



## Policy Review and Performance Scrutiny Committee

# Annual Report 2019–2020

June 2020



**Cardiff Council**

*This document is available in Welsh  
Mae'r ddogfen hon ar gael yn Gymraeg.*

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## Committee Terms of Reference

- ❖ To scrutinise, monitor and review the overall operation of the Cardiff Programme for Improvement and the effectiveness of the general implementation of the Council’s policies, aims and objectives.
  - ❖ To scrutinise, monitor and review the effectiveness of the Council’s systems of financial control and administration and use of human resources.
  - ❖ To assess the impact of partnerships with, and resources and services provided by, external organisations including the Welsh Government, joint local government services, Welsh Government Sponsored Public Bodies and quasi-departmental non-government bodies on the effectiveness of Council service delivery.
  - ❖ To report to an appropriate Cabinet or Council meeting on its findings and to make recommendations on measures which may enhance Council performance in this area.
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## Committee Membership 2019-20



Councillor David Walker  
**Chair**



Councillor Ali Ahmed



Councillor Rodney Berman



Councillor Bernie  
Bowen Thomson



Councillor Jane Henshaw



Councillor Norma Mackie



Councillor Ashley Lister



Councillor Rod McKerlich

## Chair's Foreword – 2020 - a challenging year

Few would disagree that 2020 has been a challenging year for all organisations. The Council has faced the **challenge of delivering frontline services** with decreasing budgets during the COVID-19 crisis whilst implementing remote working for staff wherever possible. This year the Committee, as have all, faced **challenges in delivering some of its programmed meetings**, due to unexpected and unavoidable events. It is important that decisions are made quickly and efficiently in unpredictable times, and strong governance requires that scrutiny continues to play its critical friend role in times of emergency. We know that the effects of this year's crisis will be felt for years to come and this committee will no doubt find itself asking questions about the Council's response, its impact and how it is preparing for crises which will inevitably lie ahead.

The importance of scrutiny in challenging times leads me to reflect on the **challenge of resourcing the committee**. I sincerely thank those that have participated for bringing their expertise and experience in representing their constituents. The work captured in this Annual Report has been achieved with a reduced compliment of back bench Members over the whole year and I wish to take this opportunity to implore all political parties to use their full allocation of scrutiny seats if they wish to influence policy. If that fails then a further look at how constitutionally these gaps can be filled by others may well be a necessary way forward.

Our work has covered many topics that are the foundation to delivering effective council services in challenging times. The Committee's Performance Panel has continued to consolidate its innovation of introducing cross committee interaction with **Corporate Plan** target setting at a policy development stage, with the support of the Leader. This has helped secure impact for all five scrutiny committees within the Corporate Planning process. Such progressive interaction demonstrates the valuable impact that effective scrutiny can have on the Corporate Plan, the Council's highest level strategic document.

This year we have seen clear evidence that the organisation is taking the development of a **Customer Service** culture seriously by positively implementing the recommendations made by the PRAP report on this topic. We have also been fully engaged in policy development to progress the **Smarter Working** project of the Capital Ambition Delivery Programme and have been encouraged by progress of the **Digital Strategy**. We consider strategies such as these are the potential foundations

in improving the quality of services the Council is delivering to its customers and are crucial elements of its emergency response. We continue to monitor how well partner organisations are working together, having scrutinised the first Annual Report 2018/19 of the **Cardiff Public Services Board** against the Cardiff Well-Being Plan 2018-2023.

Finally, those Councillors and officers who have dedicated time to scrutiny over the year will recognise its value in enriching the decision-making of the organisation. We feel its value needs to be understood and evidenced both by the function itself, by the service areas it scrutinises and by the Council as a whole. For some time I have felt that there needs to be a process in place to monitor the implementation and outcomes of agreed scrutiny Task and Finish report recommendations. Following substantial high level research and committee work we have published our inquiry report on **Scrutiny Impact**, making recommendations for capturing the value of scrutiny through monitoring its impact both quantitatively and qualitatively.



A handwritten signature in black ink that reads "David Walker". The signature is written in a cursive, flowing style.

**Councillor David Walker**  
**Chair, Policy Review & Performance Scrutiny Committee**

## Overview and Statistics 2019-20

This Annual Report covers the work of the Committee between June 2019 and May 2020. At the time of writing the Council is delivering highly visible front-facing and essential local services against the backdrop of a world pandemic that will become a part of history. Our responsibilities under our terms of reference and work over the past year have challenged many areas of the organisation, some front facing, most the back office foundations that support good service delivery. We hope our internal critical friend challenge has helped the Council to prepare to deliver services successfully alongside its partners in times of emergency.

Throughout 2019-20 the Committee has held 8 formal public meetings and one informal joint meeting together with the Environmental Scrutiny Committee. The committee meetings programmed in December 2019 and May 2020 did not take place due to an unexpected General Election and the Covid-19 pandemic respectively. We sent 18 letters to the Cabinet and Senior Management Team, sharing the Committee's comments, concerns and recommendations following the scrutiny of 21 topic areas in line with our Terms of Reference. In response the Committee received 12 letters from the Cabinet.

The webcasting of formal meetings remains a feature of this Committee's proceedings and has steadily increased from 18% in 2018-19 to 66% of meetings in 2019-20. The highest number of views was 87 in January 2020 and the underlying average was 58 views per meeting. The Committee looks forward to continuing its contribution to improving transparent democratic engagement.

It continues to be the case that Scrutiny is as successful as the capacity, skills and development of Members that volunteer to sit on Scrutiny Committees. In June 2019 we welcomed Councillor Jane Henshaw to the committee, and

Councillor McKerlich returned following his year as Deputy Lord Mayor, replacing Cllr Hudson. However, following a change in the political balance of the Council in June 2019, the Committee has carried two vacancies for a large part of the year. Councillor Boyle was unable to retain his seat on the committee, and a seat allocated to the Welsh National Party remains vacant. Councillor Ali Ahmed joined the committee in February 2020. Councillor Boyle's departure has meant the two remaining members of the Committee's task and finish inquiry have delivered its final report on *The Impact of Scrutiny*. The Committee has also continued to support its Performance Panel, which has a growing corporate planning and performance remit, for which four Members volunteered. To support its work the Committee continues to benefit from one full time principal scrutiny officer, a proportion of the scrutiny research post, and a committee clerk. High level oversight of its work is through the Head of Democratic Services.

