Corporate Assessment Follow On

City of Cardiff Council

This Corporate Assessment Follow On report has been prepared on behalf of the Auditor General for Wales by Non Jenkins, Chris Pugh, David Wilson, Sara-Jayne Byrne, Allison Rees, Phil Morgan, Avril Watkins, Andrew Strong and Emily Owen delivered the work, under the direction of Alan Morris.

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Summary report

The Council has put in place better arrangements to support improvement and to address longstanding issues, but is now at a critical point in embedding them if it is to achieve a step change in delivering improved outcomes

1   In September 2014 we reported our Corporate Assessment of the City of Cardiff Council, which concluded that 'Fragmented leadership and management have meant that weak performance in key service areas has not improved.' We came to this conclusion because:

    a   political and managerial instability over a number of years has meant that the Council has been unable to develop the culture and framework necessary for continuous improvement;

    b   the Council has identified what it wants to achieve for its citizens but has lacked an effective means of delivery;

    c   some processes intended to ensure good governance are not being implemented, and decision-making processes are inefficient and lack transparency;

    d   whilst there have been some recent changes, performance management has failed to consistently secure improvement in the past;

    e   although the Council ensures a balanced budget, prospects for achieving proposed savings in 2014-15 are uncertain and the anticipated level of future funding means current methods of service delivery are unsustainable;

    f   corporate human resource arrangements are founded on positive practice but are not being implemented consistently;

    g   the Council is improving its use of information technology and its information management arrangements;

    h   the Council is not managing its land and property assets well; and

    i   the Council engages well in collaboration with others and is able to demonstrate improved outcomes for citizens.

2   The Corporate assessment report made one proposal for improvement, which was that 'the Council ensures the implementation of its Organisational Development Plan resolves the range of issues identified in this assessment'.

3   This follow-on review seeks to answer the question: 'Is the Council effectively addressing the issues raised in the Corporate Assessment?'

4　　In order to inform our Corporate Assessment Follow-on we also undertook two tracer reviews of the decision-making processes in relation to:

　　a　　revisions to the Council's leisure services and its progress in taking forward alternative delivery models; and

　　b　　revisions to the Council's waste strategy (and associated arrangements).

　　The findings of these tracer reviews have informed our corporate assessment follow-on work and have been incorporated into this report.

5　　Our follow-on review concludes that: **'The Council has put in place better arrangements to support improvement and to address longstanding issues, but is now at a critical point in embedding them if it is to achieve a step change in delivering improved outcomes.'**

6　　We came to this conclusion because:

　　a　　overall, the Council has responded positively to the Corporate Assessment findings, and put better arrangements in place to support improvement and address longstanding issues; and

　　b　　the Council is now at a critical point in ensuring that improved arrangements are embedded and implemented consistently and constructively across the organisation in order to achieve a step change in delivering improved outcomes.

Recommendations and Proposals for Improvement

7　　In this report, the Auditor General has made one formal recommendation and 14 proposals for improvement as follows.

Recommendations

Recommendation
R1　　The Council must ensure that it addresses the proposals for improvement as set out in this report to deliver improved outcomes within the next 12 months.

Proposals for Improvement

Proposals for Improvement
Leadership and management
P1   Develop further **engagement opportunities** with staff and Members to consistently embed a constructive performance management culture across the organisation to help deliver improved outcomes.
Governance
P2   Clarify the **roles and responsibilities** within the Council's decision making framework. In particular: a ensuring that meetings of the Informal Cabinet meetings are recorded appropriately; b ensuring that the title and roles of Assistants to Cabinet Members' are applied consistently ensuring that their limited roles and responsibilities do not cloud any accountabilities; c review the role and membership of Cabinet Advisory Groups to ensure that those members involved do not sit on any Scrutiny Committee responsible for scrutinising the same/similar issues; and d ensure that a decision is made on the issue about whether to delegate executive decision-making to individual Cabinet Members.
P3   Further strengthen the Council's **scrutiny** function by: a developing an approach to scrutinising cross cutting issues; and b ensuring that any vacancies on scrutiny committees are filled quickly.
P4   Ensure that all **committee agendas, minutes and decision-log**s are published in a timely manner on the Council's website, and increase the number of committees that are webcast.
P5   Enhance Member accountability by: a ensuring that the **Standards and Ethics** Committee plays a more proactive role in promoting and enforcing the Cardiff Undertaking for Councillors and supporting policies in relation to Member conduct and behaviour; and b strengthening member development and learning programmes based on competency assessments to improve skills and understanding to enable them to undertake their roles more effectively; and c determining what training should be considered essential for Members to discharge their role effectively.

