

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

Date: Wednesday 11 February 2015

Councillor Phil Bale
Leader
City of Cardiff Council
County Hall
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Dear Councillor Bale

**POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 9 February 2015:
Draft Corporate Plan 2015 – 17 and Draft Budget Proposals 2015/16**

I would like to thank you and Councillors Hinchey, De’Ath and Bradbury for attending this month’s Policy Review and Performance Scrutiny Committee meeting. We would also like to show our appreciation for the great deal of time and effort invested by the many officers who prepared and facilitated the meeting in various different ways, and for those who attended to provide evidence.

The Committee welcomed the opportunity to scrutinise the draft Corporate Plan and the Cabinet’s draft Budget Proposals for 2015/16. We agreed your request to move our meeting from Tuesday to Monday so that we were able to provide verbal feedback from the meeting in time to inform Monday afternoon’s Informal Cabinet meeting. This written record of the Members’ observations and recommendations confirms and builds upon the points shared verbally with you and Councillor Hinchey then, with the Chief Executive and Section 151 Officer in attendance. I hope that the advice helps you in finalising your Cabinet’s Budget recommendations for Full Council, and also that it supports the preparation of the final Corporate Plan which you will consider at your Cabinet meeting in March.

DRAFT CORPORATE PLAN 2015 - 17

Members were pleased to have had the opportunity to scrutinise the draft Plan at this stage. It allowed us to test linkages between the Plan, the Cabinet’s overall draft Budget Proposals, and the budget proposals being considered by each of the Directorates that report through this Committee. We also gave consideration to the Plan as an overall draft document, and have detailed our views below.

We note that the Plan will be finalised and adopted in March rather than at its traditional February slot, for the reasons set out by Martin Hamilton at the meeting that this will enable Members to provide greater focus on the Plan than would have been possible if it was subsumed within the wider Budget debate. We will watch with interest to see what changes might be made to commitments and targets within the draft Corporate Plan in the light of any amendments made in coming days to the

Cabinet's draft budget proposals. We may wish to see the final draft Plan in March, partly to check that the observations of this and the other scrutiny committees have been taken on board in the final document, and partly to consider whether any significant changes have been made that could require fresh scrutiny.

Members were keen to test the synergy between the Corporate Plan and Budget Proposals, and considered how far the Plan had shaped the budget proposals, or been shaped by them. Members heard that the relationship between political and organisation priorities and the availability of resources will always be a close one, and recognise that finance will inevitably be a factor in constraining an Administration's ambition. In point of principle the Committee sees a Corporate Plan as a document driven fundamentally by political and organisational priorities, and the Budget as a companion document illustrating how those priorities will be put into practice.

Members noted a previous request for a suitable mechanism for issues discussed at the Challenge Forum to be reported back to the Scrutiny Committee. We were pleased to have it confirmed by Martin Hamilton that this could begin from Quarter 3 performance monitoring in March 2015.

Members also noted Martin's agreement with a Member's suggestion that inclusion of an indication of achievement of 2014/15 targets could be a useful addition to the Plan, and look forward to seeing how this manifests itself in the final draft.

In recent months Committee has grown increasingly interested in the imperative for managers to hit agreed performance and financial targets, and the steps the Council can take to hold managers to account for these. Members were pleased to hear the Chief Executive allude to a range of tools available to him within the Council's performance management approach to achieve this. Recognising that over the passage of time there will be fewer "easy" options for the Council to reliably generate savings (and fewer resources to stretch performance targets) Committee feels that it will become more and more important to make use of these tools. To help our Committee deliver its role in challenging performance we would like the Chief Executive to return to a future meeting to provide more detail on how this approach will manifest itself in the coming year, so that we can discuss this with you in greater detail.

I am aware that colleagues in Children and Young People Scrutiny Committee have already discussed in outline with the Cabinet Member for Education and Skills their wish to explore lessons to be learned from the recent Estyn inspection of Eastern High School. In terms of corporate performance management this Committee will also be interested to understand the steps being taken by the Council to address Estyn's concerns about governance and performance at the High School.

