

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

Date: 13 November 2014



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

### **POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 4 November 2014**

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

#### **Draft Property Strategy**

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

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



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

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

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

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

### **Organisational Development - Strategic Commissioning & Service Reviews**

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

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

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

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

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

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

### **Performance Report Qtr 2 2014/15 and Challenge Forum update**

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

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

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

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

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

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

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

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nigel Howells', with a long, sweeping horizontal stroke at the end.

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

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



**CABINET SUPPORT OFFICE  
SWYDDFA CYMORTH Y CABINET**

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Your Ref / Eich Ref: T: Scrutiny/PR&P/  
Comm Papers/  
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Date / Dyddiad: 05 December 2014

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

Dear Councillor Howells

**Policy Review & Performance Scrutiny Committee - 04 November 2014**

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

**Draft Corporate Property Strategy**

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

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

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

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

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

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

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

### **Organisational Development - Strategic Commissioning & Service Reviews**

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

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



## **Performance Report Quarter 2 2014/15 & Challenge Forum Update**

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

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

Yours sincerely,  
Yn gwyir,



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

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



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

Date: 12 December 2014

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Dear Councillor Bale,

### **POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 2 December 2014 Corporate Plan 2015-17**

Thank you for attending this month's Policy Review and Performance Scrutiny Committee meeting to present the approach to developing the 2015-17 Corporate Plan. The Committee warmly welcomed the opportunity to discuss the Plan at an earlier stage than in previous years, having recommended on several occasions that both the corporate planning and budget-setting processes should be brought forward. This was obviously the first step in making the development of the Plan more timely and we hope that next year we may have a full draft of the Plan to consider in the late autumn.

The Committee welcomed the outward focus which you and officers have taken to developing the Plan; we were glad to see that you have considered Core Cities' corporate planning to learn from good practice elsewhere. We note that a thematic approach will be taken, setting out objectives and measures under the Administration's four priorities, rather than taking a Portfolio-based view, in an approach similar to many of the Core Cities.

We appreciated the consideration given to the wider policy context for the Plan, in terms of aligning to national policy and the partnership agenda in Cardiff. The Committee has agreed to consider the refresh of the What Matters strategy when available, so would be grateful for confirmation of that timescale. Members of the Committee have previously recommended that the Plan should be developed in order to suit the needs of all its various audiences – partners, the public, regulatory bodies, officers – and although this was briefly discussed at the meeting, Members wish to underscore that point as the Plan is developed.

Members also welcomed the intention to include definitions of terms such as 'outcome' and 'objective' in the Plan in order to ensure clarity. As you recognised at the meeting, this is a point which both the Committee and the Wales Audit Office have raised in relation to previous years' Plans. Members queried whether training is being put in place to ensure that officers are fully cognisant of these definitions as the Corporate Plan and Directorate Delivery Plans are developed. We noted the Chief Officer's comment that this is being addressed through the Chief Executive's ongoing



engagement activity, but recommend that further thought is given to developing appropriate training instead, perhaps through the managers training programme.

The Chief Officer for Change & Improvement stated that the full draft of the Corporate Plan will be available to consider with the Budget Proposals at our February meeting. There have been many delays in making the report available for all five Committees in the past to support their consideration of the alignment of budget proposals to corporate priorities; we would like to re-emphasise how important it is that it is made available in a timely manner (in order to meet translation deadlines, for example, the Community & Adult Services Committee would need the final draft in the week commencing 19 January 2015, for example).

On a similar note, we were informed that much of the detail of the Council's improvement activity will now fall down to the next layer of Directorate Delivery Plans. Given the extra weight which is being placed on them, we anticipate that the Delivery Plans will be in place in time to support delivery of the Corporate Plan and the Budget, i.e. by 1 April 2015. We would be grateful if you would confirm the timescale for their production.

Members thank you for your openness to accepting the Committee's recommendations in terms of the content of the Plan. There were some points which the Committee felt should be accentuated in the final draft of the Corporate Plan, which did not necessarily stand out in the presentation given to the Committee: the NEETs agenda; the environment (particularly given the importance which the public place on this issue); education targets for older children; the impact of Cardiff's status as a Capital City and the work which is ongoing with neighbouring authorities, particularly given the local government reorganisation agenda.

An issue which has previously been raised is the need to clearly set out the influence which citizen – and officer – engagement activity has had on the development of the Plan. As this did not clearly come through in the officer's presentation, we recommend that the final draft Plan makes the linkages between the results of the Cardiff Debate and the objectives set out in the Plan unambiguous.

The Committee has flagged up the value of comparative performance data on many occasions, particularly with regards to non-Welsh authorities. We noted the Chief Officer's comment that this will be made available where possible, while acknowledging that it is not always feasible. We would still emphasise this point however, and recommend that more effort is put in to finding suitable comparators for inclusion in the final draft Plan for as many measures as possible.

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

- further thought should be given to how the Plan can be developed to suit all of its audiences;
- appropriate training for officers should be developed addressing knowledge around outcomes and objectives and the identification of appropriate measures and target-setting;
- a number of specific points should be emphasised in the Plan: the environment, NEETs, the city's Capital status and cross-boundary working;
- the influence of citizen and staff consultation on the Plan should be clearly set out;
- suitable comparative data should be included in the final draft Plan;

- the final draft Plan should be made available in time for all Scrutiny Committees' budget meetings (allowing time for translation for the Community and Adult Services Scrutiny Committee's papers);
- Directorate Delivery Plans should be in place for the start of the new financial year and we would like the timescales confirmed.