The Committee uses a variety of recognised scrutiny approaches (*as listed above in Contents*) to examine the topics it agrees for its own work programme at the start of the year. Highlights that particularly illustrate the Committee's impact this year include: the ongoing informal collaborative joint scrutiny of the Corporate Plan, illustrated by a number of changes to the Corporate Plan embraced by the Cabinet put forward by all five scrutiny chairs; our engagement in the re-shaping of performance and governance frameworks to gear up for the requirements of the forthcoming Local Government Elections (Wales) Bill, which proposes taking self-assessment and peer review to another level; and completion of a task and finish inquiry to evaluate the impact of the scrutiny process on the delivery of Council services.

The following pages describe the Committee's key activities in 2019-20, capture the comments, observations and recommendations made by Members, and also the Cabinet's response to our work.

## Work Programme Impact 2019-20

**Task & Finish Scrutiny** - *Where the Committee considers there is an opportunity to examine in detail the issues and wider options available, to assist the Council in improving the way a service is delivered.*

### The Impact of Scrutiny

March 2020

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This year the Committee has completed its task and finish inquiry to evaluate the impact of the scrutiny function on the delivery of Council services. A task group set out to address the absence of a mechanism for capturing the impact of the work of all scrutiny committees, and the value of the scrutiny function to the organisation resulting from the implementation of its recommendations.

The key output of the inquiry was the development of a practical model that, if applied, will collect data and evidence throughout the municipal year. This evidence will provide the basis for performance assessment of the scrutiny process and an evidence based annual report to Council.

Members agreed to a primary research heavy approach, firstly to establish the impact of scrutiny in Cardiff Council since 2012; and secondly to establish options for developing the model following reference to organisations such as the National Assembly for Wales, UK Parliamentary Select Committees, the Centre for Public Scrutiny, the Association for Public Service Excellence, the House of Commons Communities and Local Government Committee, the Constitution Unit of University College London, and the Welsh Local Government Scrutiny Officer network.

The model will capture quantitative and qualitative impact in 3 parts. Firstly a quantitative assessment of output based on monitoring the number of recommendations made and the immediate outcome achieved, as demonstrated by the acceptance or rejection of these recommendations. This part introduces the concept of '*substantiveness*' as a key measure in

determining the level of influence or impact that recommendations have on policy. Secondly, the self-assessment process outlined in the proposed model extends beyond the scrutiny function to service areas, requiring self-assessment of the implementation of accepted scrutiny recommendations and a report to the relevant scrutiny committee on a 6 monthly basis. Thirdly, the model broadens the concept of capturing scrutiny's impact by recognising that its influence is not always quantifiable, and yet it can make a tangible qualitative difference to the way in which the Council delivers its services.

The Committee is therefore recommending that Cabinet adopts the model for capturing the impact of scrutiny, acknowledging that it represents early compliance with the self-assessment requirements set out in the forthcoming Local Government Election (Wales) Bill; and that the scrutiny function pilots the model to provide a framework and database on which a quantitative assessment of its impact on Council services can be captured and reported to Full Council annually. It also recommends an extension of the governance arrangements currently in place for responding to the recommendations of a scrutiny inquiry, to those generated by the committee in correspondence.

The inquiry further recommends that the Cabinet office and service areas make arrangements to track and report on the implementation of accepted scrutiny recommendations for presentation to the scrutiny committee within 6 months of approval, integrating with the Council's planning and performance framework; and that directors are accountable for reporting such progress;

Following the pilot it is proposed to develop and brand the model for potential sharing as best practice with other public bodies and local authorities.

**Monitoring Improvement** - *Where the Committee has undertaken monitoring of the Council's improvement progress.*

**Sickness Absence**

June 2019 & January 2020

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Once again the Committee has focussed on the Council's progress in tackling Sickness Absence, programming scrutiny in June 2019 (2018-19 outturn) and January 2020 (2019-20 mid-year).

The Committee continued to offer its comments in constructive vein given an 11.53 FTE outturn for 2018-19 against a target of 9.5 FTE. We commented on adjustments to the Council's Employee Attendance and Wellbeing policy for 2019; on the widely differing levels of sickness across service areas despite bespoke action plans; and we requested that analysis of quarters 3 and 4 data providing significant insight into the reasons for the final 2018-19 outturn be shared. We were particularly interested in the sickness absence levels recorded for 45-64 year old employees, noted initiatives such as the review of the Carers Policy, the active Carers Network, and the option for carers to register as such. We felt strongly it was difficult to separate stress into work-related and non-work related sickness absence.

Concluding that measures undertaken in 2018-19 hadn't delivered the Council's sickness target, we felt strongly that there was an opportunity for the analysis of the outcomes to inform greater proactivity in tackling sickness absence with more preventative approaches. As mental health and muscular-skeletal sickness continues to increase, along with occupational health referrals, we consider it is important to proactively examine the underlying causes as to *why* injuries are occurring.

In summary, at the end of the 2018-19 performance year the Committee expressed concern that the considerable analysis and data the Cabinet had

undertaken was not informing a more preventative, and thereby proactive, approach to tackling sickness absence in the Council.

It was therefore encouraging in January 2020 (2019-20 mid-year) to hear of new initiatives in place to address sickness levels, particularly that policies on annual and special leave had been reviewed. We heard about the many complimentary health services now available and new services introduced to support mental health.