CARDIFF DEBATE CONSULTATION REPORT

While hearing that the Cardiff Debate survey had achieved greater response levels than other examples cited of similar recent engagement exercises in other cities, Members wished that more significant numbers of citizens had attended the Cardiff Debate drop-in events. Although grateful to staff who worked hard to encourage and support engagement, Committee would like to review the Cardiff Debate at a future

meeting, to hear from officers what steps can be taken to increase direct involvement. We noted your contention that the Debate had gleaned useful data for triangulation as part of an overall body of evidence, but were not sure that the Debate could be regarded on its own as a robust or representative reflection of the views of the people of Cardiff.

In particular, Members would like to ask that officers consider from the demographic profile of respondents to this year's survey any gaps in the Council's current consultation reach. The length of the questionnaire made it difficult for many residents to complete, and consideration should be given in future to providing additional facilitation for those residents who would find this useful to enable them to complete the survey. We will be grateful if officers could reflect on this, and advise you of any improvements that can practically be introduced to address any identified demographic differentials in survey completion, and make any communities "easier to hear", so that we can discuss this with you in the near future.

Members felt that any consultation questions perceived to be 'leading' in their nature should be discouraged, and asked that this matter could be reviewed in terms of planning future consultation questions.

Members were not convinced that the Cabinet's draft Budget proposals on Welsh Language Play provision level tally with the relatively low level of public support for this type of provision expressed through the survey.

Finally, Members felt that public's expressed enthusiasm for the importance of volunteering should be recognised before decisions are made on cutting services like Park Rangers, Libraries, Play and Youth. The added value that these services derive from volunteer hours is perhaps not yet fully understood. If we are going to be successful in our efforts to get communities to "Step Up" to the challenge of co-production, it is vital that officers who support volunteers be enabled to continue to derive added value from volunteering. Equally, the limitations on what can be expected of volunteers need to be understood, and that volunteers should not be expected to replace those kinds of services (for instance technical maintenance and technical support) best delivered by professional public servants.

CORPORATE BUDGET ISSUES

Members noted from the Section 151 Officer's presentation that the Budget Report for 2015/16 will include a stark warning to Members that:

"As set out in the July 2014 Budget Strategy Report it is important to reiterate the materiality of the service choices ahead of the Council. In particular, anything other than a radical reduction and reset of the Council's services will over the life of the MTFP term lead to financial resilience issues for the Council. Against this backdrop members will need to consider whether the choices made to date are commensurate with the scale of the financial challenge ahead."

While not disputing the reality of the issues behind this statement, Members expressed discomfort at the prospect of agreeing a budget based on this advice.

Committee noted that the non-achievement by £7 million of 2014/15 savings targets would increase next year's savings target to £50 million. Members spent time discussing the example of the St David's Hall, and why spending on the Hall had been continued once the six month window for arranging a new model of operation had been reached. I do not believe that any Member would be comfortable with the idea of closing the National Concert Hall of Wales, and in any case we heard the Section 151 Officer explain that commitments previously made to promoters would have made any savings from closure negligible in any case. I believe that the point emerging from this example, however, is that in the case of non-statutory provision of this kind, it would have been helpful to have had the transparency of a Cabinet report to advise and seek support from Members for any intended continuation of operation that might impact on the in-year savings position. Without this transparency there is a risk of falling outside the Council's agreed Policy and Budgetary Framework.

Members considered the Cabinet's proposals for financial pressures in the Medium Term Financial Plan. They note that agreement of any of these will signal that the Cabinet has made a positive choice to prefer expenditure on these pressures over any cuts to Children's Play, Youth Services, Libraries and Day Centre services that have caused concern to communities in recent weeks. Once these choices are made public, Members will be grateful for you to advise them by reply on the thought process behind these decisions.