Proposals for Improvement
Performance Reporting
P6   Further strengthen **performance reporting arrangements** to support decision making by: a including SMART performance measures within directorate delivery plans, and ensure that these are reported to Cabinet and scrutiny to demonstrate progress;   b consistently using and reporting on a Red/Amber/Green rating for Corporate Plan commitment actions and Directorate Plan actions in quarterly reports provided to Scrutiny;   c mandating consistent service level plans; and   d prioritising key performance indicators (KPIs) where the Council will seek to demonstrate improved performance and outcomes.
Corporate Enablers
P7   Adopt a more cohesive and co-ordinated approach to **corporate enabler functions** to better help the Council drive improvement.
P8   Further develop the Council's **performance management arrangements** by   a enhancing the Council's performance management strategy to include guidelines timescales, processes and procedures to support a consistent approach; and   b increasing the level of performance management and challenge undertaken by the central performance team.
P9   Further develop the Council's **Human Resource** processes and strategies by: a strengthening the Council's staff appraisal process by including explicitly measureable objectives, capturing information on training on a corporate basis, and developing links to staff's future career aspirations to support workforce and succession planning; and   b further embedding the Council's workforce strategy and integrating this with financial and service planning.
P10   Complete the data capture exercise relating to the **use of assets** and develop a single system to hold appropriate asset management information.
P11   Ensure all outstanding actions from the Construction Excellence Wales review of the Council's building maintenance framework are completed.

Proposals for Improvement
Corporate Enablers
P12 Further strengthen the Council's **financial planning processes** by: a developing more explicit links between the Medium Term Financial Plan and the Council's improvement planning arrangements;   b strengthening links between the Medium Term Financial Plan and service plans;   c ensuring that savings proposals owned by Directorates are linked to the Organisational Development Programme where relevant, are fully costed, and that delivery is driven by the Organisational Development Programme Board; and   d ensuring all budget savings plans are fully developed as appropriate with realistic timescales when the annual budget is set.
P13 Further strengthen the Council's **IT arrangements** by: a further developing the draft Digital ICT strategy and formally agreeing this strategic vision for delivering digitally enabled services;   b deploying the Customer Relationship Management system fully to appropriate services across the Council;   c implementing the mobile scheduling and flexible working technologies where appropriate; and   d expanding the number and depth of ICT KPIs measured and reported, to cover the whole ICT service, and benchmark against public service comparators.
P14 Further strengthen the Council's **information governance arrangements** by: a completing the outstanding actions from the Information Commissioner's Office audit on data protection and information confidentiality;   b increasing the level of staff completion of the Council's information confidentiality and data protection e-learning training programme;   c fully implementing the Electronic Records Management System across the Council;   d improving the Council's response rates against statutory targets in respect of data protection subject access requests and Freedom of Information Act requests; and   e completing a Caldicott principles into practice self-assessment.

8 The Council must respond to the formal recommendation by preparing a statement of action and proposed timetable within 30 days of receipt of this report.

Detailed report

Overall, the Council has responded positively to the Corporate Assessment findings, and put better arrangements in place to support improvement and address longstanding issues

The Council's leadership and management have become more cohesive, have improved engagement with members and staff, and have put in place a clear strategic direction

9   Since our Corporate Assessment in September 2014, the Council's leadership is more cohesive. The Leader was appointed in March 2014, and a new Cabinet was put in place following a competitive selection process.

10   The Council's leadership and management have improved the culture of the organisation by promoting better engagement with members and staff and encouraging greater openness and self-awareness of the Council's weaknesses and strengths.

11   The leadership has taken a number of steps to develop and promote an engaging culture, including the practice of involving opposition leaders in various discussions. For example:

   a   opposition leaders continue to be routinely invited to attend Cabinet meetings in order to raise any issues and ask questions directly of the Cabinet;

   b   the Leader continues to hold regular meetings with opposition leaders;

   c   opposition leaders are invited to attend and partake in the Council's Challenge Forum meetings;

   d   the Chair of the Policy Review & Performance Scrutiny Committee is invited to attend the Council's Challenge Forum meetings in an observer capacity; and

   e   there is clear commitment to supporting the development of the skills of Members via a Member development strategy.

