

My Ref: T: Scrutiny/PRAP/Correspondence

Date: 17 September 2020

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Dear Councillor Weaver,

Policy Review & Performance Scrutiny Committee: 15 September 2020

Please accept my thanks on behalf of the Committee to you, Councillor Thomas and all the witnesses for attending the first remote meeting of the Policy Review and Performance Scrutiny Committee following the restart of scrutiny. The Committee's observations, comments and recommendations are set out below for each item, in the order as taken at committee.

Budget Monitoring Month 4.

Members note the Month 4 report details the impact of the additional expenditure and loss of income resulting from the Covid-19 pandemic and is projecting a net overspend at year-end of £1.982 million.

Members explored the level of reimbursement by Welsh Government and the governance processes in place to ensure claims are fit for purpose. Members note the accountancy service is providing advice to service areas to ensure claims are worded appropriately and that there are discussions at an all-Wales level to ensure consistency across local authorities.

Members heard that the three largest claims not reimbursed from the Covid-19 funding routes are: claims relating to our Leisure Services partners, GLL and Parkwood; claims for funding the Legionella tests required to reopen safely schools and other public buildings following closure for several months; and a claim relating to Cardiff Bus, which is being pursued via alternative funding routes. Members note

that the Council is waiting to hear whether claims regarding loss of income are approved.

Members also explored efficiency savings. The Month 4 report indicates that £608,000 efficiency savings may not be achieved. Members asked how this shortfall will be addressed and heard that officers are working hard to identify part-year savings and alternative in-year savings. Members queried whether the savings achieved to date, some of which rely on vacancy savings, are putting additional pressures on staff and services already stretched from responding to the Covid-19 pandemic. Members heard that vacancy savings are sometimes appropriate and sometimes used to avoid permanent posts being deleted but that they do not always represent an optimal approach to managing resources. The committee emphasised the vital importance for the organisation, and accountable individuals within it, of achieving agreed budgets and targeted savings and efficiency goals, at a time of unprecedented economic and financial pressures. Previous under achievement in these areas literally needs to become a thing of the past.

Members recognise the importance of monitoring budget trends and are pleased to hear that monthly monitoring of covid-19 related costs is in place, with monthly reports to Directors. Members welcome your assurance that any significant changes or overspends will be brought to the attention of this committee and all Members.

Budget Strategy & Updated Medium Term Financial Plan

Members note the overall strategy and updated Medium Term Financial Plan, including the timeline proposed in light of the UK and Welsh Government settlement timings.

At the meeting, Members sought the views of witnesses on whether the proposals for a Multi-Purpose Indoor Arena are still viable, given behaviour-change caused by the Covid-19 pandemic, such as virtual conferences and cessation of live events.

Members are aware of the large Council contribution to the Indoor Arena, set out in the Capital Programme as circa £60 million, and question whether this is still feasible. Members note your view that management of the Covid-19 pandemic will mean that live events and meetings will resume in the future and that therefore an Indoor Arena is still viable. Members also note that further reports will be brought to Cabinet,

reviewing and setting out the business case and addressing affordability issues. Cabinet approval to proceed will only be granted if these are successfully addressed and the business case for continuing with this project remains sound. It is **recommended** that, as soon as they are prepared, such business case reviews be brought to the appropriate scrutiny committee for examination.

Members note that witnesses are finding ways to address the shortcomings of remote meetings, for example by holding a number of smaller meetings that feed into a larger meeting. Members also note that remote working itself can offer the opportunity for savings in some instances, where it is safe, appropriate and efficient for staff to work from home or work in an agile way. Members note that transformational change proposals, which will reference the experience, benefits and shortcomings of remote working, are being worked up and will be included in the report on Budgetary Proposals scheduled for December 2020.

Members are conscious that, in previous years, Directorates have been set an 'across the board' percentage target for savings and that this can cause greater difficulty to smaller Directorates that have already economised as far as is feasible. Members note that a target for Directorate savings has not yet been announced and that the process for identifying savings will take into account the pressures facing Directorates but that there is a need to meet the budget gap and this will require Directors to be innovative and for there to be strong prioritisation. The committee **recommends** that savings targets relate to the perceived existing fitness and efficiency of each part of the organisation rather than be 'across the board'.

