

## POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

20 SEPTEMBER 2017

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

### 78 : APOLOGIES FOR ABSENCE

None

### 79 : DECLARATIONS OF INTEREST

To advise Members that they had a responsibility under Article 16 of the Members' Code of Conduct to declare any interest and complete Personal Interest Forms at the commencement of the agenda item in question.

### 80 : MINUTES

The minutes of the 18 July 2017 meeting were approved as a correct record.

### 81 : BUDGET STRATEGY 2018/19 AND THE MEDIUM TERM

The Chairperson welcomed Councillor Chris Weaver, Cabinet Member for Finance, Modernisation and Performance to his first meeting of the Committee, alongside Christine Salter, Corporate Director Resources and Ian Allwood, Head of Financial Services.

The Chairperson advised the Committee that this item would give Members an opportunity to consider the Council's strategy for developing the 2018/19 budget proposals and medium term planning. It would also give Members a chance to consider the timetable for developing the proposals and how the Committee wishes to be involved throughout the year.

The Chairperson invited Councillor Weaver to give a statement.

Councillor Weaver gave an update on the current position with regard to the budget gap. The assumptions and draw down contribute £21.5million and will require the Council to make a £15million saving in 2018/19.

The Committee received a presentation which outlined the following:

- Budget Reduction Requirement
  - *Schools Growth*
  - *Pay and Price Inflation*
  - *Capital Financing, Commitments & Realignments*
  - *Non Schools Demographic Growth*
  - *Emerging Financial Pressures*
  - *Fall out of 2017/18 Reserve Funding*
  - *Estimated 1% funding reduction from Welsh Government*
- Budget Strategy

- *Budget Strategy was framed around four overarching assumptions*
- *Assumption 1: Council Tax @ 3.7% p.a*
- *Assumption 2: Earmarked Reserves*
- *Assumption 3: Schools Growth*
- Budget Strategy Overview
  - *Directorate Savings - £52million*
- Consultation and Engagement
- The Medium Term Financial Plan - worst case scenario outlined
- Capital Programme – Strategy
  - *Approach to developing investment priorities*

The Committee was advised that pupil numbers, and pay awards were growing and whilst making provision for demographic growth the cap on pressures was set at 70% and schools were expected to make efficiency savings of 30%.

The Committee asked for information on public sector pay level adjustments.

The Committee was advised that the provisional settlement from Welsh Government would be made on the 10/10/17. Contingency arrangements to deal with late changes would be put in place in advance of the final settlement. A pay award of 1% may lead to difficulties for funding but the annual spinal award would not impact on the budget.

Members of the Committee were concerned that a proposed 2% pay award for staff may have a detrimental impact on the budget and sought further clarity on the impact of finding an additional £4million for non-teaching staff.

The Committee was advised that the budget strategy had been developed based on a best case budget scenario of £73.5 million, with more technical work to be applied by the finance team, and paying attention to inflation and head count change. It was essential to firm up the head count to monitor changes to pensions, which could result in possible savings. A change in policy of the budget calculation had had an impact. Increment payments for pay grades were rest as part of the Single Status agreement and savings were realised.

Members of the Committee were concerned with the amount of business rates collected by Cardiff Council and re-distributed across Wales. The Digitalisation agenda was also going to take time to review. Third Party spend of £4million should be £12million in the first year to speed the process up.

Officers advised the Committee that third party spend contract renewal over 3 years was in place for practical reasons and allowed for early savings.

The Committee drew attention to the fact that if the 1% funding reduction didn't materialise were plans in place to support this, along with the capital financing projects in place.

Officers explained the assumption for the AEF was not known as Welsh Government had not provided the information. Previous Capital Programme projects would be

looked at in order to direct additional funding, but there was no guarantee. The WLGA had provided work on IOS modelling from Central Government, with the WLGA providing analysis on possible scenarios. Cardiff had taken a prudent view, maintaining its position, with assumptions being made in Social Services with projected overspends. Capital Financing was addressed along with the Capital Programme.