However, despite these new initiatives, a mid-year outturn forecast of 11.09FTE days lost in 2019-20 against a 9.5FTE target was discouraging. Quarters 1 and 2 absence levels for the year were exceeding levels for the same quarters in 2018-19 and long term sickness absence remained the primary cause. The forecast was even more discouraging given the fact that an increasing number of local authorities in Wales appeared to have improved their levels of sickness absence to levels below 10 days per employee a year.

In response the Cabinet Member Finance, Modernisation, and Performance reassured us that a significant amount of work is underway to try to turn the current performance around. Efforts are concentrated around long term sickness and specifically around those ailments which cause the highest levels of absence and it may take time to see the impact of the interventions recently introduced.

This Committee has monitored sickness absence over many years, noting the falling outturns from 2013 have started increasing in recent years. Factors in the recent rise were considered to include organisational changes, smaller staff numbers and an increase in non-work related stress. We recommended a closer look at those Welsh authorities with sickness outcomes of less than 10 days to assess the measures taken. In response we were reassured that the intention was to contact a variety of organisations, both in the public and private sectors, to request their sickness information, and to include a request for data regarding stress related absences and the actions that they are taking to reduce this.

The Committee, on both occasions it has scrutinised sickness this year, urged the Council to lift its vision on sickness from an individual level to an organisational, preventative picture. This requires the Council to perform an organisational stress risk assessment, as required under Regulation 3 of the Management of Health and Safety at Work Regulations 1999. Therefore, while noting the work the Council has already done and the services provided, the Committee considers that if we do not assess and control the risks to employees some will continue to suffer stress related issues. We provided links to useful sites that would assist in undertaking an organisational stress risk assessment and have asked HR and Health and Safety officers to identify what can be introduced over and above the initiatives already in place.

Having heard in June 2019 that sickness absence in Waste Management had improved, in January 2020 the Committee took a case study deep dive into the effectiveness of its action plans and the challenges it faces. High levels of sickness absence in Waste Management are a long standing problem. Long term sickness absence (77%) significantly outweighs short term sickness absence (23%) with a relatively small number of cases accounting for a significant proportion of the overall absence. Disingenuous sickness is present but not a huge issue, though evidence of returning to work prior to the onset of half pay at 6 months is notable.

Waste Management has clearly taken a step change in looking at 'safety' alongside 'health' and there was evidence of the service recognising the benefit of linking Health and Safety to sickness levels. We commend the aspiration to improve sickness absence levels in this specific area by 20-30%. Line management accountability has been reinforced to ensure full compliance with all policy requirements and the overall level of sickness for 2019-20 is predicted to be 3 days less per FTE than for the previous year. A genuinely stretch target of 14.8 days is in place for 2020-21.

a Proposal for Improvement on the Council to strengthen the role of scrutiny in engaging with the CADP programme and increase accountability to increase momentum. Following discussions with the programme manager, in September 2019 the Committee sought early engagement to shape and agree a 6 monthly report to scrutiny, and how best to ensure the committee could measure future progress.

We offered clear guidance that the same portfolio dashboard reports should be made available to Scrutiny as are prepared for CADP Programme Board and Senior Management Team. However, the scrutiny report should also include a one page overview of each programme, progress achieved, risks currently under discussion by the Programme Board, and timelines going forward. We suggested a qualitative narrative that captures what has been learned from experience and supports critical reflection as well as quantitative monitoring of progress and RAG ratings. This would assist us in the selection of deeper dives and enable the Committee to refer concerns and recommendations to the other four Scrutiny Committees where projects of concern fall within their Terms of Reference. It would also address and satisfy the Proposal for Improvement in respect of Scrutiny raised by WAO in their recent review of the governance of the Programme.

The Committee has since considered in depth a number of projects that sit within the programme and looks forward to an overview of the programme on its future work programme.

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This Committee has traditionally aimed to strengthen the links between internal scrutiny and external auditors, believing their Proposals for Improvement are a useful steer for the focus of our work during the year. It was therefore regrettable that the WAO relationship manager felt unable to accept our annual invitation to consider the Wales Audit Office Annual Improvement Report to the Council for 2018-19. The Cabinet Member Finance, Modernisation and Performance has since asked the Chief

Executive and Assistant Director for Performance and Partnerships to pass on the Committee's concerns to the Council's WAO relationship manager.

The Committee heard the 2018-19 Annual Improvement Report was broadly in line with the key challenges and priorities identified by Cabinet, *looked after children and outcomes for vulnerable children, waste management and street scene services, sickness absence, corporate landlord, and financial pressures*. We will ensure these five priorities are a focus of scrutiny work programmes going forward.

We requested that scrutiny be an effective part of the internal peer review developed in response to any mandatory self-assessment proposals within the Local Government Elections (Wales) Bill. In response the Cabinet Member stated that the Council is already well positioned to meet many of the requirements of the Bill, currently exemplifying some of the practices it seeks to establish, most notably through the role of the Performance Sub-Group and the development of the Corporate Plan. In responding to the Bill he is clear that the Council's Scrutiny function is a major stakeholder within its Planning and Performance Framework and gave his commitment to work in partnership to ensure that the Committee (and Scrutiny in general) play an effective part of the self-assessment proposed within the Bill.

In respect of the auditors Proposals for Improvement following a review of the CADP, we were informed that a management review seeks to improve the allocation of resources to specific programme projects and would be concluded by the end of the year. We requested an opportunity to be involved in discussion around improvements to the performance framework aimed at strengthening the links between financial and performance management, which was acknowledged by the Cabinet Member.

Finally, we requested that Cabinet's ongoing refresh and review of the Capital Ambition Delivery Programme factors Scrutiny into the governance arrangements at the outset, specifically supporting our proposal for 6 monthly scrutiny oversight and monitoring of the Programme. This request too

received commitment from the Cabinet Member that officers would make appropriate arrangements for ensuring that scrutiny has regular oversight over the delivery of Capital Ambition, and that Scrutiny oversight is built into the Council's revised Capital Ambition delivery framework.