Annual Well-Being Report 2019/20

Members were keen to better understand the rationale of the self-assessment element of the report, particularly given that only two of the seven objectives are marked as making 'good progress', an outcome providing more challenges than satisfaction. Members note the acknowledgement both at Committee and within the report that there are key areas, including those highlighted at the meeting, which will require substantial further work and improvement,

Questions were raised surrounding the alignment of agile working and the core office proposal, particularly given that the practical details and scope of the core office

proposal may now require revisions within the context of Covid-19 and the perceived benefits of some future remote working. Members note that a programme of work is currently in development, which should be available for Members' consideration this autumn and will include a review of the scale and layout of any new core office accommodation. Members acknowledge the assurances presented at Committee that at the forefront of this work will be the consideration of the mind-set and capability of staff to adapt to new working arrangements. .

Given the prominence of the inequalities between city communities highlighted within the report, Members sought to understand what new initiatives are in place to narrow the gaps identified. Members were told that not all levers linked to this challenge are under Council control and note the response that progress is being made in areas within the Council's remit such as regeneration and providing good quality council housing. However, given the current context of the Covid-19 pandemic, Members stressed the urgency that real, substantial progress in the most deprived areas needs priority action. .

Last year's Annual Well-being report 2018-19, noted that the children's social worker vacancy rate stood at just over 30%. As detailed within this year's report, the vacancy figure has now increased to 38% against a target of 24% at year-end, which presented serious concern to Members. We also heard that progress is being made and that this vacancy figure is expected to reduce to 28% by the end of this month. There was acknowledgment that there are plans to address the long-term issues around recruitment within this service. We and other scrutiny committees look forward to seeing the outcomes from this work but are concerned at the existing shortfall in recruitment.

Members note the programme of work currently being progressed within the Youth Offending Service along with the positive feedback received from HMIP (Her Majesty's Inspectorate of Prisons) and that a follow up inspection by HMIP in December 2020 will formally provide an updated position.

In terms of sickness absence, members note the Chief Executive's report of a reduction in long-term sickness absence. However, the annual absence figure has been rising year on year to almost 12 days per employee. Members stressed that the

positive impact that Covid-19 has had on sickness absence is likely to be temporary and that further intense work on this problem needs to continue and be prioritised.

Members are aware of the ongoing performance and leadership challenges within Waste Management and of the ongoing and upcoming work to address such long-standing issues. We look forward to monitoring such developments.

Strategic Equality Plan 2020-2024

The Equality & Inclusion Strategy Report provides a comprehensive, piece of work, which warrants wide understanding and recognition across the Council. However, Members do hold concerns regarding its length and that, potentially, this could be a barrier to staff engagement. Members note that an executive summary is currently being drawn up and **recommend** the summary be constructed to provide staff with an intelligible overview. This needs to detail the Council's aims, objectives, the context of how the objectives are formed, staff member responsibilities in achieving them and the potential consequences if objectives are not achieved.

In addition, it was highlighted that the report failed to specifically reference or provide a direct summary of the objectives and achievements of the previous Equality & Inclusion Strategy 2016-2020. Although Members note that there is narrative surrounding previous objectives and progress within the report, it is felt that a specific summary of outcomes and shortcomings from 2016-20 would be of use in facilitating and stimulating understanding and analysis as well as informing future plans.

In terms of reporting arrangements, Members welcome the new annual reporting process to Cabinet on the strategy and the opportunity this will provide to determine and measure success along with the enhanced opportunity for constructive challenge. In addition, Members look forward to monitoring the progress and proposals of the Race Equality Taskforce and how it will feed into the Equality Plan.

In terms of ensuring council-wide organisational buy in, how this will be monitored and any potential non-compliance addressed, Members heard that agreement has been secured within service areas and that collection of progress data will be captured.

Due to the significance of this strategy, Members wish to stress the importance in ensuring it is visible across the Council and embedded within Council core business by placing emphasis on its profile and stimulating dialogue on the strategy across all areas of the authority. As such, Members **recommend** the objectives formed within the report are fully integrated into the performance review process of the council and incorporated into staff annual personal reviews, to enhance further visibility and ownership.

