee was keen to establish why the posts were being advertised externally. In response, it was clarified that there was a requirement that all posts of £100k and above be advertised externally.

Some members of the Committee felt that another senior management restructure would have a negative public reaction, taking into consideration the financial implications and possible redundancies.

The Committee was advised the decision was made by analysing the current senior management capacity, which had been reduced a number of years ago. The new structure would provide stability overall and drive forward the change agenda. This was a balanced approach that would provide value for money in the public sector.

The Committee asked about the job specification for the post of Chief Digital Officer, the technical requirements and leadership qualities. Further, the requirements of the Head of Democratic Services and the potential for having political officer support.

The Committee was advised the Head of Democratic Services was a Senior Management Appointment to work impartially with Members. The Council had taken a decision not to adopt the model of political assistants. The Chief Digital Officer would have a sound technical knowledge with the ability to lead and support on a large scale to deliver the technical based change agenda. To address the existing ways of working within CMS/maintenance to improve the digital aspect and provide a clearer line of sight for the Council on a more superior technical level that fits in with current working practices.

The Committee was assured the process would be delivered on a cost neutral basis. It was difficult to anticipate displacement and post deletions but cost neutral was expected.

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.

90 : WALES AUDIT OFFICE ANNUAL IMPROVEMENT REPORT 2016-17

The Chairperson welcomed :

Representing the Wales Audit Office:

Sara-Jane Byrne

Steve Barry

Representing Cardiff Council:

Councillor Chris Weaver, Cabinet Member Finance, Modernisation and Performance.

Paul Orders, Chief Executive

Ian Allwood, Corporate Director Resources and

Joseph Reay, Head of Performance and Partnerships

The Chairperson advised Members that they had an opportunity to consider the Annual Improvement Report for 2016-17. This is an annual report issued by the Wales Audit Office in September 2017 having audited the Council's improvement planning and reporting arrangements to assess whether the Council will meet its statutory improvement duties.

The Chairperson invited Steve Barry and Sara-Jayne Byrne of WAO to give a verbal report of the Auditor General's key messages.

Steve Barry referred to the Audit Report, the programme of work that had taken place in all local authorities in Wales.

- Outlined in the report was the description of “Good governance when determining service changes”

The conclusion stated:

The Council had a clear framework for significant service change supported by improving governance but arrangements could be more consistently applied

The Council’s governance arrangements could be strengthened by:

- - P1 – Ensuring information supporting service change proposals consistently includes options and clearly sets out the method of appraising the options and clearly sets out the method of appraising the options.
- - P2 – Explicitly setting out the arrangements for monitoring the impact of each service change

The Committee was advised that P2 was a common issue for most local authorities.

The Members were made aware of the Annual audit letter 2015-16 which summarised the key messages arising from the Auditor General’s Statutory responsibilities.

Some of the savings proposals had not come to fruition and the Committee was advised of the following content of the report.

- Savings Planning
- Proposals for Improvement
  - Strengthen financial planning arrangements by:
    - 1 – Ensuring that all savings proposals are fully developed prior to the start of the year with realistic timescales when the annual budget is set.
    - 2 - Developing an Income Generation/Charging Policy; and
    - 3- Continuing to develop links between the Organisational Development Plan and annual savings

It was explained to Members that follow up work was in place for the Council’s Corporate Arrangements to improve the Organisational Development Programme. The Committee noted the conclusion from the report:

- The Council can demonstrate sufficient progress in implementing the 2016 proposals for improvement and is in the process of embedding new performance management and reporting arrangements, but a decline in the proportion of staff completing mandatory training in information confidentiality and data protection needs to be resolved.

The Committee was advised the report had taken an All Wales approach. The Performance Audit Programme was under development and delivery was with officers. This was an opportunity for the Scrutiny Committee to look at the proposals and address the issues.

The Chairperson drew attention to the comments from the previous Committee in relation to benchmarking and the lack of evidence to support successful benchmarking in local authorities in Wales.

The Committee was advised that Benchmarking clubs were in place, however there was an issue with the collation of data. It was recognised there was a lack of benchmarking in this area and the establishment of a benchmarking good practice unit would be useful. It was essential for local authorities to develop a clearer picture of processes and good practice events should be put in place to support this, along with looking at research into how major cities reported performance.

The Committee asked about governance during service change review and how the Audit Office had arrived at its conclusions. Was the appraisal process being consistently applied?. Members were advised that further research was required to address service change governance, and the impact of alternative delivery models on the development planning framework, as currently there were some inconsistencies.