## **Customer Services**

November 2019

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Since the Committees 2018 inquiry report on Customer Leadership we have championed the importance of developing a corporate-wide culture that has customer service at its heart. The November 2019 presentation to Committee showed real commitment and clear progress since that scrutiny report was published. The Council is in the process of developing a customer service strategy and this is year one of a five year plan, clear evidence that the organisation is taking the development of a customer service culture seriously. We will continue to endorse the message that customer service is everyone's responsibility whether frontline or back office.

Further evidence of the impact since the committee's inquiry is the Council's 5 year membership of the Institute of Customer Services (ICS). We remain keen to establish how the outcomes of a customer strategy will be measured and have asked for more evidence of plans when we next consider progress. Cultivating a relationship with the Institute of Customer Service in the initial 12 month period has strengthened customer service culture as they have specialist understanding of the complexities that facing a large organisation.

The Committee's original report recommended *ensuring each member of staff understands who their internal or external customers are* and re-enforcing this within the Personal Development Review conversation. We were advised that a customer service competency now features in all Personal Development Reviews.

We welcomed evidence of growing corporate support to move the Council's culture towards appreciation and response to customers and their needs. We will continue to monitor leadership commitment to delivering the corporate

focus on customer culture, and we encourage the formal celebration of customer service success such as the Customer Service Hero award nominations

The Committee heard innovative ways would be sought to ensure that excellent customer service training is available and delivered to all staff across the authority. We welcomed the positive staff response to training and established that it will be necessary to revisit training resources in the future.

**Monitoring Performance** - *Where the Committee has undertaken monitoring of the Council's performance.*

**Workforce Strategy 2018-21**

June 2019

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A progress update on the Workforce Strategy 2018-21 resulted in comments and observations on agile working, the integration of council policies, the Health and Well-being programme, how well the workforce reflects its customer base, zero based budgeting and monitoring performance.

The Committee was interested in the challenge of smarter, agile working and its resource implications for employees, accommodation and technology, and later in the year considered the Smarter Working project. When we first considered the Workforce Strategy in May 2018 we understood that it aimed to strengthen the links between business, financial and workforce planning, with the intended outcome of improving overall performance including delivery of higher customer service standards. In June 2019 we re-iterated that we consider it important to ensure that the Council's PPDR system has strong links to the Workforce Strategy and is included in its documentation and processes.

We requested attendance figures for activities organised under the Health and Well-being programme. We were also keen to establish progress in respect of the Council's levels of BME employees within the workforce, being particularly

interested in the size of the increase and the percentage of BME applicants that are successfully appointed having applied.

The Committee highlighted that over the past 10 years the number of FTE employees has decreased by 20%. We consider it important to establish existing and future budget and staffing needs by taking a fundamental look at the resources required to deliver essential services. We therefore suggested taking a zero based budgeting approach to arrive at the correct number required. Similarly members considered it important to be clear about the outcomes the Council is expecting from its workforce processes and activities, to ensure it is able to measure success. We suggested using productivity to effectively illustrate the outcome of the Workforce Strategy and inform staffing projections.

**Annual Well-being Report 2018-19**

July 2019

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In July 2019 the Committee welcomed the new Annual Well-Being Report 2018-19, describing a positive position of council performance for the 2018-19 year. We felt there were a number of opportunities for improvement and requested informal discussion with the Head of Partnerships and Performance to assist in its continual improvement.

The public document contained a variety of inconsistent terminology potentially confusing to members of the public; the variety of information sources and the factors used to determine the self-assessment of objectives were unclear. Approximately 25% of KPI's in the report had no associated data or targets, the justification for which we considered should have been explained in the report. We consider all these are potential areas for improvement in the future.

The Committee considered clarity was needed regarding the financial implications for the capital programme of the backlog of essential maintenance for corporate building, estimated to be approximately £100m. We were advised that key strategies to progress the corporate estate would

be considered by Cabinet in the near future and we would expect to be involved in the decision making on these strategies.

Members proposed that additional performance indicators be developed to include the impact and levels of poverty; the number of new jobs created following a council apprenticeship; and the number of Council contractors paying their employees a living wage.

## **Budget Monitoring 2019-20**

October 2019

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Month 4 is the point in the budget year at which pressures can be identified that will enable the Council to plan for action to balance the budget. This year the Committee discovered that by month 4 the Council's directorates had a projected overspend of £7.018million and we made a number of observations to Cabinet.

We consider there should be greater use of trend analysis in setting budgets, particularly in social services. The Council appears not to be learning from previous experience of overspending where upward trending is clear. We urged the Cabinet Member to factor trend analysis into business case discussions, and his response agreed that trend analysis provides understanding of the impact any interventions or mitigations will have alongside of the level of risk involved.

The Committee was concerned that approximately a third of targeted savings for 2019-20 were projected to be unmet. We felt councillors appear to receive advice on potential savings opportunities that are not actually achievable, and a more robust system of detailed savings business cases would be vital in planning 2020-21 budgets. Cabinet's response confirmed work on delivering efficiencies would guarantee savings for 2020-21 and a budget challenge process would ensure that business plans changing the delivery of a service would provide a high level of assurance that savings will be delivered, with a clear understanding of the risk involved.

We feel strongly that there is an opportunity for improved financial reporting to be of greater assistance to managers in delivering services and a more current reporting mechanism on the budget position would enable quicker management response to adverse variances within service areas. We also noted that the Corporate Director Resources agreed that there was an opportunity to improve budget forecasting.

At this scrutiny the Committee took a deep dive into two services with notable overspends that fall directly within its remit, Facilities Management and Fleet Services. In respect of Facilities Management we established there are several challenges ahead, such as the provision of security services, the management of buildings, and a requirement for incentives to decrease the use of energy in council buildings. It was unclear whether overspending on energy at month 4 was a consequence of excessive energy use or increased energy costs. However it is clear that the running costs of buildings is an issue and the Committee will factor this into its forthcoming scrutiny of the new five year Property Strategy.

