

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

Date: 11 December 2017

Councillor Huw Thomas,
Leader
Cardiff Council,
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Dear Councillor Thomas,

Policy Review & Performance Scrutiny Committee: 6 December 2017

Thank you for attending the above committee. On behalf of the Members, this letter captures the committee's agreed comments and observations in respect of the Delivering Capital Ambition report and preparations for delivering the Corporate Plan 2018 -19.

Firstly, the Committee wishes to record its appreciation for the Cabinet's inclusive approach to scrutiny engagement with these important strategic plans whilst in their development stages. We look forward to sight of the draft Corporate Plan and an opportunity to scrutinise the structure and content of the Plan, including smart objectives and Key Performance Indicators (KPI's) at our meeting on 17 January 2018. May I remind you that papers for this meeting will be published on 10 January 2018. In respect of the Corporate Plan 2018-19, the Committee's new Performance Panel particularly welcomes your offer of a target setting session later in January and will consider sharing this session with the Chairs of all scrutiny committees.

Members wish to reinforce the importance of a strong alignment between all planning documents that comprise the performance framework. We note you are confident that the mechanisms for achieving this are all in place and that the Corporate Plan will clearly state the objectives, actions, targets and measures to deliver Capital Ambition. As a Committee, we will be looking for strong links between the Well-being Plan, the four-year Capital Ambition programme and the Corporate Plan.

The Committee welcomes the proposal for fundamental reviews and notes there has been in depth analysis of services and external factors, prior to selecting priority

areas for review. We note the creation of a Cabinet Performance and Delivery Group, and would welcome a strong link to this new group, to consolidate governance arrangements going forward. I would welcome a conversation as to what shape this might take and whether it would be full Committee or the Performance Panel that upholds such a link.

Members were looking for reassurance that there had been some tangible action on the City Deal in addition to the setting up of governance arrangements. We note a business plan is required for the City Deal setting out all ten Councils' aspirations, and that £500m over 20 years is perhaps less transformational than all would aspire to, however an example of demonstrable progress to date is the semiconductor project.

We would welcome sight of the workforce development toolkit, and we will programme scrutiny for March 2018, as indicated on the Cabinet Forward Plan

All Members consider it is important that organisational culture embraces digitalisation. We note you agree it is important management and staff work together to ensure the citizen remains central to the design of Council services. We wish to re-iterate that consistency of customer service organisation-wide is key. Similarly, we take on board your view that changing citizen and neighbourhood cultures is also important, and that the 'Total Street' approach (paragraphs 48 and 49) is considered to encourage this rather than burdening citizens with improving their neighbourhoods.

Closely aligned to organisational culture, we consider breaking down directorate silos is critical to delivering a seamless council service. We note managers understand the benefits of joining up frontline services and that you are encouraging a more open span of management control. The example of Total Street where the organisation is taking steps to align all street scene services will be the test of how effectively Capital Ambition is delivered.

The Committee has some concerns as to where the Council sits on Welsh Government's programme for local government reform in the shape of regional collaboration on shared services (paragraph 35). Given that Local Authorities are very different across Wales Members consider Cardiff should benefit from the

regional aspirations of Welsh Government, and agree with you it is important the Council retain control of key services.

Finally, Capital Ambition places communities front and centre. We acknowledge you consider the focus should be on inequalities, particularly of health and opportunity. However all communities have needs and we would therefore urge that Capital Ambition works for the whole City.

To recap, in addition to the above observations, the Committee:

- Will programme scrutiny of the 2018-19 draft Corporate Plan on 17 January 2018, and requests that papers are made available in time for statutory publication on 10 January 2018;
- Welcomes your offer of a Corporate Plan 2018 -19 target setting scrutiny session later in January with the Committee's new Performance Panel, which we will consider sharing with the Chairs of all scrutiny committees;
- Has asked me to discuss with you what shape the Committee's link with the new Cabinet Performance and Delivery Group might take, to consolidate performance governance arrangements going forward;
- Will programme scrutiny of the workforce development toolkit for March 2018, as indicated on the Cabinet Forward Plan.

Once again, on behalf of the Committee, please pass my sincere thanks to all who attended PRAP Scrutiny Committee for the consideration of Delivering Capital Ambition. We look forward to your response and wish you all the best in drafting the Corporate Plan 2018-19 to deliver your Capital Ambition.

Yours sincerely,



COUNCILLOR DAVID WALKER
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Members of the Policy Review & Performance Scrutiny Committee
Paul Orders, Chief Executive
Christine Salter, Corporate Director Resources
Joseph Reay, Head of Performance & Partnerships
Dylan Owen, Head of Cabinet Office
Debi Said, Cabinet Support Officer
Joanne Watkins, Cabinet Office Manager

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Fy Nghyf / My Ref: CM38884
Dyddiad / Date: 17th January 2018

Councillor David Walker
Chair
Policy Review & Performance Scrutiny Committee
Cardiff Council
County Hall
Cardiff

Annwyl / Dear David,

Thank you for your letter dated 11 December 2017.