Members heard concerns expressed by the GMB Union around communication arrangements between staff, unions and management in areas including day centres and children's play. It was suggested that some miscommunication might have taken place with affected staff in Day Services and at Splott Play Centre to suggest to them that decisions had been already taken at an officer level that services would cease, prior to a political decision being made. The official also felt that engagement with Day Centre service users could have been better in recent weeks. I have attached the written submission we received with this correspondence. Christine Salter gave a clear explanation of the agreed process for advising staff at risk of losing their posts, and we will be grateful if you can explore whether managers have carried out these arrangements correctly, and advise us accordingly.

The Partnership For Change is a significant new undertaking, which we look forward to hearing about in greater detail at future meetings. We wish you every success, and trust that all parties will engage in the Partnership in the honest, open and realistic manner that will be needed to ensure continued progress.

ECONOMIC DEVELOPMENT PROPOSALS

Although conceding that it involved us straying somewhat from our terms of reference, the discussion on savings to Cardiff Business Council did provide an illustration of the challenge of matching up Council policy and practice. CBC was designed as a vehicle to leverage in external private investment, and we hope that the saving proposals will not impede the effectiveness of this and other kinds of "invest to save" initiatives.

CORPORATE MANAGEMENT PROPOSALS

Members expressed concerns that there will come a point where continued loss of management capacity will impact negatively on the Council's ability to deliver future savings, and on our achievement of in-year financial and performance targets. But we were reassured at Councillor Hinchey's evidence that this would mainly impact on managers with fewer than six officers in their span of control, and perhaps affect just nine posts.

Members were also reassured that the cut of support to the Enterprise Zone was just a one year expedient, reflecting that there are not any specific commitments against that budget this year.

RESOURCES DIRECTORATE PROPOSALS

All points raised were satisfactorily addressed, and we have no further observations to make.

COUNTY CLERK DIRECTORATE PROPOSALS

Members have noticed a steady deterioration of the level of support to non-Executive Members over the past two years, and fear that this will risk disadvantaging the non-Executive and weaken the Council's governance arrangements.

Committee considered the County Clerk and Monitoring Officer's "mini restructure" budget line, and noted the assurance from Councillor De'Ath that the proposals will have no adverse impact on Scrutiny. But we are aware that a number of posts will be lost that provide support to Members in general, as well as the senior management proposal to merge the posts of Monitoring Officer and Head of Legal Services. We feel that the level of Member support in Scrutiny and Democratic Services in general have reached a point where further cuts will impact on Member capability and governance> In the light of Wales Audit Office's Corporate Assessment (and in recognition of the importance of the function to Members) we seek an assurance from you that given the pressure on the County Clerk to meet financial targets for the medium term, the Cabinet will make a decision to protect current resource levels during this medium term period.

Members noted that the protection provided to the Welsh Language Unit was as a result of the Council's Welsh Language Policy, and that the terms of the Policy could potentially be reviewed in the future.

Members raised a number of technical points on the availability of IT resources at Committee meetings (eg charging points for tablets to enable paperless working) and the Dictabank.

COMMUNITIES DIRECTORATE PROPOSALS

Councillors considered the “Superhub” proposal, and wanted to express concern that the increase of Hub facilities in Central Library could diminish the current library provision.

Members also felt that – given its location so close to the retail heart of Cardiff – if savings had to be found at Central Library it might be more advantageous for the city if this space could be considered in terms of its potential to boost the City’s economic capacity. As a recommendation, Members feel it will be prudent to explore the potential for other spaces (eg Southgate House or space near the future Transport Interchange) being identified for a central hub at some not too far distant point, should opportunities for commercialisation of the Central Library present themselves by then.

For noting, in response to a Member’s question, it was stated that transitional support might be available to the Somali Advice Centre, but that space in the Superhub was not likely to be made available to them.