The Committee discussed the Schools Asset renewal project and how schools were going to deal with the demand issues. In response the Committee was advised that the Local Development Plan included the development of new communities, with assumptions in place that funding for new schools would come from Section 106 funding. The School's maintenance backlog of £80m was a concern, and highest priority schools would be looked at. In relation to Band B, to date it was not clear what Welsh Government would support. The gap would be made clearer nearer the time.

The Committee asked about quantifying in capital terms. Revenue/Capital growth pressures and how this was being approached in an appropriate way.

Members of the Committee discussed the School's position in detail and the challenges faced by School's in relation to the funding position.

The Committee drew attention to the Capital Ambition document, discussed at July's committee meeting, and asked what impact the budget planning process had had on delivery of the Ambitions, including extra costs, and if the Capital Ambition was on track to be realised in 5 years.

The Committee was assured that Capital Ambition was included as a part of the budget funding. This was a priority of the Administration and would be included in the budget.

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

## 82 : SOCIALLY RESPONSIBLE PROCUREMENT POLICY

The Chairperson welcomed Steve Robinson, Operational Manager, Commissioning and Procurement.

The Chairperson advised Members that this Committee had responsibility for scrutiny of procurement arrangements. The Council had developed a new Socially Responsible Procurement Policy. This is therefore a pre-decision scrutiny opportunity to feed our comments and observations into Cabinet decision-making.

Councillor Weaver explained that the Council had set a 3 year Procurement Strategy this included the creation of a Community Benefits Board, overseeing the development of a wider Social Responsibility Policy and a Charter, with 6 priority areas.

The Committee received a presentation which outlined the following:

- Welsh Context
- Cardiff Council Policies and Initiatives
- Socially Responsible Procurement Priorities
- Process in place to support delivery
- Community Benefits/Ethical Employment

The Committee was advised of the six priorities:

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

The Committee drew attention to examples provided at Birmingham and asked how Cardiff could learn from this, including the operating costs.

Members of the Committee were advised that following analysis of the feedback the view was that Wales was advanced in this area with evidence of good practice and community benefits. The Core City aspect was also used to measure performance and develop challenges alongside smaller business against the larger companies. On-going support and development was in place to maximise returns in this area.

The process in place for dealing with different size organisations was addressed. An open door charter was established to support this with small companies being encouraged to bid for work and develop the supply chain. Community benefits were also being realised, especially in construction maintenance where local projects were being supported at a local level.

The Committee was informed of the costs incurred last year to support small and medium enterprises in Cardiff, and how to develop supply chains. Larger contracts were also being developed and encouraged as part of the process. This was being driven by Welsh Government as a part of the National Procurement Service – to buy for Wales. These policies and procedures would also be shared with third sector organisations.

Members enquired as to the extra demands on staff in applying the policy and were advised it was sometimes a challenge, but having one overarching policy brings staff together. Contract management across the Council was being monitored, and improvement was required in some areas.

The Committee asked for evidence of contracts granted for ethical approaches rather than pricing costs. The Committee was assured that not all contracts were awarded on price alone and the quality of tenders were always analysed. There had been a change in the procurement process, with a stronger focus on ethical employment. Social value was also considered as part of the selection phase and award phase. Organisations were required to meet a substantial amount of checks, including the Living Wage.

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

### 83 : MENTAL HEALTH POLICY & MANAGERS GUIDANCE

The Chairperson welcomed Philip Lenz, Chief Human Resources Officer, and Anita Batten, HR People Partner. In addition Trade Union, UNISON had sent along Helen Jones, member representative with frontline experience of how the Council dealt with Mental Health.

The Chairperson advised Members that this was a pre-decision scrutiny opportunity, examining the Council's new draft Mental Health Policy and the Manager's Guide prior to consideration by the Cabinet and adoption by the Council.

Councillor Weaver advised that the Council as part of its Employee Health and Wellbeing Strategy was committed to promoting and maintaining the mental health and wellbeing of all employees through workplace practices.

