



# Significant Governance Issues Mid Year Analysis 2018/19 Appendix B



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# Significant Governance Issues 2018/19

Brought Forward	Mid Year Position
<p><b><u>Capacity &amp; Decision Making</u></b></p> <p>The Council is facing unprecedented financial pressures where significant savings have had to be realised, consequently Directorates have seen a reduction in staff resources which increases the pressure on staff to have the capacity to provide professional and sound advice</p> <p><u>Year-End Assessment 2017/18</u> The capacity and decision making of the Council is being developed through both a review of management structures and workforce development.</p> <p>Restructures have been agreed and appointments have been made to the following posts:</p> <ul style="list-style-type: none"> <li>• Corporate Director People &amp; Communities</li> <li>• Chief Digital Officer</li> <li>• Director Social Services</li> <li>• Further appointments will be expected during Q1 2018/19</li> </ul> <p>Staff development is an important area of focus through Workforce Planning. To support and upskill existing officers:</p> <ul style="list-style-type: none"> <li>• Courses are being designed by the Academy.</li> <li>• Financial Procedure rules and Contract Standing Orders have been reviewed during 2017/18 and have been approved by Constitution Committee. Roll out of the changes will commence in Q1 2018/19</li> <li>• Themed Audits on decision Making and governance have taken place for each directorate during 2017/18 and common findings of those audits will be shared with SMT during Q1 2018/19</li> </ul>	<p><b>Restructure:</b> The Senior Management structure was completed during Q1 and all new posts occupied during Q2. All directorates are currently undertaking workforce planning review with the intention to complete workforce plans by 31 December 2018. These plans will set out actions for the last quarter of 2018/19 and set out the priority areas for 2019/20.</p> <p><b>Staff Development:</b> The catalogue of Academy courses has been updated and a suite of mandatory modules related to capacity building and decision making e.g. Attendance and Wellbeing, Safeguarding, released with completion dates of 31 March 2019</p> <p>Financial Procedure rules and Contract Standing orders have been amended and appropriate training sessions have been rolled out across the Council. In Addition, GDPR awareness sessions have been provided to staff nominated by each directorate. A suite of courses is run by the Academy with catalogue available online. A suite of mandatory training modules is required to be completed by 31 March 2019 (Attendance &amp; Well-Being. Violence At work, Safeguarding)</p> <p>Themed governance audits recognised some gaps in School policies and key governance documentation, which were reported to all Governors in a Strategic Briefing in June 2018. The effective decision making audits have provided general overall assurance to date, with opportunities for improvement reported to relevant Directors.</p>
<p><b><u>Commissioning Capability and Capacity</u></b></p> <p>In the new Organisational Framework it is critical that we challenge current service provision and priorities. The success of a number of programmes depends on having this capability and capacity in place e.g. Health &amp; Social Care transformation.</p> <p><u>Year-End Assessment 2017/18</u> The importance of Commissioning remains key not only in everything the Council does, but also in the success of delivering Capital Ambition. The Council needs to improve its understanding of Commissioning as a whole in terms of undertaking meaningful analysis to understand need and inform outcomes, redesigning service delivery around those outcomes, reviewing the performance of current services, consideration of alternative delivery models or ensuring our third party spend and related markets is appropriately managed.</p> <p>Although commissioning capability and capacity will not specifically feature in the new change programme, some elements will:</p> <ul style="list-style-type: none"> <li>• Data analysis to understand needs will feature as part of the Digital programme</li> <li>• A programme of service reviews will be performed across all Directorates building on work previously undertaken which will also consider third party spend arrangements and consideration of alternative delivery models.</li> </ul>	<p>The importance of Commissioning remains key not only in everything the Council does, but also in the success of delivering Capital Ambition.</p> <p>The Council needs to improve its understanding of Commissioning as a whole in terms of undertaking meaningful analysis to understand need and inform outcomes, redesigning service delivery around those outcomes, reviewing the performance of current services, consideration of alternative delivery models or ensuring our third party spend and related markets is appropriately managed.</p> <p>Although commissioning capability and capacity will not specifically feature in the new change programme, some elements will:</p> <ul style="list-style-type: none"> <li>• Data analysis to understand needs will feature as part of the Digital programme</li> <li>• A programme of service reviews will be performed across all Directorates building on work previously undertaken which will also consider third party spend arrangements and consideration of alternative delivery models.</li> </ul>

