

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

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Councillor Graham Hinchey
Cabinet Member for Corporate Services and Performance
City of Cardiff Council
County Hall
Cardiff
CF10 4UW

Dear Councillor Hinchey,

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 4 November 2014

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

Draft Property Strategy

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

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



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

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

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

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

Organisational Development - Strategic Commissioning & Service Reviews

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

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

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

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

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

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

Performance Report Qtr 2 2014/15 and Challenge Forum update

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

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

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

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

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

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

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

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

Yours sincerely,



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

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