

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

14 JULY 2021

Present: Councillor Walker(Chairperson)
Councillors Ahmed, Berman, Bowen-Thomson, Cowan,
Henshaw, Lister, Mackie and Williams

13 : APOLOGIES FOR ABSENCE

None received.

Cllr Joel Williams was welcomed as a new Member of the Committee.

14 : DECLARATIONS OF INTEREST

None received.

15 : MINUTES

The minutes of the meeting held on 9 June 2021 were agreed as a correct record.

16 : ANNUAL WELL-BEING REPORT 2020/21 - TO FOLLOW

The Chairperson advised Members that in line with Committees responsibility for scrutiny of the Council's Corporate Planning, performance assessment and reporting arrangements, this item provided the Committee with an opportunity for pre-decision scrutiny of the Council's Annual Well-Being Report for 2020/21. The report summarises the Council's end of year performance and looks forward to the challenges ahead.

Committees key role is to satisfy itself that the Council has processes in place to effectively monitor performance. However over a number of years Committee have requested more involvement in discussions around target setting and the committee's Performance Panel has this year taken a significant step forward in securing this. The Panel now engages in informal discussion with the Cabinet at three key points in the year. The Panel is joined by the chairs of the other four scrutiny committees, which ensures robust challenge across all services and for each Well-being Objective. It is a role that has gathered momentum with the requirement for greater internal self-assessment to satisfy the requirements of the new Local Government & Elections (Wales) Act 2021.

The Panel's informal discussion to consider the end of year position took place last week, and the list of observations made to Cabinet has been circulated to Committee Members.

The Chairperson welcomed Cllr Huw Thomas, Leader, Cllr Chris Weaver, Cabinet Member, Finance, Modernisation & Performance, Paul Orders, Chief Executive, Chris Lee, Corporate Director, Resources, Sarah McGill, Corporate Director, People & Communities, Gareth Newell, Head of Performance & Partnerships and Dylan Owen, Head of Cabinet Office.

The Chairperson invited the Leader and Chief Executive to make opening statements after which Members were provided with an overview of 2020/21 and the challenges ahead and a brief outline of the performance monitoring arrangements as outlined in the report.

Members were invited to ask questions and make comments;

Members referred to the way the assessment would be scrutinised. They considered there needed to be a degree of challenge, currently the report had lots of sweeping statements but little detail making it difficult to marry up with the RAG ratings. Members were concerned it was a bit 'broad brush' with regards to the waste model as there was no mention of all the issues being experienced apart from it being a red RAG rating. Members added that the report seemed selective, not recording experiences and asked what type of scrutiny would there be on the detail of the report. The Cabinet Member explained that report has to cover a full assessment of the whole council services. Full Council and Environmental Scrutiny Committee have considered waste previously. This report can be used for scrutiny to identify areas that they want a deeper focus on and will highlight risks and areas of improvement. Officers added that each wellbeing objective is structured by key risks and challenges on the detail including waste issues. The Cabinet Member added that the report makes clear where improvements are needed, recycling and waste remained an area of key focus. The Chief Executive agreed that the narrative was not quite right but he was clear on work in progress and the need to reflect on drawing out specific aspects. He added it was important to identify key improvement areas with concerted corporate action in the period ahead. He assured Members that with regards to Street Scene there was a high level of action and focus.

Members asked if sickness was the main issue within Waste Management. The Chief Executive agreed it was a key issue, there were also driver shortages, longstanding cultural issues and workforce planning issues. Members noted that the PRAP scrutiny committee and Environmental Scrutiny Committee have repeatedly talked about sickness levels in Waste Management so these figures came as no surprise. Members noted that when the restructure took place these warnings were already known so there should have been no surprises. The Cabinet Member agreed that this has been discussed for the past four years. There has been improvement in some areas although some limited, and that is where the identification and focus lie, whilst recognising the areas that people work in. Members considered the situation has deteriorated and that it was better before the new model was introduced, and that maybe a true reflection of the issue should be included in the narrative.