I have noted the Committee's observations on the Delivering Capital Ambition report and process for delivering the Corporate Plan 2018-19, and I look forward to attending the next meeting on 17 January 2018 to discuss the draft Corporate Plan document. I welcome the committee's engagement in helping to shape the Plan at this early stage and continuing our commitment to early engagement.

The Committee have also previously raised the issue of target setting within the Corporate Plan, which is why I proposed a focused session on target setting with the Committee's new Performance Panel. I appreciate your willingness to engage, and have therefore requested that officers arrange this session. The involvement of other Scrutiny Committee Chairs in this exercise, subject to their availability, is welcomed. I believe this would be an important opportunity to outline and raise awareness of the target setting process ahead of the formal pre-decision scrutiny of the Corporate Plan, alongside the budget, by all the relevant Committees at their February meetings.

In addition, I can confirm that the workforce planning toolkit forms part of the Council's Workforce Strategy, which is due to be considered by the Policy Review and Performance Scrutiny Committee in March 2018.

With reference to the new Cabinet Performance and Delivery Group, I would welcome the opportunity to meet with you – together with my Cabinet colleague, Councillor Weaver, who chairs this group – to discuss how we can work constructively with the Policy Review and Performance Scrutiny Committee in the future. I will ask my office to put in place the necessary arrangements.

Yn gywir,
Yours sincerely,

**CYNGHORYDD / COUNCILLOR HUW THOMAS
ARWEINYDD / LEADER,
CYNGOR CAERDYDD / CARDIFF COUNCIL**



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

Date: 25 January 2018

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Dear Councillor Thomas,

Policy Review & Performance Scrutiny Committee: 17 January 2018

On behalf of the Members thank you for attending the above Committee, particularly in light of your other diary commitments. We appreciate your ongoing early engagement with us at this drafting stage of the Corporate Plan 2018-21, and the opportunity specifically to comment on the draft objectives.

Firstly, I wish to confirm that this Committee's Performance Panel looks forward to the informal session you have offered on target setting, to take place on Wednesday 31 January at 11.30am in the Scrutiny Chairs Room 263c, County Hall. This session, together with the observations of last week's meeting, marks a significant step forward in facilitating scrutiny impact on the Council's strategic planning processes.

Members welcomed the Corporate Plan 2018-21 as a useful document. We acknowledge that you have sought to embed the Capital Ambition Delivery Programme within the Plan, and sought alignment with the Public Service Board's Well-being Plan. Captured below are the committee's agreed comments and observations in respect of the draft – no status document, as at 17 January 2018.

The Committee considers that the Plan underplays the role Economic Development plays in achieving the objective '*A Capital City that works for Wales*'. We feel there are significant and visible projects and initiatives, such as those linked to the City Deal that should be listed as actions the Council will take to make progress. Similarly, performance measures (KPI's) for this objective are noticeably light compared with KPI's identified to measure other objectives. Members suggest that you consider

KPI's such as the number of new jobs generated, and the number of new businesses launched. We understand it can be difficult for the Council in its enabling role to develop KPI's for Economic Development over which it does not have complete control, but note that the Council's 'ambition' needs some quantification.

During the scrutiny, Members made specific references to the following steps/ actions:

Cardiff is a great place to grow up

- Page 3 - We consider the line '*Strengthen the management of the existing education estate*' would align more effectively under Page 20 – *Assets and Property: modernising & integrating our Public Services*.
- Page 3 - We consider the Council should be involved in activities to prevent young people reoffending. We therefore suggest that one useful performance measure under the support vulnerable young people section would be the percentage of youth re-offenders.

Cardiff is a great place to grow older

- Page 5 - Members consider the actions for this objective focus on remaining and promoting independence; however, the performance measures reflect satisfaction with care and support, rather than adults feeling more able to live independently with the care and support they receive.

Cardiff has safe, confident and empowered communities

- Page 9 -. Members consider this objective focuses on children and adults being protected from risk of harm and abuse, whilst the performance measures generally show outputs regarding training delivery, rather than measuring the desired impact resulting from the training. We would like to see more measures that reflect the steps/actions closely in this section, particularly measures for the action '*effective citizen engagement activity, giving people a voice in shaping Council services*'.

A capital city that works for Wales

- Page 13 - Develop a Live Music Strategy – We would like to know how this would be measured.

- Page 13 - The Committee considers that under this Well-being Objective there should be a reference to the quality of urban architectural design.

Cardiff's population growth is managed in a resilient way

- Page 16 - The Committee is of the view that it would be sensible for the Plan to factor in known and predicted population growth in relation to the delivery of some key services, such as waste management. We are seeking clarity on the future of alternative delivery models in areas such as waste management.
- Page 16 - Develop a City Food Strategy – we consider there needs to be clarification that this line relates to street food events and sustainable food initiatives, as you explained at the meeting.
- Page 18 - In the waste management performance measures there is no reference to improved productivity targets.

