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**Policy Review and Performance  
Scrutiny Committee**

# **Annual Report 2016–2017**

**March 2017**



**City and County of Cardiff**

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**POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE  
MEMBERSHIP**



Councillor Nigel Howells  
CHAIR



Councillor Susan Goddard



Councillor Gary Hunt



Councillor David Walker



Councillor Jim Murphy



Councillor Huw Thomas



Councillor Eleanor Sanders

## Chair's Foreword



**Councillor Nigel Howells**

**Chair, Policy Review and Performance Scrutiny Committee**

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## Overview

As the City's inaugural five year administration draws to a close, this Annual Report reflects on another year of varied topics under the scrutiny spotlight. For many years Cardiff has had a well-developed scrutiny culture and function. This allows non-executive Members to bring their own independent expertise to bear on strategy and policy issues, working with the Cabinet to improve services for the citizens of Cardiff.

Governments at all levels are aiming for greater transparency, inclusivity and accountability. Scrutiny committees in Cardiff effectively assist the Council in delivering such transparency, providing a foundation block for good governance. The Committee has been responsive to the organisation's priorities in a changing legislative landscape. This Annual Report covers the work of the Committee between May 2016 and March 2017, explaining the many different types of scrutiny undertaken, analysing all topics the Committee has considered within each category over the year. Highlights of its work and the outcomes in 2016/17 can be found from page 8 onwards.

## New Developments

### Webcasting

The Council, in its Statement of Action response to the WAO Corporate Assessment Follow-on Report, committed to increasing the number of Committees that are webcast. Such a commitment includes the webcasting of Scrutiny Committees. The Committee played its part in delivering the commitment by preparing for live broadcast with a pilot webcast of proceedings in November 2016, followed by its inaugural live webcast on 15

February 2017, for consideration of the Corporate Plan 2017/19 and Draft budget proposals 2017/18.

## **Remote Attendance**

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Another first for Scrutiny, and for this Committee, was the successful remote attendance of a Committee Member at the December meeting, which took place at the Council's C2C Wilcox House customer services call centre. Technology was put in place to enable a Cardiff Councillor to participate in scrutiny challenge whilst unavoidably located in Aberystwyth on the day of Committee.

## **Terms of Reference - Responsibilities**

For clarity, the Policy Review and Performance Scrutiny Committee's Terms of Reference confer upon it two distinct scrutiny roles. Firstly, an overarching responsibility to scrutinise, monitor and review the overall corporate performance and improvement of the Council. Secondly, to scrutinise, monitor and review the effectiveness of specific functions, such as Organisational Development, Finance, ICT, Human Resources, Governance, Legal Services, Property, Procurement, Customer Services and the Public Services Board.

The Committee's terms of reference<sup>1</sup> determine that its responsibilities fall within four of the Council's seven delivery Directorates; as follows

The **Corporate Resources Directorate** falls within the Committee's remit in its entirety and comprises; *Commissioning and Procurement; Enterprise Architecture; Finance; Human Resources People Services; ICT; Organisational Development; Performance & Partnerships;*

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<sup>1</sup> Terms of Reference for this Committee can be found on page 34.

The **Economic Development Directorate** includes *Strategic Estates* including both the *operational* and *commercial investment* portfolios, *Facilities Management* and *International Policy*.

The **Communities, Housing and Customer Services Directorate** includes Community Hubs; Customer Services (including Corporate Complaints and the Member Enquiry Service); and Connect to Cardiff (C2C).

The **Governance and Legal Services Directorate** falls within the Committee's remit in its entirety and comprises Bilingual Cardiff; Committee & Members' Services; Electoral Services; Equalities, Glamorgan Archives; Legal Services; and Scrutiny Services.

This year, the Committee has contributed to joint scrutiny of the Alternative (commercial) Delivery Mechanisms, along with colleagues from the Environmental scrutiny committee on two occasions.

## Work Programme 2016/17 - Summary

During the municipal year May 2016 – March 2017 the Committee held 11 programmed public meetings. This culminated in 23 letters to the Cabinet and Senior Management Team, sharing the Committee's comments, concerns and recommendations, following the scrutiny. In response the Committee received 14 letters from the Cabinet.

In addition, Members of the Committee participated in two public joint scrutiny meetings alongside the Environmental Scrutiny Committee, focussing on the Council's developing commercial approach; and two Members, with a particular interest in Council Performance, offered their expertise on behalf of the Committee, both to engage with officers on the emerging performance management refresh from a Member's perspective, and to be interviewed for a Wales Audit Office fieldwork project on Performance Management and Governance.

The Committee received a warm welcome when it held its December meeting at Wilcox House, where it took the opportunity of experiencing first-hand the excellent work of the C2C call centre, in preparation for its scrutiny of Customer Services.