12   During our review, we identified a significant consensus of support for the Chief Executive, both from officers and Members. Like the Leader, the Chief Executive has adopted an inclusive approach to engaging with officers, regularly meeting with front line staff and middle tier managers to discuss the Council's improvement progress.

13   There is a clear and open commitment, both politically and managerially, to recognise and address the Council's longstanding poor performance.

14   The Council has established a clear strategic direction. The Council's Corporate Plan 2015-17 identifies four priorities which are supported by 11 improvement objectives. To assess whether the Council will be successful in delivering its priorities and objectives, national and local indicators to measure performance have been identified. Mandatory directorate delivery plans have been introduced containing the actions and indicators from the Corporate Plan 2015-17, to drive and deliver improvement at a service level.

15   The Council has more recently responded proactively to the Welsh Government's long-term strategy of achieving zero waste, addressing the fact that previously it has not achieved Welsh Government targets in relation to recycling. The Council's new waste strategy was consulted on as part of Ask Cardiff 2015, and approved by Cabinet in April 2015. In developing the new strategy, there was appropriate scrutiny with clear, timely and transparent decision making. The impact of the waste strategy on the Council's recycling rates is uncertain as the final performance against recycling targets for 2015-16 is not yet known.

16   Following a review of potential alternative delivery models for leisure services in January 2014 by Max Associates, the Council's Cabinet decided to carry out a procurement process for the future management of 11 leisure facilities and two Arts venues. Officers and Members had consistent views in relation to the desired outcomes and the delivery model for leisure services in the future. Residents were consulted on the proposals via Ask Cardiff 2015 and a project board has been established to oversee the project. The new Director of City Operations has a proactive role in this project to embed accountability arrangements.

17   The CSSIW published its Annual Review and Evaluation of the Council's Performance 2014-2015 in October 2015 which reported that:

      a   The director for social services presents a clear picture of the challenges and areas of progress made within the directorate over the past year. The director also sets clear aims to deliver improvements over the coming year.

      b   The Council is undertaking a strategic overview of services which is enabling the Council to begin to plan for changes within the department.

18   During October 2015, Estyn undertook a Significant Improvement visit at the Council to review progress against recommendations made during a monitoring visit in February 2014. One of the recommendations was to 'Improve the effectiveness of the joint planning across the range of partnership working'. In respect of this recommendation, Estyn reported that there is now a more strategic approach to building a culture of partnership working where partners are working more closely to improve wellbeing in order to address underachievement. In addition Estyn reported that there is an increase in the effectiveness of the Council's consultation, and this shift in culture has resulted in better engagement between the Council and its schools.

19   Estyn concludes that overall, improvements in partnership working are contributing to better outcomes in schools. Over the period 2013-2015 there has been an improvement of around nine per cent in the proportion of Cardiff pupils achieving the level 2 threshold including English or Welsh and mathematics. During the same period, there have also been improvements in the proportion of pupils achieving the Foundation Phase Outcome Indicator and the core subject indicator at key stage 2. Although secondary attendance levels did not improve in 2014-

15, historical increases from previous years have been maintained. However, the Council has been less effective in working with partners to reduce exclusions and increase the proportion of young people who are engaged in education, employment or training.

20   The Council's restructure of its senior management was completed in June 2015, reducing the number of Directors from 11 to seven to help reduce silo working between departments and improve co-ordination and communication amongst the senior management team. Through our interviews with officers and Members we found that overall the restructure was seen as a positive action, and was starting to help improve the effectiveness of delivering services as well as reducing silo working.

Improving governance arrangements are helping to promote a better culture of accountability and risk management

21   Cabinet meetings are conducted in an appropriate manner, and Cabinet members are settling into their roles with robust challenge provided via the opposition leader's questioning. From our observations, reports provided to Cabinet are well written and presented effectively.

22   The Council's scrutiny function is improving. Actions from scrutiny meetings are issued to the relevant Cabinet member by the Scrutiny Committee Chair, and our review found that Cabinet members respond promptly.

23   The Council's Standards and Ethics Committee has a clear remit to monitor the conduct of members. The Committee, in liaison with the Council's Monitoring Officer, has also organised various training events for Members, including sessions on the appropriate use of Social Media and Data Protection. The Committee's members have also started to attend various Council committee meetings to observe.

24   The Council's Audit Committee has an important status within the Council, with the Leader and Chief Executive attending to make presentations on relevant issues. In October 2015, the Committee introduced a tracker system to monitor external regulator reports and Council actions in respect of relevant recommendations and proposals for improvement.