Modernising and integrating our public services

- Page 20 - The Committee recommends the inclusion of improving the contribution from income earning streams, and measuring the outcomes from partnership working.
- Page 20 - The Committee considers that under this objective the step to '*Get people and communities more involved in decisions*' needs to be given clear performance measures.

Once again, on behalf of the Committee, please pass my sincere thanks to all who attended PRAP Scrutiny Committee for the consideration of the draft Corporate Plan. We look forward to your response, to our target setting session on 31 January, and to final pre-decision of the Plan on 14 February 2018 at 2pm, when you will be first on the agenda.

Yours sincerely,



COUNCILLOR DAVID WALKER

CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc **Members of the Policy Review & Performance Scrutiny Committee**
Paul Orders, Chief Executive
Christine Salter, Corporate Director Resources
Joseph Reay, Head of Performance & Partnerships
Dylan Owen, Head of Cabinet Office
Debi Said, Cabinet Support Officer
Joanne Watkins, Cabinet Office Manager

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Fy Nghyf / My Ref: CM39158

Eich Cyf / Your Ref:

Dyddiad / Date: 13th February 2018

Councillor David Walker
Chair, Policy Review and Performance Scrutiny Committee
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Annwyl / Dear David,

Thank you for your letter of 25 January 2018, and for the Committee's consideration of the draft Corporate Plan 2018-21. The views and observations of the Committee are valued, particularly in helping to shape the Corporate Plan at an early stage of development. This letter seeks to respond to the Committee's observations in turn and outline the consequential changes made to the Plan.

The Committee recognised the role of Economic Development as a small enabling service that could not be held accountable for some city wide indicators such as GVA and unemployment. It is accepted however that the Plan would benefit from including measures on employment growth, which have now been included in the draft that will be shared with the Committee ahead of its February meeting. An objective has also been included to recognise the role of the City Deal in supporting Economic Development across the City and wider region, whilst acknowledging the role of the Capital City Region Cabinet.

The Corporate Plan also reflects the Committee's observation that effectively managing assets and property – which support delivery of Council Services in a number of areas – should be included under the well-being objective 'Modernising and Integrating our Public Services'. However the component of this work relating specifically to school buildings is also included under the well-being objective 'Cardiff is a great place to grow up' in recognition of the strategic importance of investing in the condition of school buildings to ensure that every school in Cardiff is a good school.

We agree with the Committee's assertion that preventing youth re-offending is an important area of work, where the Council has a role to play, along with partner organisations. The Corporate Plan, therefore, now includes an objective, and corresponding key performance indicator, focused on preventing young people from reoffending.



The Committee also noted that performance measures relating to independent living reflect satisfaction with the care and support received, rather than adults feeling more able to live independently following the provision of care and support packages. As a consequence a performance measure has been included which reflects the extent to which people believe they are capable of living independently following support from the Independent Living Services.

Whilst Committee Members welcomed steps focused on ensuring that children and adults were protected from risk of harm and abuse, it was noted that performance measures focused on outputs rather than outcomes. Whilst the Corporate Plan must focus on ensuring key outputs are delivered, broader outcome measures are now included. The key performance indicator on the Multi Agency Safeguarding Hub measures both the effectiveness of preventative services and the work that the Council is doing to protect vulnerable children. With regards to adults, there is a basket of performance measures which capture how people feel about Council services and that their voices are heard. These are primarily included under the well-being objective 'Cardiff is a great place to grow older'.

Regarding the development of a Music Strategy, Sound Diplomacy are now working with Cardiff Council and stakeholders across the city. A key part of Sound Diplomacy's methodology will include auditing a number of measures such as the number of music venues, spaces and places within the city as well as the jobs and skills related to the sector. This exercise will help identify relevant and appropriate key performance indicators for inclusion in the Music Strategy.

The Committee also emphasised the importance of ensuring a high quality of urban architectural design. Whilst there are obvious difficulties in developing a measure for what is, in many ways, a subjective matter, the need for high-quality urban design is fully acknowledged. In response to this issue, the Council will convene regular Design Reviews of proposals submitted to the Local Planning Authority and will make recommendations based on the views of the multi-disciplinary panel. Furthermore, it is proposed that an annual Design Review Monitoring document is published, containing case studies and examples of recommendations made.

On the broader point of population growth, the Council and its Public Services Board Partners continue to undertake work to understand the impact of demographic pressures on services.

To provide the clarity sought by the Committee, the objective relating to a food strategy has now been further developed, to make clear what the strategy will seek to achieve.

Furthermore, the importance of improving productivity in relation to waste and street scene services is widely acknowledged. Whilst the value of having key performance measures relating to productivity is fully recognised, as a first step, a step on analysing APSE benchmarking data has been included in the Plan: 'Improve the productivity and performance of Street Scene Services by reviewing a range of customer-focused APSE benchmark indicators to establish relative performance and identify opportunities for further improvement'. This will allow the Council to identify an appropriate basket of customer-focused indicators which can be examined in greater detail to ensure that they are appropriate and relevant.