As referenced above, the Committee has scrutinised a wide variety of topics over the year, using varied approaches. All topics scrutinised have been listed below, under the relevant type of scrutiny, and a selection have been highlighted for their impact.



# Highlights of 2016/17

## Partnership Scrutiny

Where the Committee has performed the statutory role introduced by the Well-being of Future Generations Act (Wales) 2015 and conferred upon it by Council. In 2016/17 this included:

- Public Services Board – Progress briefing
- Public Services Board - Well-being Assessment.

## Public Services Board Scrutiny

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The Council and its partners are subject to duties under the Well-being of Future Generations (Wales) Act 2015 (WFG). The Act seeks to ensure that the governance arrangements in public bodies for improving the well-being of Wales take into account the needs of future generations. The aim is for public bodies to improve the economic, social and environmental well-being of Wales in accordance with detailed sustainable development principles and well-being goals prescribed by the Act.

The WFG act prescribes the establishment of a statutory Public Services Board (PSB) for each local authority area in Wales, the core members of which should include the Local Authority; the Local Health Board; the Welsh Fire and Rescue Authority; and Natural Resources Wales. It also prescribes a statutory remit for Scrutiny: to review decisions made or actions taken by the PSB; to review the Board's governance arrangements; make reports to the Board regarding its function or governance arrangements; and require PSB members to attend Committee.

The WFG Act presents a major shift in statutory possibilities for the Committee. The Council's Constitution confers the statutory responsibility

upon the Policy Review and Performance Scrutiny Committee for scrutiny of the Council's partnership work, specifically scrutiny of Cardiff's Public Services Board (PSB). Therefore the Committee will perform a strategic overview role of the PSB's performance going forward.

There are two key documents the PSB is required to prepare and publish by April 2018: a local *Well-being of Needs Assessment* prior to the development and publication of a *Well-being Plan*. The local Well-being Plan must set out the local well-being objectives and the steps the PSB proposes to take to meet them. The publication of the local Well-being Plan must tie in with the local government election cycle, no later than one year after the date of the next ordinary election. Following its publication, the PSB must produce Annual Reports of how it is addressing its statutory duties.

This year the Committee considered progress in the establishment of the Public Services Board in November 2016; and the draft Well-being of Needs Assessment as it was launched for consultation in January 2017.

Following the PSB progress briefing the Committee wrote to the Leader as Chair of the PSB indicating:

- It was keen to ensure that appropriate governance arrangements were in place for the Board and that the work of the previous Cardiff Partnership Board, particularly around needs assessment, would be preserved, and the PSB would capitalise on the achievements of the CPB and a long history of non-statutory partnership achievement;
- It considered, to date, some partners had been much more visible than others in their offer to support partnership working;
- It considered the appointment of an Independent Challenge Advisor to the Board a useful approach;
- Clarification that it is the Council who has appointed the Independent Challenge Advisor, requesting sight of the Terms of Reference for the Independent Challenge Advisor; and an opportunity to consider the

view of the Independent Challenge Advisor at an appropriate point in the future to enrich future scrutiny of the PSB.

In response the PSB reassured the Committee that the good work and strong relationships with partners which characterised the work of the Cardiff Partnership Board had been preserved; indicated the PSB is looking forward to engaging with a variety of stakeholders and experts as it develops the well-being objectives; advised that governance arrangements have been reviewed by the Executive Public Services Board, and procedures agreed to continue to monitor the former Cardiff Partnership Board work streams as the Public Services Board develops its well-being plan and objectives; and there was to be a review of locality working in the city.

The terms of reference for the PSB's Liveable City Challenge Advisor were supplied, anticipated to be a valuable source of advice and challenge to the Board. The Committee was offered an opportunity to consider her views and advice in future. Additionally all Scrutiny Chairs were invited to the 'Liveable City Forum' on 5 January 2017 to consider the draft Local Well-being Assessment and to start to identify priorities for the Board's work programme.

Following scrutiny of the Well-being of Needs Assessment in January 2017 the Committee advised the Leader that Members:

- Commended the PSB for the volume of work involved in compiling the Needs Assessment;
- Considered there was a lack of clarity about exactly what documents comprise the Well-being of Needs Assessment consultation, and, given that the solutions lie with the people of Cardiff, the document could make it clearer to citizens how they participated in the consultation;
- Considered that this Assessment would be the bedrock of future planning for Cardiff's services, and stressed the importance of the

consultation engaging with hard to reach groups and the most deprived;

- Requested more detail of how hard to reach groups would be targeted, and sight of the full list of consultation activities;
- Stated it considered deprivation and life expectancy a priority, both for the Board and the Council, and it would like to see the outcomes from the PSB reflect that.