25   The quality and impact of the Council's wider accountability processes have improved. These improvements include appraisals for the Leader and Cabinet Members as well as the Chief Executive, and the introduction of a number of mechanisms to directly challenge directorate performance and increase personal accountability of senior managers. For example, the introduction of the Challenge Forum and the Star Chamber.

26   The Council has improved the way it identifies and manages risks. The corporate risk register identifies 25 corporate risks and sets out how these are to be managed. The risk management policy contains clear definitions and guidance to officers when determining levels of risk. The Cabinet reviews the risk register on a bi-annual basis and corporate risks are included within the quarterly performance reports to Cabinet.

27   The Council has addressed the recommendations from the Information Commissioner's Office 'Undertaking'[1] from August 2013, relating to arrangements for responding to data protection subject access requests. In June 2014 the Information Commissioner's Office found that 'reasonable assurance' could be taken from the Council's information governance arrangements, whilst providing a number of recommendations for improvement. A follow-up review was undertaken in October 2014 and found that further progress had been made.

28   The Council has developed an Information Management Strategy for the period 2014-18. A Records Management Policy has also been developed to support the Information Management Strategy which sets out the Council's record retention arrangements. A corporate wide Electronic Records Management System has been piloted and implemented in a small number of areas across the Council as part of the Information Management Strategy. In September 2015 the Council updated its Information Governance Training strategy, with the Information Management Strategy and Records Management Policy being embedded into its e-learning modules for staff.

The Council's leadership and management are committed to establishing a better performance management culture and improved arrangements are in place to monitor outcomes

29   Longstanding performance management weaknesses are beginning to be addressed and a better performance management culture is emerging. The Leader and Chief Executive are leading efforts to ensure consistent application of performance management across the Council. A performance management strategy has been developed that conveys the importance of reliable, consistent, timely and accurate performance information.

30   Quarterly performance reports relating to the Council's directorate delivery plans are presented to Cabinet and Scrutiny Committees. These reports provide both an update on key actions and targets and identify any emerging challenges and risks, which are accompanied by mitigating actions.

31   The Council has also introduced the 'Star Chamber' to enable the Leader, Cabinet Members and the Chief Executive to scrutinise directors in respect of their quarterly performance reports. Our observation of the Star Chamber identified that it offers a robust mechanism to question and challenge directorate performance.

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1   There are a number of tools available to the Information Commissioner's Office for taking action to change the behaviour of organisations and individuals that collect, use and keep personal information. One option the issuing of an 'undertaking' committing an organisation to a particular course of action in order to improve its compliance. **Taking Action - Data Protection page on The Information Commissioner's website**

32   Cabinet Members recognise the Council's National Strategic Indicators (NSIs) and Public Accountability Measures (PAMs) as important measures of progress and success. The Council has shown ambition by stating in its Corporate Plan that for 2015-16 and 2016-17 it is aiming for over 50 per cent of its NSIs and PAMs to be ranked in the top half when compared against all Welsh Councils.

33   As part of our review, we carried out an examination of a sample of the Council's Performance Indicators and operational data systems. Data quality reviews are undertaken to gain assurance that the Council's performance measurement systems are robust and that resulting performance data is accurate. We examined six performance indicators (four National strategic indicators and two local indicators) and the underlying systems used to compile the results.

34   For those indicators we reviewed we found that the performance measurement systems are robust and that resulting performance data was generally accurate. Support is provided by the central performance team to assess and verify performance information.

The Council has improved its arrangements for financial planning, HR management, and asset management and IT

The Council's medium term financial plan has been extended to cover a longer period, and there is increased engagement with directorates in the setting of targets and reshaping of the budget

35   The Council's Medium Term Financial Plan now covers the period 2016-17 to 2018-19. Positive steps have been taken to improve the identification of savings for 2016-17 and for the medium term, through engagement with directorates and an exercise to reshape the base budget. Members and directorates are actively involved in the process of setting the savings targets.

36   The Council has also raised the profile of financial resilience in a number of ways, including: finance training programmes; member seminars; and the sharing of summarised budget and financial information via a Financial Resilience Dashboard.

The Council's Human Resource arrangements are helping to strengthen staff capacity and capability

37   A revised Personal Performance and Development Review policy was implemented in April 2015. The policy sets out the performance appraisal purpose, relevant roles and responsibilities and the procedure for setting objectives and rating staff performance. A target has been set for 90 per cent completion of staff appraisals by quarter four of 2015-16. As at January 2016, the Council's compliance rate with performance reviews has improved, with 90 per cent of staff having completed the appraisal process.