The Committee also noted the need to more clearly articulate how people and communities could be more involved in decision making. The importance of engaging people and communities in decision making is fully recognised, though the Committee will appreciate that there is no one single measure of involvement. The Corporate Plan therefore includes a step to ensure engagement activity is as representative as possible as well as a basket of indicators relating to engagement with decision making, including promoting voter registration, increasing external contributors to Scrutiny meetings and increasing webcast hits for key meetings.

Finally, concerning the outcomes of partnership working, both the Corporate Plan and the Well-being Plan are key documents in delivering the Administration's aspirations. Whilst many of the steps included in the Corporate Plan will be delivered in partnership, the Well-being Plan focuses specifically on the areas of collaborative advantage that can only be achieved by working with Public Services Board partners. Furthermore, the Council and the Public Services Board have committed to working towards the same seven well-being objectives, measured using the same city-level outcome indicators, reflecting common aspirations for the city and a shared understanding of the challenges.

Once again, I would like to thank all Members of the Committee for their continued engagement and support with the development of the Corporate Plan. The productive and constructive dialogue with the Scrutiny Committee is welcomed and I look forward to building on this positive relationship.

Yn gywir,
Yours sincerely,



CYNGHORYDD / COUNCILLOR HUW THOMAS
ARWEINYDD / LEADER
CYNGOR CAERDYDD / CARDIFF COUNCIL

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

Date: 31 January 2018

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Dear Councillor Thomas,

PRAP Performance Panel, target setting session: 17 January 2018

On behalf of all Scrutiny Chairs, and Members of the Policy Review and Performance Scrutiny Committee's Performance Panel, a sincere thank you for the valuable session held today to consider in some detail the Corporate Plan target setting process. We particularly appreciate the opportunity to feed cross scrutiny committee observations into Cardiff's final draft *Corporate Plan 2018- 21* before it is presented to formal Cabinet. We look forward to seeing the final draft alongside budget papers, when all Committees will aim to test the budget proposals against the Cabinet's stated Capital Ambition priorities. Captured below are some key issues raised during our discussion that you may wish to explore further.

The performance targets set out in the Corporate Plan for 2018-19 are intrinsically linked to the requirement that the Council successfully sets a balanced budget in February 2018. We are concerned that sometimes targets and budgets are not achieved and we would encourage that targets set are stretching but attainable to avoid a projected overspend as early as Quarter 1. We accept that often budgets such as Children's Services will need to be re-balanced. However, we feel there is an opportunity to ensure budget savings aspirations are firmly reflected in the performance targets set out in the Corporate Plan. We accept the Corporate Plan is what the organisation wants to achieve, however it can fail if we see performance management as separate from budget management. We feel it should be possible to frame financial targets as an integral part of the Corporate Plan, and encourage you to consider this. Members feel they should be able to understand from reading the Plan, which KPI's are indicative of the real pressures on the budget.

Members made specific references to the following lines:

- Lines 46-48. Members consider these lines can deliver many of the aspirations in the Corporate Plan. We would therefore encourage you to raise the profile of the Council's vision for schools, and consider setting a 5-year target to achieve an ambitious improvement in the number of green schools. We recommend that benchmarking against successful areas in England would enable us to understand the City's potential to achieve levels of good-excellent schools within the region of 80%, a level that has been achieved elsewhere.
- Line 59 – We encourage you to consider whether we should be more ambitious in setting a target of 94.5% attendance for secondary schools, given this is not an improvement on the outturn of 2016/17, and is lower than the target set in 2016/17.
- Lines 38 & 39 – Please look further into the maths of these interdependent KPI's. We suggest increasing the total number of visitors (Line 39) to Cardiff will require a larger than 2% increase in the number of staying visitors (Line 38).
- Lines 75, 76 & 77 – We acknowledge these are new statutory performance indicators linked to the Well-being of Future Generations Act and as such are difficult to set, however wish to suggest a target between 60% and 70% based on the benchmarking information listed.
- Line 71 – Members are most concerned about the levels and cost to the Council of sickness absence, particularly in areas such as waste management. We consider the cost of agency staff to cover sickness absence has a direct impact on Council budgets, and the Council consequently has less money to spend on services. We have seen that when the whole organisation addresses an issue such as sickness absence it can make a real difference. We consider it vital to success in reducing sickness absence that a high level of proactive management focus is constantly maintained, emanating from the top.

Once again, on behalf of the Committee, please pass my sincere thanks to all who attended the PRAP Performance Panel. We consider this additional informal engagement session you offered to support effective scrutiny of the Corporate Planning process was a productive and worthwhile opportunity.