In response the PSB provided additional information on young people not in education, employment or training, indicating a confidence that the long term downward trend would continue. The Board indicated it would consult for six weeks on the Well-being of Needs Assessment, despite there being no requirement to do so under the Well-being of Future Generations Act. The Committee was provided with detailed information on its plans for direct engagement with hard to reach groups; and advised that the 12 week consultation on the Well-being Plan would take place in autumn 2017.

## Joint Scrutiny

Where the Committee has joined together with one or more scrutiny committees to examine a topic of a cross-cutting nature to enable collective consideration of the issues. In 2016/17 this included:

### **Alternative Delivery Mechanism – Full Business Case Proposals**

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In June 2016 the Committee joined with the Environmental Scrutiny Committee to undertake pre-decision scrutiny of the 'Infrastructure Services – Full Business Case'. Following the discussion the two Committees made the following observations:

- That future emphasis should focus on performance monitoring and delivery of the successful Modified In House model. To support this Members:
  - Requested early scrutiny of the new performance measures for the new service. They felt that the new performance monitoring package should focus on key areas including the reduction in operating cost; net profit from income generated; customer baseline information and monitored performance against the established action plan;
  - Suggested that new performance measures, business plans and action plans should clearly link back to the strategic objectives set out in the project;
  - Agreed to monitor progress of the Modified In House approach on a quarterly basis to ensure that savings and improvements were delivered;
  - Recommended that the clusters and individual services within the 'Commercial & Collaboration' Programme needed to be individually reported against and not simply monitored as a part of a wider directorate context;

- Felt that business plans should have been made available alongside the Infrastructure Services Full Business Case to clearly identify a way forward for the new Modified In House approach.
- Expressed concern at the speed of implementation of the new fleet management software for Fleet Services.
- Acknowledged the importance of ICT projects such as mobile scheduling, mobile working devices and rostering software, and requested regular updates over the next 10 months to ensure that these important ICT projects remain on track to give the Modified In House approach the best chance of success.

When considering the financial model for the Infrastructure Services Full Business Case Members were concerned that the £307,000 projected for additional trading within the Wholly Owned Company was very low. A Member provided an informed explanation on the income generation opportunities available through Fleet Services due to the high gross margin associated with carrying out MOT work for the public and private companies (65% gross margin for labour; 25% gross margin for parts). They accepted that the Modified In House approach could provide an additional £1.510m over the five year period, however, based on a c£70m per annum service this seemed to be a very low figure.

### **Commercial & Collaboration Services – Progress Update**

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The two Committees received a progress update on Commercial & Collaboration Services in January 2017, following which Members congratulated Commercial & Collaborative Services on progress made in a relatively short time. Members were pleased that the service had agreed with, and followed through on, a number of key recommendations from earlier scrutiny of the Infrastructure Services Project, for example: delivering swift

improvement; implementing specialist 3<sup>rd</sup> party service delivery software; introducing new training opportunities; focusing on income generation; and improving financial control through zero based budgeting. The Committee commented on the commercial approach for Fleet Services, Total Facilities Management Recycling & Waste Services. However, more generally Members:

- Welcomed the creation of new apprenticeships within the service;
- Acknowledged that sickness rates had improved;
- Were encouraged by the commercial awareness of Commercial & Collaborative Services to adopt established third party systems to improve efficiency;
- Were pleased that agency costs had reduced by 13% since the creation of the Commercial & Collaboration Service, however, felt the overall agency costs were still high;
- Members felt that improvements had been made in the area of staff training opportunities, particularly in Recycling & Waste Services. They felt that this was a positive step that would support both staff development, morale and the Council's ability to deliver the best standards of service.

## Policy Review

Where the Committee has considered the implementation of, and impact of policies providing the Cabinet with Scrutiny Members' views about whether any changes are required. In 2016/17 this included;

- Customer Services Strategy
- Digital Strategy
- CRM/SAP – Progress update.

### Customer Services Strategy

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Members were delighted to see frontline service delivery in action at C2C. Following the scrutiny they commented on:

- Culture and Leadership, considering the investment in staff culture at C2C was clearly in evidence, and winning the 'Staff Engagement' category at the Welsh Contact Centre Awards in March 2016 well deserved;
- Urged such customer focussed leadership be shared widely across the Council, particularly as a positive staff culture was achieved with no dedicated resource to staff motivation;
- Service levels – the importance of channel choice. Committee considered it particularly important to maintain services for those less digitally focussed.
- Call volumes – the Committee considered the high level of calls for Council house repairs (over 7,000 from an 18,000 housing stock) could be a result of repeat calls, often necessary due to poor workmanship. It noted in comparison that the proportion of waste calls to service users is far less and expected to fall going forward;
- Technology – the Committee expressed its frustration that the Council is not further ahead in resolving the technological integration of SAP



with the customer facing system, CRM. The Council cannot deliver a customer portal until the digitalisation issues currently experienced by C2C operators are resolved, and the Committee intends to keep a close eye on developments;

- Social media – The Committee was concerned that the Council does not consider Twitter a formal channel for complaints; though it can be a channel for service requests. Members felt that although dealing with complaints via Twitter may be complex, due to the 140 characters being insufficient to log all complaints, and resistance amongst service areas, if we are to be customer focussed we need to acknowledge such complaints. We would therefore like a report back to Committee on progress the Council is making in managing its Social Media presence.