38   The Council has made improvements to days lost to sickness absence by implementing a range of proactive and reactive measures. These include; introducing specific objectives for managers relating to sickness absence, a revision of the Attendance and Well Being policy, a tool kit and a training programme.

39   The Council has developed a Workforce Strategy for the period 2015-2018, which recognises the need to respond to future financial and delivery challenges. The strategy is aligned with the Council's vision, values and priorities as set out in its Corporate Plan 2015-17, and places an increased emphasis and priority on workforce planning, identifying the gaps in the current workforce and what the future human resource requirements will be. The strategy contains a basic profile of the current workforce and a clear action plan, with explicit outcomes for seven priority areas:

   a   workforce planning,

   b   performance management;

   c   employee voice;

   d   trade union partnership;

   e   learning and development;

   f   health and wellbeing; and

   g   the employee charter.

40   Progress against the strategy is reported on a quarterly basis to the Enabling and Commissioning Programme Board and the Organisational Development Board.

The Council is developing a more strategic and co-ordinated approach to the management of assets

41 The Corporate Asset Management Plan identifies the strategic importance of utilising its assets more effectively and sets targets for reduced costs and appropriate ownership. The Asset Management Board and Asset Management Working Group bring together managers from across the Council and its partners to manage assets as a corporate resource, rather than on an individual directorate basis.

42 Information held on assets has also improved. The Council now maintains a register of all properties including detailed information about them, such as running costs, floor area and backlog maintenance. Awareness amongst staff of the importance of asset management has been raised via a poster campaign.

The Council has taken steps to develop and deploy digital services and flexible working technologies

43 A draft Digital Strategy is being further developed to deploy a 'digital first' approach to redesigning services. This approach is designed to enable the public to communicate and transact with the Council electronically, whilst paying for services using mobile technologies through fully automated IT systems. The Council acknowledges that modern technology needs to be combined with a customer-focussed approach to ensure services are easy to use and efficient. The Council is aiming to converge the IT systems used across the organisation to focus on fewer corporate solutions and standards for the storing of information.

44 The deployment of a new Customer Relationship Management system is planned for December 2015. This maintains all public contacts and services in a single IT system, enabling new channels for a more automated based service delivery; for example, reporting a missed bin collection via a mobile device. The Council has developed a three-year phased implementation plan for the system and aims to move all services online by 2018-19.

45 The Council has also begun implementing flexible working technologies across service areas. From May 2014 mobile scheduling was introduced to Community Maintenance to automate and redesign services, allowing Council staff to work in a more agile and efficient way. Mobile scheduling is currently planned for deployment in Adult re-ablement by the end of 2015.

The Council is now at a critical point in ensuring that improved arrangements are embedded and implemented consistently and constructively across the organisation in order to achieve a step change in delivering improved outcomes

The commitment of the Council's Leadership and Management to a cohesive and inclusive culture is not always being engaged with consistently or constructively across the Council

46   The Council's leadership and management have demonstrated increased cohesion and engagement and set out clearer strategic aims regarding performance and accountability. However, the extent to which these arrangements and new opportunities are constructively engaged with is not consistent across the Council. We found that the extent to which performance management and accountability was embedded throughout the organisation was variable.

47   The Council has acknowledged strategic weaknesses within Adult Social Care, and commissioned the services of a peer reviewer to undertake a diagnostic assessment of the service. The diagnostic identified that professional leadership in the service has been underpowered, and while the senior team operated effectively as individuals there has been limited collective action. The Council reported this to its Community and Adult Services Scrutiny Committee, which shows its openness and a commitment to surface and address longstanding issues collectively in an engaged manner.

48   Whilst it is clear that most Members and officers we spoke to as part of this review are positive about the direction in which the Leadership and Management are developing a more engaged culture, they were also clear that the arrangements and new opportunities to engage are not being consistently or constructively engaged with by all. Variable Member engagement and attendance are observed at Scrutiny Committee meetings, the Leader's meetings with opposition leaders, the Challenge Forum, Member Training and Member Briefing sessions. However, commitment to attending and engaging in full Council meetings, which are always webcast to the public, is strong.