Yours sincerely,



COUNCILLOR DAVID WALKER

CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Members of the PRAP Performance Panel
Councillor Lee Bridgeman, Chair Children & Young People Scrutiny Committee
Councillor Mary McGarry, Chair, Community & Adult Services Scrutiny Committee
Councillor Ramesh Patel, Chair, Environmental Scrutiny Committee
Councillor Nigel Howells, Chair, Economy & Culture Scrutiny Committee
Paul Orders, Chief Executive
Joseph Reay, Head of Performance & Partnerships
Dylan Owen, Head of Cabinet Office
Andrew Simms, Corporate Performance & Improvement Officer
Principal Scrutiny Officers.
Debi Said, Cabinet Support Officer
Joanne Watkins, Cabinet Office Manager

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Fy Nghyf / My Ref: CM39139

Eich Cyf / Your Ref: Scrutiny/PRAP/Comm Papers

Dyddiad / Date: 5th March 2018

Councillor David Walker
Chair, Policy Review and Performance Scrutiny Committee
Cardiff Council
County Hall
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Annwyl / Dear David,

Thank you for convening the target-setting session with members of the Performance Panel, and the other Scrutiny Chairs on 31 January 2018. I very much share your view that this additional engagement session was a productive and worthwhile opportunity.

I was also pleased to continue the constructive dialogue with Members from across the Scrutiny Committees as we discussed the target setting process, the performance measures selected as well as the proposed targets for 2018/19. Once again, the Plan has been further strengthened as a result of this engagement, and this letter seeks to outline the response to the issues raised.

I am in full agreement with the Panel's view that financial targets form an integral part of the Corporate Planning and Budget Setting process. That is why, in the same way as the Corporate Plan and the Budget are developed in tandem, the achievement of savings targets and performance reporting will be monitored and reported concurrently. The achievement of savings will be reported on a quarterly basis as part of the published Budget Monitoring Report. Similarly, the Performance Reports will continue to be presented on a quarterly basis. Taken together they provide a regular update on achievements against budget targets, policy objectives and performance measures.

With regards to education, the Council is committed to building on the progress of recent years to make sure that every school in Cardiff is a good or excellent school. In relation to target setting, planned changes to the curriculum and assessment framework in Wales over the next 2-5 years limit the possibilities of accurately predicting future categorisation, as criteria will most likely change.



In the 2016-17 academic year a new set of GCSE qualifications, and new rules for reporting school performance measures, were introduced in Wales. These changes made a significant difference to the results at Key Stage 4, particularly in the Level 2+ threshold, which is the headline measure for secondary school categorisation. Cardiff schools exhibited a higher degree of resilience than elsewhere in Wales, but are still in the process of embedding the changes in 2017/18. In addition, further changes have been introduced in 2017/18 to Welsh Baccalaureate and science GCSE. Looking forward, schools are also unclear of the assessment framework for 2018/19, which is set to be announced by Welsh Government in March 2018.

With regards to the secondary school attendance, the 2017-18 target is 0.3 percentage points higher (94.5%) than the 2016-17 result (94.2%). The target reflects the fact that there was a slight decrease in secondary attendance in 2016-17, to 94.2% compared to 94.5% in 2015-16. This was due to challenges in certain schools. The target set for 2017-18 reflects an ambition to get back to the previous level and then build from there in subsequent years.

In response to the Panel's request to revisit the performance measures relating to increasing the number of day visitors and the overnight visitors to the city, the Council's approach is aligned with the Welsh Government's National Tourism Strategy, 'Partnership for Growth'. This National Strategy sets an annual target of achieving a 2% increase in both day visitors and overnight visitors, or 10% over 5 years. Cardiff's approach to marketing the city is therefore aligned with the activities of the national body, Visit Wales. This means that the Cardiff offer can be projected more broadly through promotional activities at the national level, whilst national campaigns are reflected at the city level allowing for consistency of approach.

With regards to new statutory indicators for social services, I remain eager to set performance targets. I am, however, advised by the service area that there are inherent difficulties in doing so for 2018/19. The way that reablement is categorised by different local authorities in Wales has resulted in skewed performance figures and therefore any baseline set would be based on unreliable data. Regarding the two qualitative measures around adults' perceptions, Welsh Government has acknowledged that the guidance for the collection of this information was overly prescriptive and unhelpful. For example, the survey was only available in paper format in the first instance and the requirement to submit a sample excluded a large number of potential respondents. Also, family members and friends of potential respondents were not allowed to support people to complete the survey, which again restricted the number of responses received. Welsh Government, in recognition of these issues, have issued revised guidance for 2017/18, however this will impact on both responses themselves as well as response rates. It is for these reasons that setting targets requires a reliable baseline in the first instance. Equally, whilst Cardiff continues to monitor the position of English cities where similar information is available, the differences in regulatory regimes mean that it is difficult to benchmark performance based on English indicators alone.

On the issue of sickness absence, the Policy Review and Performance Committee recently considered an item on this issue in some detail at its January meeting. The Council recognises the issue and engaged APSE to conduct a review of sickness absence last Autumn which was shared with Members. The Council welcomed the observations of the Policy Review and Performance Committee arising from this substantive item from the January meeting and will respond to the March meeting.

Once again, I would like to place on record my gratitude for the continued engagement of Scrutiny Committee colleagues. The development of the 2018-21 Corporate Plan has benefited from enhanced engagement with the Committees and I look forward to continuing with this partnership.