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Brought Forward	Mid Year Position
<p><b><u>Relevant Costs and Decision Making</u></b></p> <p>Internal function activities and performance needs to be accounted for more transparently within the corporate whole. This includes ensuring greater cost awareness in business decisions, such as projects with greater accountability and transparency of charges and costs.</p> <p><u>Year-End Assessment 2017/18</u>            Work is progressing to improve cost awareness in projects, with the support of finance staff. Investment Review Board has met regularly during the year receiving Business Cases and progress reports in respect of individual projects. The financial focus is on value for money, financial return on investment, funding identification and the capturing of financial savings.            Knowledge transfer - There is a need to ensure that there is strong knowledge transfer from both internal managers involved in project support from the external organisations that we work with. Knowledge Transfer has progressed during 2017/18 in respect in project work undertaken within the Corporate Landlord Function area. Other informal knowledge transfer work has been undertaken in other areas.</p>	<p>Prioritisation of cost awareness in projects, supported by finance staff.</p> <p>Investment Review Board continues to meet receiving Business Cases and progress reports in respect of individual projects. The financial focus is on value for money, financial return on investment, funding identification and the capturing of financial savings.</p>
<p><b><u>Partnership / Collaborative Governance</u></b></p> <p>The level of governance, assurance and reporting required for the Council's partnership and collaborative activities needs to be more fully determined and defined to ensure a consistent and proportionate approach is applied.</p> <p><u>Year-End Assessment 2017/18</u>            The required governance arrangements across key partnership and organisational development activity are being developed and considered by the corporate Senior Management Team (SMT) / Public Service Board (PSB).</p> <p><b>Corporate Partnership Working</b>            The Public Services Board is now fully established with a two-tier model (the overall Public Services Board – chaired by the Leader of the Council – underpinned by the Public Services Delivery Board – chaired by the Council's Chief Executive) in place. Subsequent to this, two related pieces of work are happening. Firstly, the governance structures and arrangements underneath the Public Services Delivery Board have been reviewed, with changes made where necessary. The most significant example of this is the imminent recalibration of the community safety partnership arrangements for the city. This – and other changes – will ensure the PSB has the governance necessary to deliver the challenging ambitions set out in the city's Wellbeing Plan.</p> <p>The second piece of work nearing completion is the review of the Council's governance structures to enable the successful delivery of Capital Ambition. This has included the development of new groups (such as the Digital Cardiff Board, chaired by the Council's Chief Executive), the continued development of other groups (e.g. the Council's Performance Support Group) and the integration of existing partnership structures into the core business of the Council's Senior Management Team. These arrangements will give the Council's Senior Management Team the tools and assurance necessary to deliver the stretching objectives set out in the Corporate Plan and, ultimately, Capital Ambition, working in partnership with those agencies and organisations that are pivotal to the overall success of Cardiff.</p> <p><b>Directorate Partnership Working</b>            At a directorate level, there are a vast number of partnerships and collaborative working arrangements across a range of functions. Many of these partnership and collaborative working arrangements are our mechanism to mitigate significant risk, for example, the Welfare Reform Partnership group, is a means of coordinating activity to reduce the impact of those changes across the City. Due to the vast number and the organic way in which some arrangements have been formed there may be some where appropriate governance such as documented Terms of Reference have not been established.</p> <p>As a guiding principle, the scope and level of decision making capabilities is used to determine the level and extent of partnership / collaborative governance. Senior officers have recognised that further work is required to define and communicate the required levels of governance based on the nature and scope of different forms of collaboration to support consistency</p>	<p><b>Public Services Board:</b> There is a recognised governance arrangement in place and partnership structures underneath the Public Services board have continued to be developed</p> <p><b>Regional Partnerships:</b> There are a significant number of Regional Partnerships developed, or being developed and each has their own approach to governance e.g. SRS, National Adoption, VVC Adoption Service, RSW, Social services and Well-being, Regional Planning. It is important that learning takes place in order to streamline arrangements, and understand the wider interactions as they grow in number.</p> <p>Internal Audit work into the Council's partnership and collaboration arrangements resulted in the recommendation that "Management must consider the development of a corporate framework on partnership and collaborative governance, to include a clear definition of a 'partnership'. The framework should set out the key governance principles for successful partnership and collaborative working and standardise the Council's approach in order to strengthen accountability, manage risks and rationalise working arrangements." This work will be taken forward over the remainder of the financial year to ensure the development of guidance to help Council officers understand the levels of governance appropriate to, and required by, the variety of arrangements they are engaged in. This is especially important given the likely proliferation of partnership working arrangements necessary to meet the challenges the Council and city faces.</p>