Senior Management Arrangements

Members note the report proposes the Corporate Director, People & Communities assume the statutory responsibilities of Director of Social Services, with Directors for Children's Services and Adults, Housing & Communities reporting to her. A consequential move of Waste Services to the Economic Development Directorate is also proposed.

Members explored the rationale for these proposals and heard that the overall aims are to strengthen the senior management structure, address the recruitment issues at a senior level in Children's Services, and enable the delivery of the administration's outcomes and priorities.

Members were concerned to explore whether it is appropriate for the statutory responsibilities of Director of Social Services to be held by someone who is not qualified in Social Work. Members note the Chief Executive's assurance that the person holding these statutory responsibilities is not required to hold a social work qualification but needs to have held a senior role in this field and have strong leadership and performance management skills. Members note that the senior management team for social services will include qualified social workers and that the Chief Executive would expect the Director of Children's Services to be experienced in that field with a strong track record of achievement. .

Members explored the move of Waste Services to the Economic Development Directorate, highlighting that this is the third Directorate that Waste Services has moved to in recent years and that this must be destabilising for staff within the service area. Members note the explanation given by the Chief Executive regarding the rationale for the previous moves and the benefits that he believes have flowed

from these transfers. He stated that he is confident that this move to Economic Development will be positive, as there is a good fit between the services and a stable Operational Management team in place.

As a Committee, we were keen to understand whether there would be further reorganisations and we note with interest the Chief Executive's comments that a comprehensive reorganisation at Tier1 and Tier 2 would be beneficial but that it is not the right time currently, given that staff are dealing with the Covid-19 situation. We **look forward to briefings** on his plans for these groups in the future.

Finally, Members stressed the critical importance of embedding accountability, so that directors and senior managers are held responsible for the delivery of outcomes, both successes and failures including the achievement or otherwise of projected savings and targeted efficiency improvements. Members note that the Chief Executive agreed with this and will ensure that such senior managers are held fully to account for their personal and departmental performance.

Members **request a further report** be brought, at an appropriate time, to this Committee to provide assurance regarding the inclusion of appropriately qualified staff in the social services senior management team and to provide an update on the implementation of the proposals set out in this report and the benefits flowing from these.

Once again, on behalf of the Committee, my sincere thanks for attending the remote PRAP Scrutiny Committee for this wide range of pre-decision scrutiny. **To recap, following this scrutiny we are recommending/ requesting the following:**

- **Recommend** that, as soon as they are prepared, the Multi-Purpose Indoor Arena business case reviews be brought to the appropriate scrutiny committee for examination.
- **Recommend** that savings targets relate to the perceived existing fitness and efficiency of each part of the organisation rather than be 'across the board'.
- **Recommend** that the Executive Summary of the Equality & Inclusion Strategy 2020-2024 include an easily understood summary overview. It will detail the council's aims, objectives, context of how the objectives are formed, staff

responsibilities in achieving such objectives along with the potential consequences if objectives are not achieved.

- **Recommend** that the objectives of the Equality & Inclusion Strategy 2020-2024 be fully integrated into the performance management and review process of the council and incorporated into staff annual personal reviews.
- **Request a further report**, at an appropriate time, on the senior management arrangements for Tiers 1&2 be brought to this Committee.
- **Request a further report**, at an appropriate time, to provide assurance regarding the inclusion of appropriately qualified staff in the social services senior management team and to provide an update on the implementation of the proposals set out in this report and the benefits flowing from these

This letter contains a number of recommendations and we request formal responses to each of them. There are also two requests for further reports at an appropriate time, which are set out above.

Yours sincerely,



COUNCILLOR DAVID WALKER
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Members of the Policy Review & Performance Scrutiny Committee
Councillor Huw Thomas, Leader
Paul Orders, Chief Executive
Chris Lee, Corporate Director, Resources
Sarah McGill, Corporate Director People & Communities
Ian Allwood, Head of Finance
Gareth Newell, Head of Performance & Partnerships
Sian Sanders, Operational Manager
Anita Batten, HR People Partner
Joanne Watkins, Cabinet Office Manager