There are a number of weaknesses in governance arrangements, some of them longstanding, that are yet to be fully addressed

49   The Council's Standards and Ethics Committee is not sufficiently proactive in taking action relating to concerns we identified regarding the conduct of a small number of Members. The Council has in place the 'Cardiff Undertaking' for Members, setting out expectations in relation to their conduct. The Standards Committee has also set out in its Annual Report the 10 general principles of public life and its commitment to play a positive and proactive role. However, the Committee could do more to visibly enforce the principles and the Cardiff Undertaking, as it appears that Member engagement is not consistently positive, professional and constructive. Some Members have openly disengaged in Council business and feel the need to engage with the media and social media to get their points across.

50   The Standards and Ethics Committee, in liaison with the Monitoring Officer, organises various training for Members. However, it should give further consideration to how it can increase the number of members attending the training sessions, and what training should be considered essential for Members to discharge their role effectively, for example, the use of social media and data protection.

51   The Council has Informal Cabinet meetings, as is the usual practice in most Councils. However, the role and responsibilities of the Informal Cabinet need to be clarified and communicated to Members and officers. Appropriate documentation and records of discussions as well as actions should be kept to enable a clear decision making trail (including recording when it has been agreed not to take a decision or not to consider a specific option).

52   Three Assistants to Cabinet Members have been appointed. Their functions are clearly defined in the Council's constitution, but during our review they were often referred to as Assistant Cabinet Members, which are posts that are not permissible. This lack of clarity raises the risk that they may be perceived to be members of the Cabinet or inappropriately become directly involved in the decision making process. However, the Council advised us that they did not do so.

53   An Affordable Housing Advisory Group, which provides advice to the Cabinet on specific policy issues, has been established. There are two Members who are both part of the Advisory Group and a Scrutiny Committee whose remit covers the policy area being developed by the Advisory Group that they sit on. This clouds accountability arrangements and the independence of Scrutiny.

54   Decisions relating to the Council's executive functions are taken by the Cabinet as a whole or delegated to its Senior Officers. These arrangements are set out in the Council's constitution and recorded in its decision register, both of which are available on the Council's website. The Council has started to consider whether to delegate some of these executive decisions to individual Cabinet Members so as to help speed up executive decision-making, in line with the comments we made in our September 2014 Corporate Assessment report. However, the issue of whether to delegate executive decisions to individual Cabinet Members has not yet been resolved by the Council.

55   The Scrutiny Committees have a number of vacancies, and often have low member attendance. Not all Members are perceived to be fulfilling their democratically elected roles, and the responsibilities entrusted to them to constructively challenge policy and decision makers. This undermines the potential effectiveness and impact of Scrutiny.

56   Transparency via the Council's webcasting is not consistent. Currently only full Council and, since November 2015, Planning Committee meetings are webcast live. The Council is developing the wider use of webcasting through the use of trials, but it has yet to be fully implemented for all committee meetings.

57   Whilst improvements have been made in ensuring that committee minutes are promptly and accurately published on the Council's website, there are still some instances where this is not the case.

58   The Council is aware that a number of the recommendations made by the Information Commissioner in June 2014 during its review of the Council's information governance arrangements have yet to be fully addressed.

59   The Council is currently below its target for completion of information confidentiality and data protection e-learning. As at October 2015, 81 per cent of staff had completed the training for 2015 against a target of 85 per cent.

60   The Council started to implement a corporate Electronic Records Management System during 2015. However, this has only been piloted in a small number of areas and not rolled out across the whole Council.

61   The Council monitors its response to data protection subject access requests and Freedom of Information Act requests against statutory targets. At the time of our review, data protection information subject access requests have been measured at 86 per cent against a compliance target of 90 per cent for responses within 40 days. All Freedom of Information Act requests must be responded to within twenty days. At the time of our review, the Council had only achieved this in respect of 75 per cent of requests managed by the corporate information management team, and 71 per cent in respect of requests managed by the Council's directorates.

62   In April 2014 the Council formally acknowledged the Director of Social Services as the Caldicott Guardian[2]. Whilst it is good practice to complete a Caldicott Principles into Practice self-assessment on the Council's Caldicott arrangements, as at December 2015 this has not been done.

The Council is yet to demonstrate a step change in improvement in some key service areas and does not consistently report performance measures effectively

63   During October 2015, Estyn undertook a Significant Improvement visit at the Council to review progress against recommendations made during the monitoring visit in February 2014. One of the recommendations being followed up was 'Reduce exclusions and reduce the proportion of young people who are not in education, employment or training post-16'. In respect of this recommendation, Estyn identified that the percentage of young people who are not in education, employment or training (NEET) in Cardiff continues to fall. Despite this, the Council continues to be one of the worst performing in Wales and the variation across schools is too great. In Cardiff schools in 2014, Year 11 NEETs ranged from 0.4 per cent to 13 per cent.