Members noted the reference to longstanding cultural issue issues and considered that the committee would like to know more about these. Members stated it was refreshing to hear acknowledgement of the issues within this area and proposed a joint scrutiny inviting members of the public to feed into the process.

Members noted that there were only two issues marked red, flood and drainage and recycling. Members added that maybe the portfolio needed an overhaul. The Chief Executive responded in relation to the cultural issues and acknowledged the factors that have been impacting on the efficiency of waste services including productivity levels, change in management and industrial relations difficulties in the past and

there was definitely a need to take forward a significant programme of change in the area. The Chief Executive was confident the management team have a good understanding of what needs to be done and a grasp of issues that need to be addressed. He conceded it was not an easy area to drive through a significant change programme but the trade unions have been on board and really helpful. There is a need to progress the issue of sickness absence and the collections of garden waste but these were not overnight fixes .

Members referred to self assessment and asked what was the best way to involve scrutiny as a stakeholder. They considered maybe bringing the scrutiny chair into a management meeting where a particular topic is being discussed. The Cabinet Member agreed that there should be sufficient time for self assessment. He added that the role of scrutiny will evolve, there has been positive work with regards to performance compared to five years ago. Committees do look at performance throughout the year and chairs are at the performance panel and this is very valuable. Officers added that this was a new innovation, new legislation requiring a response. Officers were keen to engage stakeholders including scrutiny chairs to see how it works and their comments fed into developing things going forward. Members considered that officers could attend the scrutiny chairs liaison forum in the autumn to progress this.

With reference to Waste, Members asked what assurances could be given that issues can be addressed and how can Members let residents know that they are getting value for money. The Chief Executive explained that Officers were working on the proposal to iron it out and Members will hear a way forward shortly.

Members asked whether issues with recruitment had anything to do with Brexit and whether this will impact on the delivery of services. The Chief Executive explained it was a contribution to a combination of factors, the UK entering into a new phase of the labour market recovery means pent up demand and skill shortages, not just drivers but school based counselling staff too. There is a general sense that it's more difficult to recruit and the labour market is tighter. Officers added that it has been a surprise to see that across a wide range of roles there has been difficulty in recruitment and there is a need to understand why this is. Social worker vacancies have always been a challenge to fill. It had also been noticeable to see the positive impact of the market supplement but because others have now implemented it too it seems that something different is happening here. With regards to Britain leaving the EU, officers explained that this has led to lots of skill shortages, the shortages and drivers can be attributed to a combination of the Brexit effect and COVID. HGV drivers are not on the skills list so there is a national shortage across the UK.

Members considered that with people working from home, sickness absence should have been lower throughout the pandemic. Members considered that maybe there should be a more in depth task and finish group on sickness absence and people management looking at what other organisations have done successfully. The Cabinet Member stated that they have identified this as an area of focus, it is important to compare with similar organisations . There are still lots of frontline workers who have physical jobs. The Council have used APSE before, but it's always worth a refresh/self assessment. Members considered the issues won't change unless policies are changed with regards to tightening up entitlements etc. The Chief Executive welcomed Members suggestion of a task and finish group.

Members referred to the impact of COVID and opening services backup. Members asked if there has been any discussion with regards to furlough or lockdowns in the future and if so the impacts on staff and businesses. Members considered that the Council should have strong messaging in place for any likely scenarios keeping local Members and residents informed at all times. The Cabinet Member explained there have been lots of discussions between Leaders and the First Minister. There's a level of uncertainty at the moment, furlough is about to end and there is no certainty on the hardship funding going forward. It is a very unknown picture at the moment including whether there will be another lockdown. The Chief Executive added that there are no easy answers, the focus has to be on the next one to two months. Even though cases are rising, hospitalisation numbers are relatively low, although there is still concern that these may increase. Impacts on staff and workforce need to be considered and prepared for. The Chief Executive added he was keen on understanding guidance or announcements made and providing advice to employers and business owners.