In response the Cabinet indicated that the Council is committed to keeping all channels of communication open so that residents can access services in the way that is easiest for them. It acknowledged that the housing repair reporting line receives a significant amount of calls, however a lot of work has been undertaken to try and reduce the amount of calls including a text message service to tenants ahead of an operator visit.

Cabinet agreed to ensure the Committee was updated when significant developments have been made addressing the delay in integrating SAP with CRM; and confirmed that the team responsible for the Council's Twitter account is working closely with the Corporate Complaints section, this was a developing area of work and the Committee would be kept informed.

## Policy Development

Where the Committee has contributed to the Council's policy development processes by considering draft policy documents, In 2016/17 this included;

- Performance Management Refresh
- Bilingual Cardiff Welsh Language Strategy 2017-22
- Review of Scrutiny
- Corporate Plan 2017-19.

### Performance Management Refresh

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In May 2016 the Committee had an opportunity to shape policy development of the Council's approach to managing performance. Members engaged with a refresh of the Council's performance management approach, to address a Wales Audit Office Proposal for Improvement issued to the Council in its Corporate Assessment.

Members considered proposals to develop the Council's current Performance Management arrangements, building on progress made in previous years, to further improve and embed an effective and consistent approach. The proposals were to develop robust, outcomes-focused Balanced Scorecards for consideration by Cabinet and the Policy Review and Performance Scrutiny Committee; reduce the scope and size of Directorate Delivery Plans; introduce service planning across the Council; establish a Performance Support Board; improve the timeliness of reporting; publish performance information on the internet; and to refresh the Council's Performance Management Strategy.

In a letter to the Cabinet Member Corporate Services and Performance Members welcomed the direction of travel presented; outcome-focused, proactive performance management using data and trend information, with a

clear golden thread through all levels, within a culture of accountability. The Committee stressed that it:

- Wished to ensure that, at the end of Quarter 1 2016/17 Scrutiny was able to establish if there were areas the Council was under performing;
- Would be pleased to participate in the co-design of a balanced scorecard;
- Welcomed representation on a members working group;
- Encouraged the Head of Performance to liaise with all scrutiny Chairs to explore the performance needs of the other Scrutiny Committees;
- Was keen to ensure that where Performance Indicators are published by multiple partners/authorities the structure of PI's the Council settles on allows a read across;
- Wished to highlight the need for the City Dashboard to assist us in our statutory role of holding the new Public Services Board to account.

## **Review of Scrutiny**

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In response to the Wales Audit Office (WAO) Corporate Follow-on report of February 2016, the Cabinet agreed a Statement of Action that included a Review of Scrutiny. The project was to put forward recommendations for the Scrutiny function, that delivers the best possible Scrutiny function for Cardiff, optimising the involvement and engagement of non-Executive Councillors, meeting all existing and expected statutory requirements, the needs of the new Administration and Council after May 2017.

The Committee was tasked by the Scrutiny Chairs' Liaison Forum with participating formally in the Review of Scrutiny project, by evaluating the pros and cons of three different scrutiny models proposed as a result of evidence gathered, undertaking a short scrutiny to consider the best way forward.

In December 2016, following consideration of three models, the Committee offered its comments and observations for inclusion in the development of the optimal model for consideration by the Constitution Committee.

The Committee was firmly of the view that there is merit in retaining the principal of 4 - 5 Scrutiny Committees. Several Members felt the existing model should be the preferred option, due to its overarching success over many years. However, all Members accept that in retaining the existing model there are grounds for tweaking the Terms of Reference of all Committees.

Whilst endorsing the status quo, Members had some specific views. All Members:

- Felt the existence of a Constitution Committee and a Democratic Services Committee was significant duplication and unnecessary overlap;
- Considered the implications of Partnership scrutiny are still an unknown;
- Considered four Committees could work (and reduce costs), where the Economy and Culture Scrutiny Committee relieves pressure on a combined Social Services committee by effectively taking responsibility for housing and skills development.

Some Members:

- Were keen to retain two Social Services Scrutiny Committees;
- Considered Housing should remain alongside Adult Services;
- Considered that the PRAP type Committee should undertake cross cutting scrutiny, whilst not duplicating the work of other committees.