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2   Caldicott Guardians ensure that all organisations working in Health and Social Care have appropriate policies and processes in place to protect sensitive information, in the form of patient-identifiable data, from unnecessary and insecure disclosure. NHS Wales Informatics Service, **Caldicott (Principles into Practice (C-PIP) Foundation Manual for Caldicott Guardians**, Second Edition 2012.

64   The CSSIW published its Annual Review and Evaluation of the Council's Performance 2014-2015 in October 2015, which reported that performance indicators that demonstrate some key areas of performance still require improvement. CSSIW, **Performance Evaluation Report 2014–15: The City of Cardiff Council social services**, October 2015.

65   There are 18 NSI and PAMs relating to adult and children services. The Council's performance declined between 2013-14 and 2014-15 in respect of fourteen of these performance indicators, with three improving and one remaining unchanged.

66   In 2013-14 the Council did not meet the Welsh Government target of 52 per cent for recycling, only achieving 49.7 per cent, ranking it twentieth out of twenty two when compared to all Councils in Wales. In 2014-15 the Council exceeded the 52 per cent target, achieving 53.3 per cent. However, the Council has acknowledged that this improvement was, in part, due to the inclusion in the figures of a stockpile of street sweepings, which was a one-off inclusion. The Welsh Government recycling target for 2015-16 is 58 per cent. The Council will require a step change in performance to meet this target, and it has launched a new strategy to help it achieve this. The Council is confident that this target will be met, however, until the end of 2015-16 this is uncertain.

67   Based on the National Strategic Indicators (NSIs) and Public Accountability Measures (PAMs), the Council's overall performance has declined. The 2014-15 NSI and PAM data shows 26 indicators declined with 18 improving and one unchanged.

68   The content and presentation of information in the quarter one performance report presented to Cabinet varied between Directorates. The report set out all of the indicators against which the Council measures progress, including NSIs, PAMs and other local indicators. Progress against target for these indicators is reported using a Green/Amber/Red rating where: Green is on target; Amber is not on target but is recoverable in relation to its target; and Red is not on target and significant work is required to recover it to a position of being on target. In respect of these indicators 62 are rated as Green, 34 as Amber and 14 as Red. Whilst each Directorate sets out how many Corporate Plan Commitment actions and Directorate Plan actions are Green, Amber or Red, the narrative does not consistently explain which rating is attached to the specific actions.

69   Scrutiny Committees receive the quarterly performance reports in the same format as those presented to Cabinet. Therefore, the weaknesses relating to performance reporting to Cabinet are replicated during the scrutiny process.

70   Both officers and Members acknowledge that, due to current financial constraints, the Council can no longer improve the performance of all NSI and PAM indicators. However, our interviewees were uncertain which indicators the Council should target to improve performance.

71   The Council's Corporate Plan 2015-17 and directorate delivery plans do not always contain baseline data to provide the necessary context for the Council's performance. The quality of performance measures varies in the directorate delivery plans, as measures are often not outcome focussed. In addition, not all plans contain information in relation to partners, or links to the Council's Medium Term Financial Plan.

72   Service Level plans are not mandatory, and those that are in place are inconsistent. We reviewed four service plans, which three had different timescales: 2015-16; 2015-17; and 2015-18. There is also a lack of consistency in the performance measures contained within the service level plans against which improvement can be measured, and services held to account.

Corporate enabler functions are not operating in a sufficiently cohesive way to drive improvement

73   Corporate enabler functions should support the efficient and effective delivery of Council services. The Council's enabling functions, such as Performance Management, Human Resources, Asset Management, Procurement, Finance and IT, are being strengthened. However, they are not yet working in a sufficiently cohesive way to provide the necessary strong core of support and challenge to help the Council drive service improvement.

74   Performance management arrangements are underpowered and are not implemented fully across the Council. The Council has produced a performance management strategy that conveys the importance of performance management information. However, the strategy lacks the guidance, timescales, processes and procedures necessary to ensure a consistent approach and to support accountability. Our interviews identified mixed views on the level of challenge provided by the central performance team to the directorates. It appears to us that the role of the central performance team is to monitor rather than support the management and improvement of performance. In October 2015 the Council published its annual assessment of performance in respect of the previous year, in accordance with the Local Government (Wales) Measure 2009 (the Measure). The Council failed to provide an overall assessment of performance for each of the Council's improvement objectives, and therefore failed to satisfy the requirements of the Measure.