Members are aware that Economy & Culture and Children & Young People Scrutiny Committees have both recently written at length to Cabinet on “Stepping Up” arrangements regarding libraries, youth and play centres and community halls. Our Committee noted the length of time invested to date in identifying, nurturing and securing partnership with community organisations, and the myriad of legal, technical, professional and financial challenges ahead. We are not entirely confident that sustainable transition to future models of management of stand-alone libraries is likely to be achieved in the foreseeable future, but feel that the observations and advice of the two Scrutiny Committees will be of assistance in optimising your success.

Members were reassured that endeavours were being made by officers to ensure that the City’s future equalities offer and third sector support arrangements would be preserved through the new specification of Infrastructure Support, and that rigorous equality impact assessments will be produced to evidence this.

Briefly summarising our understanding of agreements reached at the meeting:

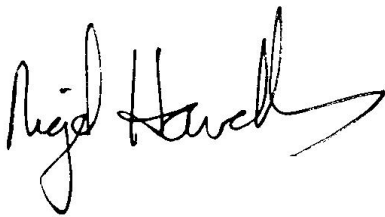
- We may wish to view the final draft of the Corporate Plan should there be any significant changes prior to its consideration at March’s Cabinet;
- We look forward to further advice on the Challenge Forum at our March meeting;
- We will be interested to see indications of achievement of 2014/15 targets in the Corporate Plan;
- We wish to schedule discussion of the suite of performance management tools that will be used to govern manager achievement of targets at a future meeting;
- Without wishing to unnecessarily duplicate the Children and Young People Scrutiny Committee’s efforts, we will be interested to play a part in any review of the Eastern High School Estyn Inspection, for reasons stated above;
- We look forward to reviewing the Cardiff Debate with you at a future meeting;

In addition to your observations on many of the points raised in this letter, I will be particularly pleased to receive your timely response on:

- Please can you check and advise that managers correctly advised staff at Splott Play Centre and in Day Services around their potential redundancy from their posts?
- Should any of the financial pressures be accepted, and any of the proposed cuts to Libraries, Play, Youth Services and Day Centres also be implemented, please can you provide a short statement to explain the synergy between these decisions and the Council's four key priorities?
- Please can you assure us that you agree with our concerns about the level of support provided to Scrutiny and Democratic Services, and confirm that you are seeking to protect these services in the medium term?

Finally, on behalf of Members I wish you and Cabinet colleagues every success in making your final Budget recommendations to Full Council on what will inevitably be a very difficult Budget. I look forward to hearing your feedback on the points made in this letter at your earliest convenience.

Yours sincerely



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

cc Councillors Hinchey, Bradbury and De'Ath
Paul Orders, Chief Executive
Christine Salter, Section 151 Officer
Marcia Sinfield, Deputy Section 151 Officer
Martin Hamilton, Chief Officer Change and Improvement
Dylan Owen, Principal Policy and development Officer
Sarah McGill, Director Communities, Housing and Customer Services
Rachel Jones, Operational Manager Partnerships and Citizen Focus
Neil Hanratty, Director of Economic Development
Marie Rosenthal, County Clerk and Monitoring Officer
Angie Shiels, GMB Union
Joanne Watkins and Cheryl Cornelius, Cabinet Support Office
Members of the Policy Review & Performance Scrutiny Committee
Chairs of Scrutiny Committees
Paul Keeping, Operational Manager Scrutiny Services

Appendix 1

VERBAL STATEMENT FROM GMB UNION TO POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE ON CABINET'S 2015/16 BUDGET PROPOSALS

9 February 2015

GMB recognises the difficult position the Council is in, with savage cuts being forced on all Councils throughout the UK. Wales has for sometime been cushioned from these, however, we are now beginning to feel their impact.

There has been much talk across the city about the budget, with campaigns being set up to voice the community's dissatisfaction at some proposals.

Libraries and Youth services, being two of the most vocal and, whilst we applaud our colleagues' efforts, passion and commitment, there appears to be a group of our society which has been left without a voice - that of the most vulnerable in our society, the elderly.