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<p><b><u>Robust and Sustainable Savings</u></b></p> <p>There is a need to ensure robust business cases consistently underpin achievable savings proposals. In ensuring decisions encompass future generation needs there is also a need to ensure there is documented consideration of the sustainability of services and the mitigation of risks (e.g. assets, technology, HR and service delivery).</p> <p><u>Year-End Assessment 2017/18</u></p> <p>Business Cases - Work is ongoing to ensure that detailed business cases, which include strong supportive financial and non-financial information, consistently underpin all savings proposals.</p> <ul style="list-style-type: none"> <li>• Service and Digital solution reviews will begin in early Q1 in order to provide further evidence and detail to new and existing savings proposals put forward for 2018/19 and to be considered for 2019/20.</li> <li>• As reported in the 2018/19 Budget Report 90% of proposals were either realised or with a detailed plan in place. Further work continued in March to further reduce the value of savings proposals that did not have a plan.</li> <li>• 52% of 2017/18 Budget proposals have an achievability risk rating of Amber / Green or below. Work will continue in order to increase this figure during the year for 2018/19 proposals and provide further mitigations into 2019/20 saving proposals.</li> </ul> <p><b>Enhanced Risk Review</b> - An enhanced risk review was completed for capital funding requests for 2018/19 onwards to improve the supporting information provided as part of the decision making process.</p> <ul style="list-style-type: none"> <li>• Further work is underway to consider and refine the appropriate level and breadth of risk information and analysis required to support decision makers.</li> <li>• Building on 2018/19 budget process, the risk assessment methodology for capital funding requests of ongoing and new schemes will be further improved and embedded into the budget strategy for 2019/20.</li> </ul>	<p><b>Business Cases</b> - Work is ongoing to ensure that detailed business cases, which include strong supportive financial and non-financial information, consistently underpin all savings proposals.</p> <p>Service and Digital solution reviews have commenced in the first half of the year. Service Review completed for Civil Parking Enforcement, which will now look to enter the delivery of savings phase. The Cardiff App has been launched during Q2 with a roadmap set for adding functions on over the next six months. This is underpinned by strong governance through the Investment Review Board and the Digital Board respectively.</p> <p>As reported in the 2018/19 Budget Report 90% of proposals were either realised or with a detailed plan in place. Further work has been undertaken in the first six months to provide further detail and evidence to accepted savings proposals.</p> <p><b>Enhanced Risk Review</b> - An enhanced risk review was completed for capital funding requests for 2018/19 onwards to improve the supporting information provided as part of the decision making process.</p> <p>In order to refine the appropriate level and breadth of risk information and analysis required to support decision makers.</p> <p>Building on 2018/19 budget process, the risk assessment methodology for capital funding requests of ongoing and new schemes has been further improved and embedded into the budget strategy for 2019/20.</p>



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