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## GOHEBIAETH YN DILYN CYFARFOD Y PWYLLGOR

**Pwyllgor** PWYLLGOR CRAFFU'R ECONOMI A DIWYLLIANT

**Dyddiad ac amser y cyfarfod** DYDD LLUN, 15 CHWEFROR 2016, 10.00 AM

Gweler isod gohebiaeth anfon gan Gadeirydd y Pwyllgor ar ôl y cyfarfod , ynghyd ag unrhyw ymatebion a gafwyd

Am unrhyw fanylion pellach, cysylltwch â [scrutinyviewpoints@cardiff.gov.uk](mailto:scrutinyviewpoints@cardiff.gov.uk)

**7** **Gohebiaeth yn Dilyn Cyfarfod y Pwyllgor** (*Tudalennau 3 - 16*)

Mae'r dudalen hon yn wag yn fwriadol

Fy Nghyf / My Ref: NRS/CW/PBr/15.02.16

Dyddiad / Date: 17 February 2016



Councillor Peter Bradbury  
Cabinet Member: Community Development, Co-operatives & Social Enterprise  
City of Cardiff Council  
County Hall  
Cardiff  
CF10 4UW

Dear Councillor Bradbury

## **ECONOMY AND CULTURE SCRUTINY COMMITTEE – 15 FEBRUARY 2016**

### **Draft Corporate Plan 2016 – 2018 and Budget Proposals 2016/17 Community Development, Co-operatives & Social Enterprise Portfolio**

Thank you for attending Committee to present your Portfolio's draft Corporate Plan and Budget proposals that fall within this Committee's terms of reference. I will be grateful if you could also pass on the thanks of Committee to Sarah McGill, Neil Hanratty and Andrew Gregory for their presentations and for addressing the questions raised during the meeting.

This letter contains the recommendations, observations and requests for information agreed by Members which we hope will be of assistance to you in shaping the final budget recommendations that you will be making for your Portfolio on 18 February 2016. This letter has been split into three sections as your Cabinet Portfolio contains services within the Economic Development, Communities, Housing and Customer Services, and City Operations Directorates.

#### **Economic Development Directorate**

Following the release of the Budget Proposals 2016/17 – for Consultation in December 2015 it became apparent that the proposed cuts to various arts and cultural schemes supported by the Council would be subject to significant public and media interest. We are pleased to see that the majority of these proposals have been removed from the Budget Proposals 2016/17 published on 12 February 2016, and wish to commend you on the manner in which these proposals have been handled – there was potential for these proposals to overshadow the 2016/17 budget setting and to damage the reputation of Cardiff, and we are pleased that the favourable settlement from the Welsh Government has allowed this situation to be averted.

As mentioned in our letter following the January Committee meeting, we welcome your commitment to hearing first-hand the views of stakeholders and groups affected by the proposed savings from arts and culture, and we are pleased that the Cabinet has demonstrated it has listened to the public views expressed in the consultation responses and local media reporting.

The Members of the Committee welcomed the clarifications you gave with regard to the £430,000 saving to be achieved through a review delivery in Arts Venues (namely St David's Hall and the New Theatre). We were pleased to be informed that the future of these venues and the Arts Active programme are not under threat, but rather are subject to an ongoing procurement exercise to secure alternative management arrangements. At the meeting we were informed that these venues current receive a subsidy in the region of £2million, and the savings identified here are a conservative estimate of the anticipated reduction in this subsidy.

This Committee is conscious that the cultural offer of this city is vitally important in terms of its 'liveability', contributing to top businesses, visitors and students choosing the Cardiff as their destination of choice and contributing to the wellbeing and quality of life for residents and visitors. We are pleased that this has been recognised by the Cabinet in removing the proposed savings in question. Through the process of the Budget consultation over the past few months it has become clear to the Committee that there is a vast, active and passionate arts community within Cardiff. We hope that the conversations initiated as part of the consultation can be built upon, establishing genuine relationships between the Council and arts community in the city.