In respect of Fleet Management the number of vehicles being processed through the workshop has increased, and since the Council has purchased its fleet its maintenance means the productivity of the workshop has needed to increase. We were encouraged to hear that more opportunities are being identified to utilise vehicles across many services.

## **Digital Strategy**

March 2020

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The Committee found the Chief Digital Officers progress report on the Council's Digital Strategy encouraging. We consider strategies such as this are the foundation to improving the quality of services the Council is delivering to its customers. However we highlighted some opportunities for improving our monitoring of progress in the future.

There has been a claimed improvement in productivity from the increasing digital agility of the Council and we intend to monitor such improvement over time, therefore we requested that in future we have sight of performance

statistics in advance to inform our scrutiny. We look forward to sight of the annual report of digital progress against planned actions. There has clearly been a notable move in accessing Council services from desktop interaction to mobile device, so we feel it would be useful to understand *who* is using the App, particularly if it is possible to analyse patterns across different areas of Cardiff.

The Committee is interested in the impact on staff of the new digital channels for customer service, and also in Bobi the Chatbot, recently launched as the next step in digital customer service. We note the Director of Corporate Resources view that it will be important to return to the business case when expanding services available through this channel. We have requested a demonstration in the near future and feel Bobi may be attractive to other organisations.

Members took the opportunity to highlight the challenges and frustrations they face when IT support is unavailable out of hours and urged that all councillors are supported in a familiarisation training session to resolve their own password reset.

**Pre-decision Scrutiny** - *Where the Committee has evaluated and commented on policy proposals before they are considered by the Cabinet, providing the Cabinet with an understanding of Scrutiny Member's views prior to making their decision.*

**Draft Corporate Plan 2020-23**

February 2020

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A fundamental role of the Committee is the pre-decision scrutiny of the Council's draft Corporate Plan each year. This is undertaken simultaneously with pre-decision scrutiny of the draft Budget, to ensure that the proposals support the priorities as set out in the Corporate Plan.

Scrutiny of the final draft Plan followed informal collaboration between the Cabinet and all five scrutiny committees (see p30). Following scrutiny of the final draft the Chair, on behalf of the Committee, its Performance Panel, and

all Chairs of Scrutiny, placed on record that all parties recognised the benefit of informal engagement with the Cabinet during development of the Corporate Plan for 2020-23. The impact of informal joint scrutiny was clear as a majority of the points made during that meeting had been addressed within the final draft and were evident in the Plan brought before the five Committees for formal pre-decision scrutiny.

Members felt that the final published draft Plan was far more accessible and had greatly facilitated their preparations for the formal meetings. The Committee therefore requested that in future this version of the Plan, including significant graphics and benchmarking illustrations, be made available prior to the Performance Panel meeting with scrutiny chairs.

During the scrutiny Members commented with concern on increasing the numbers of Looked After Children fostered by Local Authority carers; the importance of contingency budgets to react to extreme weather; that the Corporate Plan should acknowledge the challenges faced by the Waste Management service around efficiency, productivity, poor supervision and high sickness absence rates; and the forthcoming review of the LDP that would capture Cardiff's low-carbon transition. We welcomed a fresh focus on reducing sickness absence, that work will continue with Directorates to better understand the causes.

#### **Draft Budget Proposals 2020-21**

February 2020

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Against a backdrop of a better than expected financial settlement from Welsh Government, this year the Committee dedicated its budget scrutiny to its overarching corporate financial remit, taking an overview of Budget Proposals 2020-21, including a focus on the Council's Capital Strategy. Following the scrutiny the Committee swiftly captured its comments and concerns and relayed them to the Cabinet Member, Finance, Modernisation and Performance in time for Cabinet the following afternoon.

The Committee re-iterated its concerns about overspending, particularly in the areas of Children's Services, Waste Management and Facilities Management

We received reassurance that the Finance service considers that the Waste Management service can deliver on its budget, expecting greater resilience in the projections and outcomes for 2020-21. There has been a Waste Management restructure, a new Chief Officer, and a strengthening of finance function support to the service area. Across the Council the section 151 officer was confident that budget estimates are now more robust and overspends can be avoided, There is a long history of large Social Services overspends and each year reassurances are given but we have yet to see annual spending come close to matching the budget for this service area.

We noted the number of red risks shown within the budget statement had reduced from previous years, were reassured there is a move towards more regular monitoring of spending and cost reduction, and we placed a marker that we wish to hear more about what is achieved during the coming financial year. In respect of risk analysis, Members probed whether it is possible to reduce the Council's £3m contingency fund and many considered it an unnecessary insurance against poor budgeting outcomes. We also heard that there will be no compulsory redundancies and Members requested that in future years it would be helpful for scrutiny to have a summary of projected headcount changes as part of its papers which would include the voluntary redundancy and retirement numbers.

A recurring theme of the Committees scrutinies this year has been concern that agency spend across the Authority is growing. One reason is its extensive use within Children's Services. We encouraged Cabinet to undertake an in-depth review of how agency staff are used and can be reduced dramatically from the present £16m level which has been rising in recent years.

The Committee was reassured to hear that there is on-going analysis of the CTS in-house vehicle maintenance service, and that work on productivity and performance improvement is ongoing. We urge that when this work is complete a full value analysis is undertaken and we intend to programme a progress update on CTS.

In relation to the Capital Strategy 2020-21 we sought an explanation of the straight line basis on which capital expenditure is repaid following a review in 2019-20 that determined that such a policy was a prudent way forward. We established that the Council's debt will increase, and that interest rates could rise in the next 5 years. We therefore expressed concern that the Public Works Loan Board is likely to increase the cost of borrowing and that there may be risks within the Medium Term Financial Plan. We were also informed that the £1.5m loan to assist a private developer to complete the Coal Exchange building was secured through a Welsh Government re-generation grant and that the Authority expects to recover the cost in full.

Finally, on behalf of all Scrutiny Committees, a plea to improve scrutiny access to information in future years. We found the presentations given by Financial Services particularly useful for member understanding of the budget proposals and in future would like to receive these with our papers. Secondly, the availability of hard copies of papers, particularly where there are complex A3 tables is an ongoing question that requires resolution.