The Committee received a presentation which outlined the following:

- Context
- Stress Related Absences 2016/17
- Aim of the Policy
- Related Policies
- Supporting Initiatives and Training

The Committee emphasised the importance of employers identifying on early signs of stress, and having the necessary skills in place to deal with matters in a sensitive way.

Members of the Committee were advised that HR People Services provided an Occupational Health service, along with a Stress Management Programme to support employees. The cause of stress would be identified and that would depend on the respective manager.

The training in place for managers provided by the Cardiff Academy was discussed, and the Trade Unions asking for enhanced training.

The Committee welcomed Helen Jones, Unison member to provide a statement.

Helen Jones emphasised the importance of the improvement in mental health support in the Council. More people were being encouraged to speak out about their issues and this was allowing for more clear and concise support and advice being made available.

Helen Jones provided the Committee with an example of the issues she had experienced when facing certain aspects in the workplace.

The Committee drew attention to current mental health training issues as the process did not seem consistent. A formal training programme should be developed and

should be made mandatory for managers. The current Council support network for employees experiencing stress issues was inadequate and members enquired what was the current waiting time for an employee to access the counselling service.

Members were advised that the CareFirst Programme was in place which employees could be fast tracked to and was a 24/7 Employee Support system. The Council's own Employee Counselling service was effective and supported staff, however there was a problem with waiting times. A partnership with the NHS was in place to fast track employees into the system with support of 10 sessions. It was acknowledged that further support could be provided to employees and additional programmes were being developed.

Members were concerned there was no mention of preventative work. Risk assessments should be in place supporting the Health & Safety Executive procedures 2005 Stress Standards. There was little evidence to suggest that preventative work was in place to support employees and additional work in this area was vital.

The Committee was assured there was a Stress Management Policy in place which was used as a tool for Risk Assessments.

Members of the Committee welcomed the comments and the policies in place to support employees. However, it was essential to create a culture to identify early intervention as soon as possible. A management culture to support employees should be developed and stress should also be identified when monitoring personal performance.

The Committee was advised that the Employee Health & Wellbeing Strategy was the overarching policy to develop the culture of the organisation. Its main focus was directed at staff health and wellbeing with employees being provided with regular communications on what the Council had to offer in relation to support. The Council had achieved the Bronze Health Standard and was now aiming to complete Silver. Personal Performance Development Reviews would be less formal and issues could be identified and raised during these sessions.

Members drew attention to the Mental Health Foundation Podcasts available online with 10 minute breathing techniques. These podcasts were easily accessible and were free.

The Committee stressed the importance of the Drug and Alcohol Substance misuse policy and how this was monitored in the organisation especially in areas where members of staff operated equipment. In response the Members were advised that plans were in place to identify and recognise signs where staff could be affected and procedures were in place for support.

The Committee suggested that balance was required between support and performance. Coaching skills should be considered and looked at throughout the Council.

**RESOLVED:** At the conclusion of the meeting the Committee discussed the evidence presented, following which they tasked the Chairperson of the Policy Review and

Performance Scrutiny Committee to write to the witnesses to thank them for attending the meeting and set out the comments made by Members.

84 : WORK PROGRAMME

The Committee received the planned programme of work for 2017/18.

The Committee discussed items for the programme which included:

- Budget
- Corporate Strategy
- Digitalisation
- Wales Audit Office
- Change Programme
- International Strategy – Third Sector
- Performance Management
- Budget Monitoring

Task and Finish was addressed the following was agreed:

Task and Finish Customer Leadership Membership:  
Councillors Walker (Chairperson), Bowen-Thompson, Berman and Cunnah.

Task and Finish Operational Estate Membership:  
Councillors Boyle (Chairperson), Mackie, McKerlich and Murphy.

Performance Panel:  
Councillors Mackie, Bowen-Thompson, Murphy and Boyle

85 : ANY OTHER BUSINESS AND DATE OF NEXT MEETING

4 October 2017

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