Many thanks again for attending the meeting, and I look forward to seeing the points above addressed in the draft Corporate Plan which the Committee considers in February. As such, most of the points in this letter do not require a formal response, although I would be grateful if you would confirm the planned timescale for producing the Directorate Delivery Plans, the What Matters refresh and the final draft Corporate Plan.

Yours sincerely,



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

cc Paul Orders, Chief Executive  
Martin Hamilton, Chief Officer Change and Improvement  
Cabinet Office  
Members of the Policy Review & Performance Scrutiny Committee



**SWYDDFA'R ARWEINYDD  
OFFICE OF THE LEADER**



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Fy Nghyf / My Ref: CM29428

Eich Cyf / Your Ref:

Dyddiad / Date: 13th January 2015

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

Annwyl / Dear Nigel,

**Scrutiny: Prap 2 December 2014 - Corporate Plan 2015 -2017**

Thank you for your letter dated 12<sup>th</sup> December 2014 setting out the Committee's comments and recommendations regarding the approach to developing the Corporate Plan 2015-17.

I am pleased that the Committee welcomed the opportunity to discuss the Plan at an earlier stage than in previous years, as well as recognising the benefit of considering best practice from across the Core Cities in our approach to developing the Plan.

With regards to the recommendation about developing a plan to suit all audiences, the plan will be clear, concise and written in plain language. This includes providing definitions of key terms such as 'outcomes', 'objectives' and 'priorities'. As you will know, the Corporate Plan is a document that needs to satisfy a number of stakeholders, and must therefore include a number of technical components, not all of which are relevant to all members of the public. In view of this we will produce a much shorter, community focused document that will sit alongside the Plan.

We also recognise the need to raise awareness of the Plan with employees and provide appropriate training to develop knowledge around outcomes, objectives and target-setting. The Chief Executive's employee engagement roadshows, and our staff ambassador network, have helped identify ways in which we can engage all staff in this process. With specific regards to target setting, a joint session with Cabinet Members and Senior Management Team has also been scheduled.

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Further to your recommendation about demonstrating the influence of citizen consultation on the Plan, we will ensure explicit links to the results of the Cardiff Debate. The feedback from the ongoing Cardiff Debate, as well as the consultation on budget proposals, will help inform our decision making and this will be reflected throughout the Plan.

In response to your request for information about timescales I would like to confirm that a draft Corporate Plan will be taken to all five Scrutiny Committees in February. Directorate Delivery Plans are in the process of being drafted and will be operational for the start of the new financial year. With regards to the What Matters refresh, it is intended that work will commence at the beginning of Quarter 1 of the 2015/16 financial year and a draft plan will be made available for consideration in the following months. We will welcome Scrutiny's involvement in shaping this.

I look forward to working closely with the Committee in future.

Yn gywir,  
Yours sincerely,

A handwritten signature in black ink, appearing to read 'Phil Bale', written over a horizontal line.

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

**cc. Paul Orders, Martin Hamilton**



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

Date: 21 January 2015

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Dear Councillor Bale,

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

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

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

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

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



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

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

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

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

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

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

Yours sincerely,



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

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

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

Date: 13 January 2015



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

### **POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 6 January 2015**

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

#### **Voluntary Severance Scheme Review**

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

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

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



## **Control of Employee Costs Scrutiny Research**

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

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

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

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

Yours sincerely,



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

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

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

Date: 21 January 2015



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

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

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

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

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



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

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


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

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

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

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

Yours sincerely,



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

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

Fy Nghyf / My Ref: NRS/CW/NH/04.12.14

Dyddiad / Date: 02 January 2015

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



Dear Councillor Howells

**ECONOMY AND CULTURE SCRUTINY COMMITTEE – 4 DECEMBER 2014**  
**Facilities Management Issues**

I am writing to you in relation to an issue raised at the December Economy and Culture Scrutiny Committee meeting. As a member of the Committee I know you will be well aware of the comments, but it needs to be formally recorded as requested by the Committee Members during the Way Forward.

In our scrutiny of Quarter 2 Performance for the Sport, Leisure & Culture directorate, it became apparent that an issue exists with regard to obtaining a definitive position from Facilities Management on whether statutory and routine maintenance has been carried out within various facilities operated by the Council. The Sport, Leisure & Culture directorate is accountable for the maintenance of numerous venues, however it has no control over the maintenance regimes and the prioritisation of works, and this has been highlighted as a risk for the directorate.

The scrutiny of Facilities Management falls outside the terms of reference for the Economy and Culture Scrutiny Committee, and we would request that this matter is raised when the Policy Review and Performance Scrutiny Committee next considers it. This is not the first time that issues within Facilities Management have been raised at our Committee, and we feel the performance and working practices of this service are long over due some attention.

This letter does not require a response, however I would be grateful if you would consider the above comments and observations.

Regards,

A handwritten signature in black ink, appearing to read 'Craig Williams', written in a cursive style.

**Councillor Craig Williams**  
**Chairperson Economy and Culture Scrutiny Committee**