**Policy Development / Consultation Scrutiny** *-Where the Committee has contributed to the Council's policy development processes by considering draft policy documents.*

**Smarter Working Project**

September 2019

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The Committee has been fully engaged in policy development to progress the Smarter Working project of the Capital Ambition Delivery Programme. We understand the aims of this project, and its potential to succeed if well designed, supported and implemented. Our observations to the Cabinet centred on culture, the implications for employees, sickness absence, technology, touch down points, leadership and consultation.

We consider achieving the right organisational culture, for the project's success lies in managers planning, designing, implementing and supporting the change process to effect a culture shift. Employees will require a new understanding about roles and expected work output based on increased

levels of trust between manager and staff member. One measure of success could be a positive movement in sickness levels with greater flexibility of working arrangements.

The Committee feels strongly that successful smarter working poses complex leadership challenges. Appropriate levels of contact with work colleagues and managers will be an essential element of the agile working framework. We urge that senior managers listen carefully to staff in setting up this new initiative and that employees must feel they have the option of speaking up if new arrangements are not working for them.

The Committee acknowledges that technology is central to the success of this project and would expect the provision of new technology and training in its use to precede the start of the agile working project. As work continues on mapping out appropriate touch down points it is important that employees have a range of locations where they can complete certain tasks, meet face to face with colleagues and create and consolidate social networks. There is an opportunity for the development of a staff app in relation to the daily availability of space at touch down points, and we were pleased that a conversation was ongoing with our Public Service Board partners with a view to sharing touch down points. We encouraged the inclusion of third sector partners in these conversations.

In two to three years' time we will be looking for evidence of payback for the introduction of agile working with fewer buildings to maintain. Finally there appeared to be limited learning from organisations who had experience of introducing smarter working and we felt that there are opportunities to engage widely in such benchmarking and learning before practical steps for agile working are finalised.

We heard that the Smarter Working project was about employee choice and an employee engagement strategy would address all possible concerns. There is to be a baseline analysis of sickness and follow up exercises for each service area to sustain positive impact on the figures, and the committee's

suggestion of including third sector partners in touch down point conversations was welcomed.

### **Budget Consultation 2019-20**

October 2019

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The Committee continues to seek effective engagement with the Council's approach to Budget Consultation, which has long failed to be impactful due to its very late involvement. In October we relayed to the Cabinet that we supported an earlier and fresh approach to consultation. The plan to undertake a mid-point review of the budget preparatory work could inform future consultation and was considered a useful starting point in improving scrutiny of the budget. We endorsed improvements for 2019-20 that recognised the importance and value of a qualitative response to budget proposals alongside the quantitative response. It is important to define both demographic groups *and* sub-demographic groups, to ensure that all groups are accessed, for example the homeless and other underrepresented groups.

Importantly, we stressed that Members should have an opportunity to add their voices at an earlier stage to the development and pre-publication testing of the consultation document before requesting engagement with the Committee on final draft budget proposals. The lateness of the financial settlement for 2020-21 from Welsh Government was cited as presenting difficulties in achieving this. Whilst officers circulated online the draft pre-published consultation to be considered by the Cabinet for scrutiny comment, in reality it has not been possible to fully scrutinise the published consultation as the Committee's December meeting was cancelled due to a General Election. The Committee will seek to secure improved scrutiny engagement with draft budget proposals for consultation as part of its forthcoming work programme.

### **Corporate Planning 2020-23**

January 2020

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In January 2020 the Committee was afforded oversight of refreshed planning and performance arrangements for 2020 onwards. At the mid-point of its administration, Cabinet reviewed and refreshed its Capital Ambition policy

commitments for translation into the 2020-23 Corporate Plan. The proposal was to introduce a new corporate planning and performance framework based on forthcoming legislative requirements. We were advised there would be fewer, more meaningful, reports and an aspiration to introduce mechanisms that would shorten the time between the collection and reporting of data.

A further commitment was made to strengthen the points of influence for Scrutiny in the corporate planning and performance process. The Committee continues to develop its role in assessing and developing the performance framework, engaging closely with the Head of Performance and Partnerships.

The Committee felt strongly that openness in presenting corporate performance progress was important. Routine performance reports should cite both successes and failures, and the introduction to the Corporate Plan could highlight failures to achieve as well as perceived successes. Such honesty gives the organisation credibility, particularly when there are action plans to show where improvements are being addressed. The Chief Executive accepted these points as a positive challenge acknowledging that the Council's end of year performance assessment would benefit from agreement on performance shortcomings across the Council's committees, panels and boards. The Committee felt more openness about successes and failures would enable scrutiny to test the robustness and accuracy of the corporate planning and performance management process, stating that its aim will always be to facilitate continuous improvement of Council's policies and its performance. No organisation can report only positives if its performance reporting process is to be taken seriously.

The Committee urged that the Council's performance review systems enable clear individual accountability for the delivery of targeted savings and that the overspending of any part of a directorate's budget is considered a red risk. We consider the management and prevention of overspends remain an unresolved challenge and that both senior management and the Cabinet must ensure that there are consequences for those who are accountable for missed targets.

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The Committee has been contacted by a number of Councillors, both Cabinet and non-executive Members, requesting that it look into how the Council deals with the procurement and management of large contracts, specifically where an existing contractor opts out or is encouraged out of a key existing contract such as housing maintenance. The Chair liaised with the Head of Procurement and subsequently the Committee conducted policy development scrutiny of the Procurement Strategy 2020-23, as set out in the Corporate Plan. Following the scrutiny our three main concerns centred on monitoring the level of spend, contract management, and community benefits.

Given the scale of the Council's annual external procurement spend (£435m) Members focussed on how effectively the Council is monitoring spend, particularly highlighting agency spend. The Committee recommended that Cabinet undertakes an in-depth analysis of the Council's £15.5m per annum agency spend, the sources of agency demand, and justification for the value for money it offers against other employment options.