Yn gywir,
Yours sincerely,

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

Date: 15 February 2018



Councillor Huw Thomas
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Dear Huw,

Policy Review & Performance Scrutiny Committee: 14 February 2018.

On behalf of the Policy Review and Performance Scrutiny Committee sincere thanks for attending Committee yesterday together with Councillors Weaver and Goodway to facilitate consideration of the draft Corporate Plan 2018-21 and the draft Budget Proposals 2018-19. The Committee is grateful for your time, and for the co-operation of all Directors and officers in attendance to answer Members' questions. This letter captures the observations and concerns of the Committee in a structure that reflects the Committee proceedings. Firstly, comments on the Corporate Plan, secondly on the overarching budget position, followed by comments on the budget proposals of the specific service areas that fall within the terms of reference of this Committee.

Draft Corporate Plan 2018-21

Firstly, I wish to commend your responsiveness to Members concerns and observations raised in previous correspondence from the Committee and its Performance Panel. This is unprecedented. We warmly welcome such a step forward in co-production of the Corporate Plan, and we look forward to continuing this level of constructive dialogue with the Cabinet. Our observations are generally positive, the Committee considers that the process of developing the new Administrations Capital Ambition into the Corporate Plan has been worthwhile, and looks forward to the organisations greater focus on a culture of tracking targets to deliver the Corporate Plan. There are however, a few further comments you may wish to address, as follows:

- We are seeking reassurance that you consider there is a strong connection between the objectives of the Well-being of Future Generations Act and the Corporate Plan, particularly around the health aspects of the legislation. We note the Future Generations Commissioner's reassuring response to Cardiff's Well-being Plan, and the ongoing work with partners to secure the right basket of indicators, however we concur there is a task ahead to fully embed the Well-being of Future Generations legislation across the Council. Members feel there is an opportunity to strengthen our commitment to addressing health inequalities.
- In respect of the Well-being objective *A Capital City that works for Wales*, the Performance Panel previously commented on the interdependency of the KPI's for this objective. We suggested that to increase the total number of visitors to Cardiff (by 3%) would require a larger than 2% increase in the number of staying visitors. We wish to re-iterate this point, and stress that we consider this economic development indicator could be more ambitious and aim to increase the proportion of visitors that stay overnight in the City.
- The Committee has some concerns about the reference to the Corporate Landlord Model in the Working for Public Services section of the Plan. As you are aware the Committee is currently undertaking an inquiry on this model of estate management, and evidence gathered to date indicates it requires complete buy-in from the organisation. We are therefore concerned that '*ensure all of the Council's estate is compliant by the end of 2018*' reduces the model to compliance when it is clearly so much more. We would therefore encourage you to reflect on the wording in the Steps section at page 51.
- In respect of the aspiration to deal with the asset maintenance backlog via the Corporate Landlord Model, we are reassured that asset management governance has been strengthened, care will be taken to achieve the best value for Council assets disposed of, and also not to release assets that could weaken the Council's position. We are however concerned as to whether receipts from the disposal of surplus property will be great enough to support a £40m maintenance backlog.

Overarching Budget Proposals 2018-19

- The Committee is concerned that Council Tax is increasing by 5%. This is considerably higher than the 3.7% anticipated, despite the financial settlement being better than expected. We note that the employers pay award at 2% currently on offer is the main reason given for this. However, in our letter of 20th September 2017, following scrutiny of the Budget Strategy, we highlighted concerns on this matter. Since we were assured in September that the 3.7% potential council tax rise had taken into account a pay rise of 2%, we find it difficult to accept this as justification for the council tax increase to 5%. The committee therefore asks you for further clarity on the reasons for this rise.
- Members are interested in how Cardiff compares with other Welsh Councils, and indeed English Councils, in respect of its long-term debt. We are therefore minded to revisit an earlier benchmarking exercise.
- We have some concerns around retaining control of borrowing and revenue commitments. On the matter of borrowing, we are concerned about the risk of debt impacting on the Council's overall budget. We note officers' view that the Council cannot borrow in advance of need and that interest rates are always fixed, but Members are not reassured by this. We consider the Council is not in a position to predict future interest rates, and therefore is at risk of fixing borrowing at a higher rate.
- We note your explanation in respect of the £11m cost of parking enforcement, which generates an income of £12.1m per annum. We understand this includes support for the highways budget and in fact, the actual cost of parking enforcement is £6.2m, and we can reference more detail at Appendix 19 of the full budget report to Council.
- The Committee referenced an additional £8.4m in the budget for Social Services, writing out a previous saving. There are many red risks in adult social care and notably the out of county placement of children. The savings are ambitious. We accept that the new senior management structure will

assist, and we have to accept some risks, but we are seeking reassurance that there will not be an increase in care costs to the service user.