The Committee was advised that, in relation to the Future Generations Act, during 2018/19 WAO would take an exploratory approach and not an audit. The Council had provided evidence that was complete, and meetings would be held with the Chief Executive and Leader. There would be no audit and no formal reporting.

The Committee drew attention to savings planning, creating funds in revenue for overspends and how to take a more prudent approach to savings. Savings planning in relation to issues in Social Services provided an insight into the planning process. Savings planning was essential and there were areas in Social Services where this was not evident. Improvement could be seen in demand management to speed up the process with contractual providers.

Members of the Committee were informed of the need for improvement and the effects of a slush fund. Planned savings could be deliverable and should be realised.

The Committee was advised that the slush fund was introduced a few years ago to reduce the £4m to a £3m overspend last year. Overspends were apparent in Children Services and Adult Services and were difficult to predict and prevent.

The Committee was informed of the process in place to look at risk and the balances in place to develop savings. Continued pressure to develop discipline and achieve these savings was being articulated to service areas.

The Committee recommended mandatory data protection training for staff as the current programme was not sufficient and there had been a decline in staff training.

The Committee discussed the involvement of the Third Sector and it was recognised that Councils no longer delivered services traditionally and additional information about different approaches would be shared with 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.

The Chairperson welcomed Chris Weaver, Cabinet Member Finance, Modernisation and Performance, Paul Orders, Chief Executive, Ian Allwood, Head of Finance and Joseph Reay, Head of Partnerships and Performance.

The Chairperson advised the Committee this was a pre-decision scrutiny opportunity to examine the Council's Statutory Improvement Report prior to its submission to Cabinet on 12 October 2017. The Council was a statutorily required under the Local Government Measure to publish its Improvement Objectives and how it planned to achieve them. The document provided a retrospective summary evaluation of performance for 2016-17.

Councillor Weaver advised the Committee that both the Cabinet and Council welcomed the Committee's views and looked forward to taking the recommendations forward.

The Committee received a presentation which drew attention to the following:

- A report of the Council's performance during 2016-17 against the Improvement Objectives within the 2016-18 Corporate Plan
- Report designed to fulfil the Council's statutory obligations under the Local Government (Wales) Measure 2009
- 4 Council Priorities
- 121 Improvement Objectives
- Assessment of Good, Satisfactory or Unsatisfactory progress against each Improvement Objective
- Progress against the Council's 12 Improvement Objectives
- Key Messages
- Areas for further Improvement

The Well-being objectives linked into the Council's priorities set out in its 2017-19 Corporate Plan:

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

The Committee discussed the improvement objectives and where unsatisfactory outcomes had occurred. The Officers explained the improvement objectives were outlined in each section of the report and recorded how the Council had self-assessed.

The Committee referred to some of the improvement objectives and how all targets had been made to sound positive.

The Committee was advised that the Council didn't have unsatisfactory outcomes and this was as a result of the process put in place by the Wales Audit Office. Focus was directed towards improvement objectives, in some cases the performance indicators had not been met but improvement was evident.

The Committee drew attention to the Improvement Objective – People in Cardiff have access to good quality housing and asked about the performance measures. Officers advised that these were new indicators that reflected new ways of working.

Members of the Committee referred to target setting and the number of objectives that had been achieved. The report did not provide accurate information relating to the objectives and achievements.

The Committee was advised of the target setting process, which had been challenged by Cabinet to come forward with better targets related to performance specific targets. Work was on-going to make the targets as robust as possible. National indicators also affected some of the settings as highways infrastructure had specific indicators. The next annual improvement report will look slightly different as changes to the process were reflected in line with the legal framework.

Members of the Committee were concerned that the target for “looked after children” had not been met and asked if the issues were located in Social Services or Education. When targets were set were there overall differences in the indicators that affected the outcomes. In response Members were advised that differences could be found in Children’s Services with year on year fluctuations.

The Committee drew attention to the Improvement Objective - Cardiff has a high quality city environment that includes attractive public spaces and good supporting transport infrastructure, and the previous debate at Council on the LDP. The information in the report was not detailed and you could not identify the improvement achieved.

The Committee was advised that the nature of the reporting mechanism allowed for the activity aspect to be slightly dated. Detailed Action Plans were in place to take this forward and address retrospective reporting. A review of the indicators would take place to make it clearer what was being reported.

The Committee was keen to see the new model and asked about a Performance Panel forum to address and examine the process.

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.

## 92 : CUSTOMER LEADERSHIP TASK & FINISH INQUIRY

RESOLVED: The Committee considered the Scope, the proposed approach and agreed the Terms of Reference for the Customer Leadership task group inquiry.

## 93 : ANY OTHER BUSINESS AND DATE OF NEXT MEETING

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