The proposal to shut 4 day centres for the elderly, many with Alzheimer's / dementia is at best misguided at worse obscene. The report provided from Health and Social Care makes much of provisions they are "looking at" and their "potential": what it does not say is what will happen to the 239 service users.

You simply do not stop a critical service like this until you are assured that you have a robust provision in place. The GMB does not believe that this has been illustrated in any reports. "Maybe", "might", "could happen" are simply not acceptable when a proposal of this magnitude is being tabled.

When you cease to provide a service like this, you do not just stop it for the main service user; you remove respite time for the carers. Carers save the economy billions, unpaid hard work, providing for their loved ones at home.

However, providing that care takes its toil. When a loved one attends a service such as we have in our day services, carers know that their loved ones are in safe hands, familiar surroundings, allowing the carer a few hours to be free of the intense responsibility that being a carer brings. Maybe a few hours needed, sleep a coffee with a friend, to you and I this may seem of little significance. Believe me, it makes all the difference.

Withdrawing this service may bring about an increase on the demands of our mental health service for carers who are already under too much pressure and many problems associated with depression. We implore the Council, do not cast our elderly aside, do not leave them even more vulnerable than they are already. They may not be able to March on County Hall; they may not be able to set up a campaign. They may not be able to express their concerns due to their medical condition, however, as a Council who prides itself on being decent, fair and protective of our most vulnerable, please be the voice of compassion and reject these short-sighted proposals.

The Drug and Alcohol Team again is a service providing a crucial service for vulnerable adults. Many of you will have seen articles in the press from concerned citizens. This cut in this service again is short sighted; the counselling service does incredible work and is an immeasurable preventive tool. A small sum of money compared to some cuts that keeps service users on the road to recovery. Although unpalatable to many, drug and alcohol abuse are illnesses and as such need the resources to help our service users.

Welsh Government has given CCC an additional £2.8 million. Also an additional £400,000 was found. Many of our members and non members deliver the above services; they are already being told their jobs are going, we cannot see why the additional funds on top of the autumn settlement of additional £10 million cannot go towards saving crucial life saving services.

Youth Services provide crucial support to the youth of the city. The Peer Review stated quite clearly that youngsters who are NEET should be prioritised; it does not appear that this recommendation is being taken on board. It is all well and good to say communities will take over services. There is no evidential support for this. The youth are our future, they need investing in, serious and careful consideration needs to be taken, a disenfranchised youth, is a disenfranchised future for the City.

The Cardiff Debate had significant resources in digital advertising, social media, Capital Times etc, but out of 330,000+ citizens only 4,00 responded. GMB are concerned that although well intentioned, it is profoundly naive to put one's faith in the assumption that volunteers will step forward to offer quality provisions and services. The Council offer support for taking over buildings, people being TUPE'd over, however, a sound business case both practical on service delivery and, also on sound financial basis needs to be provided.

Our members' jobs maybe affected, we cannot stand by and let them be part of some kind of Lost Horizon dream, where Shangri-La exists. People's pay, sickness, annual leave pension rights, payroll HR implications, all need clarification. We cannot allow for our services to be taken over by well-intentioned groups, who are not able to deliver. The Council has a duty to scrutinise especially where people's jobs are concerned.

GMB along with other unions have been consulted on varying projects that the Council are looking at in order to deliver services more effectively. Organisational Development was something we could not see measurable outcomes to begin with. We became rather suspicious, however, having had some in-depth discussions, we applaud the work of the OD team, in particular the pilot of the neighbourhood, cleansing/parks etc... Our members have engaged and, are informing the project proactively on how we can have in-house services. This is proper partnership working. Keeping services in-house, using technology, shared ideas, working to a 21st Council. This type of partnership working is one we embrace, it stops salami slicing, it helps deliver quality services, in a joined up fashion.