Central to the Committee's concerns is the quality of contract management across the Council, particularly a directorate's capacity and skills to manage contracts effectively. We established that senior management recognise that contract management is currently inconsistent across the Council, and we strongly support the need for effective performance management of contracts to be built in up front with clear management accountabilities. This is likely to involve a reassessment of the roles and responsibilities of those involved with contract management as well as their individual skill sets. Collaborative working between directorates and the procurement function is important from the very start of the contract planning process. The Committee recommended that Cabinet develops a specific and detailed contract management strategy for the Council, recognising that contract management skills, clear roles and capacity are of vital importance. We have requested that Cabinet return to

committee within a six month period to present the strategy and enable full scrutiny of its content.

The Committee established that the concept of community benefit from procurement can include areas such as the living wage, social value, ethical employment, training and development, use of local suppliers, and tackling modern slavery. We also established that its evaluation is taken into account at pre-qualification stage, and that currently a minimum of 10% of the tender evaluation of a bid for Council work is based on assessing core community benefits and social value. We consider it worthwhile to re-evaluate the weighting of a contractor paying the living wage and the impact that makes on the contract.

**Partnership Scrutiny** - *Where the Committee has performed the statutory role introduced by the Well-being of Future Generations Act (Wales) 2015 and conferred upon it by Council*

**Cardiff Public Services Board Scrutiny**

July 2020

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The Well-being of Future Generations (Wales) Act 2015 (WFG) conferred upon the Council and its partners a duty to ensure that the governance arrangements in public bodies for improving the well-being of Wales take into account the needs of future generations. Each local authority area in Wales now has a statutory Public Services Board (PSB), the core members of which include the Local Authority; the Local Health Board; the Welsh Fire and Rescue Authority; and Natural Resources Wales. It also conferred a statutory remit for Scrutiny to review decisions made or actions taken by the PSB and to review its governance arrangements.

The Council's Constitution confers the statutory responsibility for upholding the requirements of the Act upon the Policy Review and Performance Scrutiny Committee for scrutiny of the Cardiff Public Services Board (CPSB). This year the CPSB published its first Annual Report 2018-19 against the Cardiff Well-

Being Plan 2018-2023 and to present it, in July, the Committee heard from its Chair, the Leader of the Council, and Deputy Chair, the Chair of Cardiff & Vale Health Board.

Welcoming the positive performance position described for 2018-19, the Committee made a number of observations in a letter to the Board. We were encouraged by the CPSB's overarching view that all parties were stronger by working collaboratively with partners, that its key goal is to tackle some of the big challenges, and the expectation that the work of the Regional Partnership Board will progress life chances within the city, particularly those of vulnerable children, families and older people. Members heard that a significant number of projects and plans would require prioritising, monitoring and funding; that the effective integration of services including transport and the Next bike scheme were making an impact by getting more people active and supported the aim to improve air quality across the city. We also heard that the Get Me Home Plus service, engaging with patients in hospital to assist in transition between hospital and home care, is expected to make a significant difference.

In respect of collaborative asset management the Committee heard that an asset management survey was underway and partners' property specialists were working collaboratively on potential projects. Notably, the Heath Hospital will undergo significant new development work and options for a comprehensive hub involving a range of partners were being considered.

Members repeated their interest in Brexit preparations and were assured that a number of shared issues including supply chains, contracts and staffing issues across South East Wales were part of multiagency contingency plans underway to co-ordinate the City's response to risks from Brexit.

The Committee's key concern was an absence of city level targets that would in future enable it to measure the outcomes of the work of the CPSB. In his letter of response the Chair pointed to the advice of the Public Policy Institute for Wales that "*no single organisation can deliver a well-being outcome...and*

*it makes no sense to set targets for well-being objectives”, advice. However he is assured of collective ownership of the Well-being objectives and the CPSB will be publishing performance against the 50 Well-being Plan outcome indicators as set out in ‘Cardiff in 2019’ online. The Committee looks forward to examining that data.*

Members noted for future reference that many challenges lie ahead building on preventative work, for example in relation to Looked after Children, and improving the environment with a reduction of Nitrogen Dioxide (NO<sub>2</sub>) levels in city centre. Other challenges include homelessness, substance misuse and knife crime.

**Joint Scrutiny** - *Where the Committee has joined together with one or more scrutiny committee(s) to examine a topic of a cross-cutting nature to enable collective consideration of the issues.*

#### **Corporate Planning – Cross Committee Target Setting**

January 2020

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The Committee’s Performance Panel has continued to consolidate the benefit of cross committee interaction with Corporate Plan target setting at a policy development stage of the decision-making cycle. In January the PRAP Panel hosted an informal joint scrutiny including the Chairs of all five Scrutiny Committees. A valuable session ensured effective policy development scrutiny and secured potential impact for all five scrutiny committees within the Corporate Planning process.

The progressive interaction of corporate policy development and scrutiny, as illustrated by these informal engagement sessions, is facilitated by active collaboration by the Leader and cabinet. Such collaboration over the past three years has demonstrated the valuable impact that effective cross committee scrutiny can have on the Corporate Plan, the Council’s highest level strategic document.

The 2020-21 session considered the steps, measures and proposed targets set by the cabinet to achieve the Council's priorities. This provided an opportunity to feed cross committee scrutiny observations into the final draft Corporate Plan 2020-23 before it was presented to formal Cabinet. The final draft, influenced by scrutiny, then formed a part of budget scrutiny papers in February, when all Committees were able to test the budget proposals against cabinet's stated Capital Ambition priorities. At those budget scrutiny meetings Members were once again able to ensure that any changes to the detail of the Corporate Plan, made as a consequence of discussion with scrutiny chairs, were captured and thereby had a strong validating impact of the value of the scrutiny panel process for the Corporate Plan.