- Members have some concerns that income generation is a repeated theme across Directorate budget savings proposals. We note the actual figures, that only £2.4m of £14.3m is from income generation, and we agree with officers that income generation lines will always be more risky, recognising that easy savings have already been offered.
- The Committee notes the proposal to reduce dependency on agency spend across the recycling and waste services team, by improving attendance at work. We have heard in a previous scrutiny the challenge of sickness absence, particularly in frontline services such as waste, and therefore question how achievable the proposal is.

Resources Proposals

- We acknowledge the Resources Directorate is losing proportionately more staff than other Directorates.
- The Committee observed a different culture in the Resources Directorate compared with some other Council services. Members heard that ICT systems should be fit for purpose, improve efficiency and streamline processes, and this did not necessarily mean they should be developed in house. We note the Directorate's appetite to push boundaries, illustrated in services such as procurement.
- In respect of the Council's Digital First aspiration, the new Chief Digital Officer will clearly take this forward. We would hope that no proposed savings would prevent digital progress. However, we do urge care to ensure that e billing does not exclude those who are not technically resourced. We are therefore reassured that Council Tax customers must opt-in to be billed electronically.

Economic Development Proposals

- The Committee notes you consider savings proposals to expand the market share for Pest Control, and to generate more income from Building Cleaning and Security Services are all achievable.
- We welcome the comprehensive review of the Council's estate and the much clearer picture of the estate it will provide, particularly in respect of Council land, noting that details will be digitalised onto a database.
- In respect of the International Pool subsidy removal, we are concerned about the impact on charges, staffing and services. We are pleased to hear the operator (Parkwood Leisure) considers no diminution of service will be necessary as a result, and that the same pricing terms have been agreed.
- Corporate Landlord – As we highlighted in our scrutiny of the Corporate Plan the Committee is focussed on the importance of the Corporate Landlord Model, and the potential it offers to put in place the controls required for successful management of the estate. We note the resourcing plan is currently under development and are reassured there will be no job losses affecting this team, and in fact, the corporate estate team will grow.
- Corporate Landlord – Members acknowledged it will take time to generate the £40m required to tackle the operational estate maintenance backlog with the release of non-operational estate, and that there will continue to be a budget allocated for maintenance. We note also your view that it will take 5-10 years to eliminate the current backlog of schools maintenance.

Governance & Legal Services Proposals

- The Committee notes the reduction of two posts from the scrutiny function and the consequence that there will be a reduction in the capacity for undertaking task group inquiries. We note that this follows the decision to retain five scrutiny committees in recognition of the importance of the function, and that the saving is risk assessed as red-amber in terms of achievability reflecting its political sensitivity. We understand there will be less opportunity for inquiry

work and that external links with universities and charitable organisations are to be encouraged where appropriate, to continue such member led research.

- In respect of Legal Services, we note that internally delivered services are more cost effective, but that there will always be occasions that the right expertise is not available in-house. We recognise that childcare legal cases are complex and are pleased to hear officers are confident the Council will attract such expertise, and that generally the retention and recruitment of solicitors has not been difficult.

May I thank you once again for the time you and your Cabinet have committed to enable scrutiny consideration of the Corporate Plan 2018-21 and Budget Proposals 2018-19 at all five Scrutiny Committees this week.

Yours sincerely,



COUNCILLOR DAVID WALKER

CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Members of the Policy Review & Performance Scrutiny Committee
Councillor Chris Weaver, Cabinet Member Finance, Modernisation and Performance
Councillor Russell Goodway, Cabinet Member Investment and Development
Paul Orders, Chief Executive
Christine Salter, Corporate Director Resources
Neil Hanratty, Director of Economic Development
Davina Fiore, Director of Governance & Legal Services
Joseph Reay, Head of Performance & Partnerships
Philip Lenz, Chief Human Resources Officer
Ian Allwood, Head of Finance
Tara King, Assistant Director, Commercial and Collaboration
Gareth Newell, Partnership and Community Engagement Manager
Dylan Owen, Head of Cabinet Office
Joanne Watkins, Cabinet Support Office
Debi Said, PA to Leader

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Dyddiad / Date: 15 February 2018

Councillor Walker
Chairperson – Policy Review and Performance Scrutiny Committee
Room 271
Atlantic Wharf
County Hall
Cardiff. CF10 4UW

Dear David

Policy Review & Performance Scrutiny Committee – 14 February 2018

Thank you for your letter dated 15 February 2018 and the useful comments raised. I can assure you that Cabinet was able to reflect on the points raised prior to our meeting on 15 February 2018.

Draft Corporate Plan 2018-21

I want to reassure the Committee that there is a strong connection between the national goals contained within the Well-being of Future Generations Act and the well-being objectives contained within both the Cardiff Well-being Plan and the Council's Corporate Plan. All of the well-being objectives have been designed to maximise the authority's contribution to the goals.