The Committee felt strongly that basic Scrutiny training should be mandatory, and Members nominated for Scrutiny Committee positions should be required to complete the training prior to attendance at their first meeting. Members took on board the expectation that the 2017/18 budget would realise a £50k reduction agreed in the 2016/17 Scrutiny budget, but given the essential work that Scrutiny undertakes felt there was a need to enhance rather than reduce arrangements.

The Committee felt it was important to balance formal and informal scrutiny, by factoring Task and Finish (T&F) work into all proposed models. However, it felt that T&F meetings were not public forums and therefore an over dependency would not deliver our 'Open' Council commitment. Furthermore, Members considered an expansion of T&F work would not resolve the resource challenges currently experienced. The implication was that T&F work is more likely to be undertaken during the afternoon, to ensure witness access, which will conflict with the responsibilities of younger Councillors. Some Members felt there is an opportunity to access support for T&F from non-scrutiny back bench Members.

Importantly, the Committee was concerned about the number of seats on Scrutiny Committees. Specifically, it felt the current issue of vacant seats had not been a problem in previous administrations. The current difficulty filling seats was therefore considered a unique situation and the Committee suggested erring on the side of caution before making significant changes to the size of Committees. Members feel the position could change dramatically in May 2017, depending on the circumstances of newly elected Members.

Members were not convinced all drivers for Scrutiny change were important enough to determine a new model. The Committee did however highlight the importance of improving the embeddedness of Scrutiny in the Council, in the following ways:

- By improving back bench and front bench links in policy formulation;
- By improving the monitoring of how Scrutiny recommendations are embedding;
- By linking Scrutiny recommendations to the PPDR's of Senior Managers.

The Scrutiny Review report was reported to Constitution Committee on 2 March 2017.

## Pre-decision Scrutiny

Where the Committee has evaluated and commented on policy proposals before they go to the Executive, giving the Cabinet the opportunity to know Scrutiny Member's views prior to making their decision. In 2016/17 this included;

- Local Authority Trading Company – Commissioning and Procurement
- Employee Health & Well-being Strategy
- Corporate Asset Management Plan
- Investment Estate Strategy 2016-19
- The Corporate Plan 2017-19
- The Proposed Budget 2017-18
- Corporate Procurement Strategy.

### Corporate Asset Management Plan

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In July 2016 the Committee considered the Corporate Asset Management Plan (CAMP); the key property objectives of the Council over the forthcoming year, and the positive impact this would have both on the Council's services and its financial position.

Following the scrutiny the Committee advised the Leader it considered that, in respect of property matters generally, and the general direction of travel, the Council's plans are now far more transparent. Specifically Committee:

- Noted that the property maintenance backlog is largely schools related, and constantly under review to ensure the maintenance backlog does not grow further;
- Noted the use of County Hall would be maximised in the medium term, however longer term this approach might change;

- Was seeking reassurance that financial and operational considerations were used together in target setting;
- Requested a better understanding of the criteria used to set the targets during those discussions;
- Noted targets for reducing Gross Total running costs were not achieved during 2015/16;
- Was keen to establish that the targets set for 2015/16 were ambitious.
- Members wish to register some concern with the length of time often taken to realise Community Asset Transfer opportunities, and how realistic the Council's ambitions are;
- Welcomed the creation of a new post to support community groups in their bid to take on a Community Asset, recognising that such groups are often seeking advice and expertise to take their aspirations forward;
- Stressed that local Members possess invaluable ward knowledge that could prove beneficial in giving effect to Community Asset Transfers, and would in future like to see more weight given to Member engagement and involvement in such cases, and urge more accurate Member consultation.

In response the Cabinet reassured that annual CAMP targets align directly with those within the 2015-2020 Property Strategy. The targets are designed to provide evidence that the Council is moving towards a leaner, more efficient and modern estate, and are agreed in close collaboration with service areas. The Community Asset Transfer (CAT) project officer post to support community groups in their bid to take on a Community Asset, had been filled, providing a single point of contact for CAT management within the Council. The CAT officer would ensure that members are consulted on CATs and best use is made of their local knowledge and community expertise, and would endeavour to include local Councillors in the Neighbourhood Planning exercise.

## **Investment Estate Strategy 2016-19**

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In line with its responsibility for scrutiny of the Council's property estate, both 'operational' property (from which the Council operates and delivers services), and 'non-operational' or 'investment' property (often let for commercial return or to promote local employment, small businesses and the economic regeneration of local areas), the Committee had an opportunity for pre-decision scrutiny of the Council's Investment Estate Strategy 2016 – 2021 in November 2016.