75   Whilst the Council has a workforce strategy in place, it is unclear how workforce planning is embedded in and integrated with financial and service planning. The staff appraisal process does not consistently contain sufficiently explicit measurable objectives. Nor does the appraisal process produce corporate information on training received and delivered, and the workforce's future career aspirations.

76 Improved arrangements to manage assets are yet to be fully established. The Council has yet to complete its assessment of the current use and suitability of its assets its future accommodation needs. Management information relating to assets is not drawn from a single system, instead coming from a range of sources requiring manual collation to produce management reports. This inefficient arrangement is hindering the Council from being able to fully deliver its Corporate Asset Management Strategy.

77 The Council has responded to a review of its building maintenance framework by Construction Excellence Wales in June 2015. The report contained a number of criticisms concerning accountability, the management of property assets, communication, decision-making, inefficiencies and waste, and the non-management of performance. A detailed action plan has been developed and its progress was reported to the Audit Committee in November 2015. However, whilst some actions in the plan have been completed a number are outstanding and were not achieved by the target completion date.

78 As part of the Council's decision to consider alternative delivery models for leisure services, we identified that the original timescale for the procurement process relating to the future management of a number of leisure venues was not achieved. We found that it was uncertain when the procurement process would conclude and when Cabinet would be required to make a decision. We also identified that the support provided to Cabinet Members to facilitate the decision making in relation to the procurement could have been strengthened. For example, by providing briefings to Members on the complexities in the procurement process. Delays in the procurement process may impact on the achievement of the Council's 2015-16 savings, although the Council is confident that the required savings will be achieved elsewhere within the same directorate.

79 The Council is developing financial savings plans but these are not yet fully developed or underpinned by a robust delivery strategy. The Council reported a net surplus of £1.741 million on its 2014-15 budget. This was achieved by application of one-off savings not originally anticipated, and the use of the centrally held £4 million contingency budget to mitigate planned savings not being achieved. In-year service overspends are reported transparently, but the year-end position is balanced using corporate flexibilities, including the contingency budget savings.

80 The outturn position included a shortfall on the 2014-15 savings target of £6.9 million. Current projections are that £2.8 million of this shortfall, along with £5.7 million of the 2015-16 target savings are unlikely to be achieved by 31 March 2016. Undelivered savings mainly relate to service delivery changes which have not happened or are taking longer to implement than anticipated, resulting in either a part-year or no in-year saving. This suggests that savings plans are not sufficiently advanced when the budget is set.

81   The Council has forecast a Medium Term Financial Plan shortfall of £116 million for the period 2016-17 to 2018-19, which includes a target of £44 million for policy-led savings. The Council recognises that the budget gap for future years is subject to change and key variables will need to flex to reflect this. The Council's Organisational Development Plan is the key driver for reviewing the shape and scope of services that can be delivered within the budget available. However, savings plans included in the Medium Term Financial Plan are not directly linked to work streams or projects in the Organisational Development Plan.

82   During 2015-16, we undertook a separate review in relation to the Council's financial resilience. The report has been issued separately to the Council and summarised in this report.

83   The pace at which the Council has deployed new initiatives using technology to deliver service modernisation and support business transformation has been slower than planned. The Council intended to start the three-year roll out of the Customer Relationship Management System in October 2015, but at the time of reporting this has not occurred. It is also uncertain whether the Council will be able to manage the deployment of the Customer Relationship Management system to meet the timescales identified in the strategic three-year road map, and deliver the expected benefits. Given current financial constraints, the Council is facing a challenge to provide sufficient capital and revenue budget to upgrade ageing IT systems.

84   The pace of deployment of business process change projects has been slow until more recently. For example, the roll out of mobile scheduling has not yet been implemented consistently across the Council. Service redesign and cultural changes have also not occurred consistently to allow the Council to increase the pace of the roll-out of mobile scheduling to automate manual processes.

85   ICT KPIs have been developed and aligned to the emerging corporate performance management approach developed in 2014. The KPIs on the ICT service are reported quarterly at a directorate and corporate level. However, this small number of KPIs provide limited information and do not cover wider ICT service criteria such as cost measures. In addition, assessment of the Council's ICT service performance does not include benchmarking against comparators.

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