Members referred to National Indicators stating that there must be some cities the same size of Cardiff in the UK to use as comparators. Officers explained it was a difficult position, with core cities they would look to these for comparators if they're large enough. There was work undertaken on National Indicators pre-pandemic with regards to comparisons. Officers added that they have asked for the data unit to review the KPI's that Cardiff has and compare them with other local authorities especially major cities in England. They weren't many comparisons as Cardiff is fundamentally different in many areas, they did however identify some points of comparison even though they're not quite like for like. This could be revisited and potentially shared with committee at a future date. Members considered that cared for children could be a comparator notwithstanding the methodology used being different.

RESOLVED: The Committee AGREED that the Chairperson writes to the Cabinet Members on behalf of the Committee to convey their comments and observations.

17 : BUDGET STRATEGY 2022/23

The Chairperson reminded Members that Committee has responsibility for scrutiny of the Council's financial planning, policy and control. Committee are therefore scrutinising the Council's Budget Strategy for 2022/23 and updated Medium Term Financial Plan before it is considered by Cabinet.

The Chairperson welcomed Cllr Chris Weaver, Cabinet Member, Finance, Modernisation & Performance; Chris Lee, Corporate Director, Resource; Ian Allwood, Head of Finance; Anil Hirani, Operational Manager, Capital, Corporate & Treasury and Julie Richards, Operational Manager - Budget Strategy & Financial Planning.

The Chairperson invited the Cabinet Member to make a brief opening statement, after which Members were provided with a presentation of the budget strategy.

Members were invited to ask questions and make comments;

Members noted that the last year had been an unusual one with less monies spent as less schemes/projects etc. went ahead. Members had a discussion around reserves and noted the level of hardship support received, activities not taken forward and also that loss in revenue and income. Members noted that the reserves do not address all the challenges are moderate compared to other Local Authorities, but that prudent budget monitoring and Welsh Government Grants have helped towards a balanced budget position. Members considered that the £40million in reserves should go some way to address these challenges, however the Corporate Director stressed that this was only 1.2% of the gross revenue budget.

Members discussed the assumption that the Aggregate External Finance settlement would be a 1% increase going forward and considered that as the previous year was 3.8%, this was a pessimistic estimate. Members were advised that this was prudent modelling due to the risks present and that Cardiff was not an outlier in making these assumptions; it is a medium term modelling update made with consideration of the pandemic and associated costs. Officers offered to provide the previous few years settlement figures to Members.

Members asked whether there was provision in the budget for a further lockdown, especially in relation to staff having to self-isolate. Members also asked whether staff were paid when self-isolating and for an update on staff working from home/hybrid working. Members were advised that staff are paid when self-isolating; there is no specific Covid budget, any additional monies received were placed in earmarked reserved for specific purposes. With regard to home/hybrid working, Members were advised that staff are still working from home where they can, and the intention is for hybrid working going forward for those who can, to enable more flexibility. There is engagement and consultation with staff which can be shared with Members.

Members discussed Strategic Estates and asked to what extent these have been factored into the medium term financial planning and whether there had been any realisation of assets. Members were advised that where things were certain they were taken into account where they were not, assumptions had been made. An update of the Capital Strategy was planned for the Autumn and this will link to the Budget Strategy.

Members noted the 2.5% efficiency savings target and asked how this is formulated across departments. Members were advised that the target was up to 2.5% and was across all departments whilst recognising variances across service areas. It was also noted that service areas are required to absorb any pay increases from within existing budgets and that back offices will likely provide the majority of savings.

Members asked about planned/missed savings from the previous year and Officers explained that where they identify that opportunities are still there, these will go forward, some will be delayed, some reflected on post pandemic and risk based assessments will be made.

Members discussed the Capital Receipts gap, Officers explained that the Annual Property Strategy will reflect on the targets but they were confident they would get a level of receipts.

RESOLVED: The Committee AGREED that the Chairperson writes to the Cabinet Members on behalf of the Committee to convey their comments and observations.

18 : CORRESPONDENCE REPORT

Noted.

19 : URGENT ITEMS (IF ANY)

None received.

20 : DATE OF NEXT MEETING

21 September 2021.

The meeting terminated at 7.05 pm