The Committee heard that the Council has 200 property assets with a value of £67million, generating an income of £3.47million p.a. This represents a yield value of 5.16%. The proposed Investment Estate Strategy was designed to improve the performance of the estate and increase the yield on Council assets. A high level assessment of all properties in the Council's portfolio had been carried out, and properties had been RAG assessed to Red = release, Amber = remodel, or Green = retain. The Investment Strategy proposed that to improve the property portfolio the Council would consider the acquisition of new investments, taking into consideration their location, covenant strength, lease length, investment yield and lease repairing terms.

Members heard that a performance target had been set to increase the gross yield from the Council's portfolio from 5.16% to 6.16%, which represented a 20% improvement over five years. As part of this strategy, a review of all operational assets would also be carried out, to identify any opportunities to generate rental income from properties that may be underutilised, surplus to requirements or sites where there is potential to let out the whole or split the site for commercial benefit.

The Committee in its letter to the Leader acknowledged that the Strategy represented a step change in the Council's management approach of



maximising the benefits from its estate. Members were reassured that the new strategy was focussed on generating more income from the Council's non-operational property. However Members:

- Felt there should be a clearer indication of the performance targets the Investment Estate Board (IEB) would set along the way to measure progress, to enable Cabinet and Scrutiny to evaluate the success of the Strategy over the next 5 years;
- Recommended strengthening democratic oversight by appointing a Cabinet Member to the IEB;
- Recommended its successors consider an interim update of progress in July 2017, and suggested examining in depth the process and outcome of applying the Strategy to a red City Centre asset, to assess whether the process is working;
- Would like more weight given to Member engagement and involvement in property deals that are planned within their wards.

In response the Cabinet reflected this was the first time that the Council has published targets relating to the performance of the Investment Estate, which in itself represents a major step forward in terms of transparency and accountability. The Cabinet is committed to reporting progress against targets annually, reporting activity quarterly as part of the corporate performance report, and will monitor activity monthly through the Organisational Development Programme. Further it would continue to explore the opportunity to compare the performance of the investment estate to that of other cities, though Cardiff is leading the way in terms of transparently setting out its agenda.

However, Cabinet considered that appointing a Member to the IEB would dilute the commercial perspective on the estate, for the Board would only make recommendations for presentation to the Asset Management Board and Cabinet Member with responsibility for the Investment Estate.

Cabinet agreed an interim progress report in July and would be happy to consider a case study for scrutiny, specifically a city centre asset that has been identified as requiring action.

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## Monitoring Improvement

Where the Committee has undertaken monitoring of the Council's improvement progress. In 2016/17, this included:

- Organisational Development Programme – refresh
- Organisational Development Programme - progress report
- Statutory Annual Improvement Report 2015/16
- Wales Audit Office Improvement Report 2015/16
- Wales Audit Office Corporate Assessment Follow-on Report, Statement of Action progress update.

### Organisational Development Programme – Refresh & Progress Report

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On two occasions this year the Committee took the opportunity of monitoring the Council's overarching improvement programme, the Organisational Development Plan (ODP). The Committee's primary focus was to ensure that the success of the ODP translates into an improved citizen experience of Council services. Members acknowledged the Council has made good progress in several statutory service areas, but felt progress could perhaps be quicker and more consistent. With the ODP firmly embedded Members consider the Council is well placed to accelerate the pace of improvement, to ensure performance improvement is evident at the frontline, and that the good work to date is translated into an improved frontline citizen experience. They felt it was beholden upon the Committee to assist the Council in strengthening its self-assessment in line with WAO recommendations, by robustly seeking out information and holding to account services that may not be improving. Therefore the Committee advised the Cabinet:

- It would monitor explicit links between the ODP, Corporate Plan, What Matters Strategy, and Cardiff's Wellbeing Plan;

- It would be seeking detailed progress reports that would enable it to measure *how* projects are delivering improvement over time, to achieve an improvement in its own level of challenge and monitoring;
- It would programme specific ODP projects for more in depth progress reports, containing greater detail, in its future work programme;
- A reporting format was required that enables the Committee to effectively monitor the ODP, and to assess which services would benefit from Scrutiny drilling down further;
- That it wishes, as a key stakeholder, to be involved in the three year review process proposed for 2017.

In response the Cabinet indicated that the ODP is the primary vehicle through which the Council will deliver change to ensure it can meet the financial challenges ahead, whilst continuing to deliver outcomes for residents and service users. As such, there are clear links between the aims of the Programme and the ambition of the Council as an organisation and as a partner working across the City region. Cabinet committed to make these links clearer, both for the Policy Review and Performance Scrutiny Committee and wider audiences.

The Cabinet agreed to develop an approach to ensure there is clear visibility to the Committee of the progress that is being made in delivering each of the programmes within the ODP without developing a burdensome reporting framework. The Committee's involvement in the three-year review process as a key stakeholder was welcomed.