Constructive opportunities for scrutiny engagement are not taken for granted. The Committee continues to seek a greater insight and involvement in the Council's performance framework and, with this in mind, discussions have commenced with a view to extending the work of the PRAP Performance Panel further. The Panel has been offered an additional informal mid-year session in late November/early December to review performance against Corporate Plan targets. This session will be used to assess current achievement of the 2020-21 Plan's aims and an early opportunity to engage in 2021-22 Corporate Plan target setting.

#### **Waste Management – Informal Briefing**

November 2019

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As part of its 2019-20 work programming discussions the Committee agreed to take a closer look at Waste Management matters appropriate to its terms of reference. Areas of interest outlined included waste collection productivity, overall departmental efficiency, absence and sickness rates and efforts to improve them, benchmarking with other LAs, work and new systems under development which aim to improve performance as well as progress in addressing challenges within the workforce culture.

As the Waste Management service falls within the Environmental Scrutiny Committee's terms of reference the chairs of both committees agreed to a

joint informal Member briefing/position statement. In November 2019 the two scrutiny committees received a presentation that focussed on Performance, Challenges and Opportunities. A performance overview covered recycling, budgetary, trade waste, sickness absence and audit inspections. Challenges were outlined as delivering improved recycling performance, workforce culture, management structures, bank holiday working, agency worker employment and health and safety improvements. Opportunities were outlined as improved business intelligence that enables data led decision making, and using the opportunity for utilising data to triangulate performance, customer intelligence and budget to inform decisions.

The Committee subsequently focussed on Waste Management sickness absence performance in January 2020, and maintains its interest in other challenges along with the outcome of an ongoing Wales Audit Office inquiry.

**Call-ins** - *Where the Committee considers a request made by a non-executive Member to review a recent Cabinet decision on a specific subject within the Committees Terms of Reference that has implications for the Council and the City.*

#### **Cardiff Bus Loan**

June 2019

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In June 2019 the Committee was asked to consider a call-in of Cabinet's decision to grant a loan to Cardiff Bus from the Council for £2.0 million, for the purchase of electric vehicles. Delegated authority was sought to prepare and conclude legal agreements for the Corporate Director Resources in consultation with the Director of Governance & Legal Services and the Cabinet Member for Finance, Modernisation and Performance. A non-executive Councillor had exercised the right of call-in as set out in the Council's Constitution, on the grounds of concerns about the security the Council would be seeking in making the loan, and the importance of scrutiny and questioning around such security in taking the decision.

Following the scrutiny the Committee agreed not to refer the decision back to Cabinet. It was resolved that the Councillor be kept updated in relation to the

loan going forward. The Committee noted the comments of the Councillor and took no further action, however the Cabinet Member and Director of Resources agreed to update the Committee on the position early in 2020.

**Briefings post Cabinet** - *Where timescales have not allowed for pre-decision or policy development scrutiny, and to ensure the Committee is kept informed of developments, proposals or progress.*

**BREXIT**

September 2019

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The Committee requested a briefing on the Council's preparations for Brexit following which Members were assured that the Council had clearly done its best to prepare.

It was noted that a risk register had been prepared to address the possible shortage/loss of key supplies in addition to a communication plan aligned with PSB partners via the Local Resilience Forum; an extensive gold and silver emergency planning rota and the community cohesion team's involvement of the third sector in a co-ordinated approach to spreading the message on applying to the EU settlement scheme.

The Committee noted the difficulty projecting the long term impact of Brexit on the labour market, particularly for the Council in sustaining services such as social services. We also raised concerns about the budgetary impact of Brexit on the Council, and indeed how much the Council had spent preparing for Brexit. The Committee heard that the Council plans to carry out an exercise post-Brexit to evaluate the preparation costs, whether preparations were adequate and valid, and we will be interested to hear the outcome.

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In January the Committee was briefed on the implications of the forthcoming Local Government and Elections (Wales) Bill for the Council. We sought clarity as to how the Council responded to the Welsh Government call for evidence at Stage 1 consultation, and the mechanisms it would use to feed comments into consideration of the Bill progressing through the Assembly.

The Bill makes provision for Corporate Joint Committees (CJC) and Members echoed the Leader's concern that the voting structure within such a body, one vote for one Council irrespective of the number of residents, would not offer a representative or proportionate approach to decision making. The Committee urged that Cardiff Council's view be clearly placed on record as the Bill is considered by various Assembly Committees. Members received assurance from the Leader of ongoing representation to the Minister for Housing & Local Government in respect of CJC's via the Welsh Local Government Association Partnership Council sub-group, and in evidence given to the Equality, Local Government and Communities Committee in respect of voting.

Members also expressed concern about the Bill's proposal to require webcasting of all public Council meetings, given the potential cost implications for the Council and the paucity of viewers for some meetings. The Committee considered there may have been an over estimation of public interest in Council and committee business. In his response the Leader assured Members that the Minister has confirmed to the Assembly's Finance Committee that she expects to produce guidance that is pragmatic and practical as to what the Welsh Government means by 'all meetings'.

The Bill has a Performance and Governance element which proposes taking self-assessment and peer review to another level. Members noted that this implies that the next Council Administration will take part in a peer review during its term, and concurred that such a review would need to be rigorous, and as such should not be confined to Welsh insight and expertise but include peer reviewers from further afield who can offer fresh insights.

## Future Work Programming Opportunities 2020-21

Topics commended to the Committee of 2020-21 for consideration in its work planning include:

- The 5 key challenges identified during scrutiny of the WAO Annual Improvement Report – Looked after children; waste management; sickness absence; corporate landlord; and financial pressures.
- Cabinet response to the Impact of Scrutiny inquiry report
- Overview/ governance of the Capital Ambition Delivery Programme
- Planning & Performance framework – including peer review as introduced by the Local Government & Elections (Wales) Bill
- Customer leadership and culture – action plan
- Digital strategy – Chatbot demonstration
- Draft budget consultation proposals
- Procurement strategy 2020-23
- Performance Panel mid-year review of Corporate Plan targets
- Waste management challenges and outcome of WAO inquiry
- Cardiff Bus – update