With regards to the Council's commitment to addressing health inequalities in the city through working with public service partners, each of the seven well-being objectives in the Corporate Plan contributes towards the national well-being goal of 'A healthier Wales'. For example, the Council recognises that poverty is one of the greatest contributory factors to poor health and, therefore, the 'Supporting People out of Poverty' objective in its entirety contributes towards this goal. Similarly, 'Safe, Confident and Empowered Communities' confirms that the Council will respond to the recommendations of the Parliamentary Review of Health & Social Care in Wales and includes performance measures about the number of individuals participating in parks/outdoor sport. In addition, 'Cardiff grows in a resilient way' includes both steps and performance measures around improving air quality and increasing active travel in Cardiff.

With regards to visitor numbers to Cardiff, it is important to recognise that a 3% increase in the total number of visitors to the city over the next year is an ambitious figure and, if achieved, would put Cardiff ahead of the five-year target that has been set in 'Partnership for Growth', the Welsh Government's National Tourism Strategy.



Delivering our vision of becoming Europe's most liveable capital city

The Council welcomes correspondence in English and Welsh and we will ensure that we communicate with you in the language of your choice, whether that is English, Welsh or bilingual as long as you let us know which you prefer. Corresponding in Welsh will not lead to any delay.

Cyflawni ein gweledigaeth o ddod y brifddinas orau i fyw ynddi yn Ewrop

Mae'r Cynghor yn croeso i chi gyswrtu gŵelweddau yn Gymraeg a Saesneg a byddwn yn sicrhau ein bod yn cyfathrebu â chi yn eich dewis iaith bob amser yn Gymraeg, yn Saesneg neu'n ddwyieithog dim ond i chi os gwybod i chi pe un sydd well gennych. Ni fydd gŵelweddau yn Gymraeg yn creu unrhyw gedy.

This challenging target needs to be considered in the context of very strong competition in the tourist market from other cities.

The Cabinet wholly support and recognise that the Corporate Landlord Model is much wider than compliance and have made presentations to the PRAP Scrutiny Task and finish group to explain this. The Corporate Landlord Delivery is a five year programme and in year 1 - 2018/19 - these are the first two priorities; to review the estate and to ensure compliance. Further improvements will follow. A minor amendment to wording in the corporate plan has been agreed to clarify this and Cabinet look forward to receiving the task and finish report.

Overarching Budget Proposals 2018-19

I note the concerns of the Committee in respect to the Budget Strategy planning assumptions on pay award and the link to an increase in Council tax from previous Budget strategy assumption. I would like to remind the Committee of my letter dated 10 October 2017 where I state the following;

- *The difference between a 1% and a 2% pay award, taking into account the above position on schools' growth, is £2.8 million. The reflection of pay awards beyond 1% in the MTFP will be considered when the position on the public sector pay cap is afforded greater clarity in the UK budget on 22 November and subsequently in the final Local Government Settlement in December.*

To explain the change between the consultation and final settlement position, I refer you to Appendix 12 of the Cabinet Budget Report which details the movements post consultation.

It would be helpful to bring Members attention to paragraph 437 of the Budget Report which states that whilst approving the Capital Programme for the period up to 2022/23, members should be aware that the later years of the programme will be subject to an on-going review of the Council's financial resilience. Amongst other factors that will be considered will be the interest rate position at that time.

As set out in the Budget Report, the S151 Officer is content that the Programme is affordable both in relation to 2018/19 and over the longer term. There are clearly significant financial challenges in the future though and these are set out in the Medium Term Financial Plan overview within the report. In this regard, any further capital investment over this period and in the future will need to be carefully considered within the overall context of future budgets and the financial resilience of the Council. This is made clear by the S151 Officer within the report.

It was explained to the Committee that in line with the CIPFA Prudential Code for Capital Finance in Local Authorities a number of financial indicators are included within the Budget Report. The Prudential Code was updated in December 2017 and as part of the 2019/20 Budget full Council will receive and be asked to approve a Capital Strategy that sets out the long term context in which both capital expenditure and investment decisions are made. The Budget Strategy Report in July 2018 will consider the main requirements of the Capital Strategy and set out the timescales for approval by Council.

I acknowledge that the savings proposed by Social Services are ambitious but it is important in these challenging times that directorates look at all savings opportunities and set themselves stretching targets in terms of their achievement. The Director is clear as to how these savings can be made and these will be closely monitored as the financial year progresses. Within the Social Services proposals, the only budget saving that impacts on costs to service users is the £350,000 (savings line 40) arising from an increase in the maximum weekly charge for non-residential care which reflects a change to the levels advised by Welsh Government as part of their charging policy for these services

The budget saving proposal in relation to improved attendance in Waste Management was discussed in some detail in the Environment Scrutiny Committee. The Assistant Director was clear that although challenging, measures have been put in place that will enable this saving to be achieved.

On all other points, the Committee's comments are noted.

Directorate Proposals

I note the Committee's comments in respect of these proposals.

I hope that this letter captures all the points raised in your letter and thank you again for your support in the budget process.

Yn gwyir/Yours sincerely



Y Cyngorydd/Councillor Christopher Weaver
Aelod Cabinet dros Gyllid, Moderneiddio a Pherfformiad/Cabinet member for
Finance, Modernisation & Performance