The Committee followed up progress six months later, its overwhelming concern being that the CRM technological difficulties the Council has faced for some time remained unresolved. In November, following scrutiny of the WAO Statement of Action, the Committee highlighted to the Leader its frustration that the Council was not further ahead in resolving the technological integration of SAP with the customer facing system, CRM. Members noted at that point that the Council could not deliver a customer portal until the digitalisation issues currently experienced by C2C operators were resolved,

and indicated the Committee's intention to keep a close eye on developments. Subsequently, in December, following scrutiny of the Customer Services strategy Members re-iterated that the Council should have a date in mind as to when the problem will be resolved, requesting an update on SAP/CRM when there was something significant to report back.

The Committee found itself, following January's scrutiny of the ODP, re-iterating those concerns of November and December, that progress has been slow in resolving the technological issues that will enable improvement in customer focussed online services. Members had heard over the past three meetings that the Council's technology partner has put in place its global escalation team to resolve matters. The Committee therefore:

- Re-iterated its request for an update on CRM to its meeting programmed for March 14 2017;
- Considered there was an opportunity to streamline the OD Programme to focus more heavily on the reshaping of services rather than core business, particularly to enhance the focus on technology;
- Would recommend to its successors that when monitoring progress in future it tests the validity of RAG ratings.

### **WAO Corporate Assessment Follow-on Report, Statement of Action progress update**

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In November 2016 the Committee received a progress update on the Council's Statement of Action in response to the WAO Corporate Assessment Follow-on Report. Members commended the Cabinet on the generally strong progress the Council had made in delivering the Corporate Follow-on Statement of Action However it had specific concerns as follows:

- As CRM is considered the key customer facing system, the Committee would keep a close eye on developments. It had some concerns that

there was no deadline in place or definite date as to when the problem would be resolved;

- Members were still unclear as to whether the Council can expect a further WAO inspection. As Council would undertake a self-assessment within this financial year of how well performance is embedding, Committee would factor this into its work programming.

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## Monitoring Performance & Delivery

Where the Committee has undertaken monitoring of the Council's performance. In 2016/17 this included:

- Corporate Performance Quarter 4 2015/16
- Corporate Performance Quarters 1, 2 & 3 2016/17
- Budget Outturn 2015/16
- Corporate Risk Register
- National Performance Indicator Results 2015/16.

### Quarterly Corporate Performance

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Monitoring Corporate Performance, and the emerging new approaches to performance management, has been a significant part of the Committee's work programme in 2016/17.

At **Quarter 4 2015/16** the Committee:

- Was concerned at gaps in the Performance Indicator (PI) data provided for their consideration;
- Considered the downward trend in sickness absence was very encouraging and commended the Cabinet for its achievements, particularly in Directorates such as City Operations, Members felt it would be useful to identify to what extent this improvement was a result of management action, and were concerned that the employee counselling service was oversubscribed;
- Was concerned that at the end of the 2015/16 monitoring year, there were performance indicators still RAG rated amber, and looked forward to a more consistent approach to RAG rating across the organisation as the new performance monitoring arrangements come to fruition;

- Highlighted that the compliance level of PPDR completion meant 1,000 staff were still not receiving a PPDR, and this needed to be addressed;
- Acknowledged the complexity of the Council's quarterly performance report, in attempting to simultaneously present the high level overarching corporate performance picture alongside the performance of individual services;
- Flagged up that ward Councillors would find geographic performance analysis useful.

In response Cabinet recognised that there was more work to do to meet the challenging stretch targets set by the organisation. They recognised the value of analysing the causes of improved sickness absence rates; and indicated a consistent approach to RAG ratings was being developed as part of the refresh of the Council's Performance Management Strategy. Cabinet also agreed work would continue to improve performance in the PPDR process; recognised the usefulness of geographically-based performance analysis for ward Councillors; and indicated the Corporate Performance Team would work with service-based Performance Leads to explore the possibility of analysing and presenting relevant performance information on this basis.

At **Quarter 1 2016/17** the Committee's overarching comment to Cabinet was that the Quarter 1 refreshed quarterly report remained complex and heavy going, and looked forward to the Q2 report addressing the need for greater simplification. The corporate overview pages of the report had been summarised into a two page Balanced Scorecard presentation. Members felt this was commendable, however there was need for an 'in-between' report, more detailed than the Balanced Scorecard summary but less weighty than the current full report. The Committee therefore suggested a one page summary for each Directorate would usefully sit behind the Balanced Scorecard.



The Committee added it felt:

- Robust work was required throughout the organisation on target setting, comparing quarterly results, and not just annual results.
- There was a need for consistency in finance and performance reporting in respect of target setting;
- The report needed to enable Members to perform their ward Councillor role, and enable them to hold the Cabinet to account. Members suggested that an option of online 'drilling down' would be useful both for Members and for the public;
- Re-iterated that other scrutiny committees' needs in executing their role of monitoring frontline services should be taken into account;
- The quarter 1 sickness figures were concerning, particularly that the Council was unable to influence schools in tackling sickness absence.
- The Council should remind governing bodies that they offer a service whereby governors can gain access to sickness information should they require it;
- Progress had been made in the level of PPDRs, but it remained concerned as to how the organisation would tackle the remaining 10% of staff still not receiving PPDRs.

In response the Cabinet indicated that the Performance Reporting Project team had been tasked with developing a reporting format specifically for the Committee, consistent with the Council's overall reporting framework. They accepted that an option of 'drilling down' into performance would be useful for Members, and for the public, and that work was underway to develop ways in which the Council reports its performance to other audiences, focussing on accessible reporting formats such as infographics. The ambition of this work would be to create an online portal which had a 'top layer' of easily accessible narrative, and infographic-driven performance information, underpinned by a second layer of more detailed performance information.

At **Quarter 2 2016/17** the Committee acknowledged that the Council was still in the process of refreshing its performance management reporting arrangements. Members were generally very happy with the extension of the balanced scorecard approach to each Directorate. However Members remained unclear which Performance Indicators were proving challenging and which were improving performance. The Committee therefore:

- Requested that, as part of the quarterly performance report, a corporate summary of highs and lows during the quarter, highlighting clearly where current performance concerns are for the Council;
- Expressed concern about the Quarter 2 sickness absence projections given that in every Directorate projections outstrip targets;
- Accepted the offer of greater detail in respect of the Education-non-school service sickness absence rates;
- Considered the title 'Council Overview Scorecard' is misleading. Members noted that the KPI's used in the performance report measured performance against the Council's Improvement Objectives alone, and not improvement in Council services in general. Therefore whilst the Scorecard provides a strategic overview it is not an all-encompassing view and this should be made clearer;
- Re-iterated it felt the public should have access to a level of performance data that facilitates an assessment of Council performance;
- Re-iterated that some Scrutiny committees focus on day to day performance and are keen to have a bespoke report that enables very focussed monitoring of frontline services.

In a very committed response the Cabinet indicated that the Corporate Performance Team would be developing a summary of the 'Corporate Highs and Lows' and invited Members of the Committee to engage with the Performance team in developing the summary;. They indicated Education would provide the Corporate Performance Team with a detailed account of non-schools sickness absence for consideration with the Quarter 3

performance report; and in conjunction with the Communications team, the Corporate Performance Team would be developing a public facing performance report, summarising the Council's Annual Improvement report, National Strategic Indicators and Performance Assessment Measurements for 2015/16. The Cabinet also committed to developing reports better suited to the specific requirements of individual scrutiny committees, in line with the ongoing review of scrutiny.

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## Future Work Programming Opportunities 2017/18

This scrutiny year has been shorter pending local government elections in May 2017. The Committee has found its time stretched to cover increasing statutory responsibilities for partnership scrutiny and the services that fall within four directorates. There are a number of items the Committee will carry forward, and commend to the Committee of 2017/18 for consideration in its work planning. These include:

- Employee Health & Well-being Strategy 2016-17 – Monitoring the effectiveness of managers at identifying stress, particularly mental health issues in their staff.
- Organisational Development Programme:
  - Programming specific ODP projects for more in depth progress reports, containing greater detail;
  - As a key stakeholder, participating in the three year ODP review process proposed for 2017 and considering the comprehensive independent review of the when it becomes available.
- Business Continuity plans – The Committee wishes to consider full Business Continuity plans and red/amber risks.
- Bi-Lingual Welsh Language Strategy:
  - conduct more focussed case study type inquiry work, with a view to examining the challenge to a private sector employer of offering a bilingual service, and at how the Council is supporting bilingualism in an English speaking school;
  - Monitor progress in delivering the Welsh Language Standards on an annual basis.
- Investment Estate Strategy 2016:

- an interim update of progress in July 2017;
  - Examining in depth the process and outcome of applying the Strategy to a red City Centre asset, to assess whether the process is working.
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- WAO Statement of Action – continue to request a progress update on CRM/SAP.
  
  - Customer Services Strategy – request a report back to Committee on progress the Council is making in managing its Social Media presence.

## **Overview of Scrutiny 2012-2017**

During the last five years, this Committee has held 56 full Committee meetings, including five joint meetings with the Environmental Scrutiny Committee. As a result of the consideration of over 155 reports, covering policy development, pre-decision scrutiny, monitoring progress and service area performance, the Scrutiny Committee Chairperson sent over 120 letters to the Cabinet and officers, which included requests for additional information, comments, and observations.

## Committee Terms of Reference

- 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, and resources and services provided by, external organisations including the Welsh Government, joint local government services, Welsh Government Sponsored Public Bodies and quasi-departmental non-government 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 in this area.
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