A point we touched upon in our letter following the January meeting, which we wish to reiterate, is the recognition that there are potential crossovers where benefits can be delivered through art other areas of the council, such as within social services, education and city regeneration. We wish to recommend that this is an area for discussion to be included on the agenda of the next Cultural Conversation meeting – identifying services delivered by the Council that could benefit from the expertise and creativity found in the arts community. I am conscious that the Leader, Cllr Bale has a leading role in the Cultural Conversation, and have requested that he receive a copy of this letter.

### **City Operations Directorate**

On the whole, the Committee is content with the City Operations Directorate savings proposals from your portfolio put forward within the Budget Proposals 2016/17, and the aspirations set out within the Corporate Plan. We do however wish to make a few comments with regard to the Alternative Delivery for Leisure procurement exercise. You will be aware that this Committee has been following this procurement exercise for some time, receiving updates with our consideration of quarterly performance and having undertaken prior task and finish inquiry work. We accept that delays have

been experienced as a result of legally binding rules and regulations, culminating in the savings identified for 2015/16 not being achieved, but we feel strongly that this cannot be repeated in 2016/17. With £850,000 savings identified from this procurement exercise, the Council cannot afford for such a substantial amount not being delivered in the upcoming financial year.

During the meeting Members questioned the Leisure Centres Invest to Save Bid listed within the Capital Programme. We were informed that £4million will be allocated over the next three years to undertake priority works on the Councils leisure centre buildings, with repayment being achieved through increased footfall at the facilities. Members of the Committee are left questioning the logic behind substantial investment in facilities that may soon be operated by alternative service providers, and question the fact that this has been accepted as an Invest to Save scheme as opposed an alternative form of Capital scheme. We do however recognise that these facilities remain assets of the Council regardless of the outcome of the procurement exercise and accept that Council financing of these improvements will remove an element of risk that may discourage bidders.

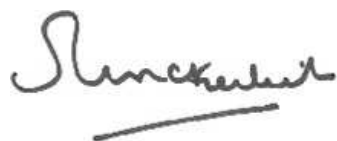
Members wish to note that during the meeting we were informed that there will be no closures of leisure centres in Cardiff and that no play centre will be closed until an alternative facility is confirmed, subject to ward member agreement.

### **Communities, Housing and Customer Services Directorate**

Members wish to note their satisfaction in the manner in which the Hub Strategy has been delivered over recent years, and welcome the continued rollout of this approach within the 2016/17 budget. We recognise that a clear strategy and vision for Community Hubs was developed and driven through over recent years. While we recognise there are differences between this process and the procurement exercises being undertaken for leisure and arts venues, we question whether the Alternative Delivery Model projects have been overly cautious, or lacked the strategic vision at the outset that is clearly evident through the delivery of the Hubs Strategy.

I would be grateful if you would consider the above comments, observations and recommendations, and look forward to receiving your feedback.

Regards,



**Councillor Rod McKerlich**  
**Chairperson, Economy and Culture Scrutiny Committee**

cc Sarah McGill – Director, Communities, Housing and Customer Services  
Neil Hanratty – Director, Economic Development  
Andrew Gregory – Director, City Operations  
Christine Salter – Section 151 Officer  
Leader, Cllr Phil Bale  
Cabinet Support Office  
Members of the Economy and Culture Scrutiny Committee  
Cllr Nigel Howells, Chair of Policy Review and Performance Scrutiny  
Committee

**SWYDDFA CYMORTH Y CABINET  
CABINET SUPPORT OFFICE**



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Fy Nghyf / My Ref : CM33620

Dyddiad / Date: 25th February 2016

Councillor Rod McKerlich  
C/O Member Services  
County Hall  
Atlantic Wharf  
Cardiff  
CF10 4UW

Annwyl / Dear Rod

**RE: ECONOMY AND CULTURE SCRUTINY COMMITTEE – 15 February 2016**

Thank you for your letter of the 17 February 2016 and I thank this committee for the role you have played this year in enabling this Council to put together a balanced budget that delivers on our commitments within the Corporate Plan.

This response to your letter relates to multiple cabinet portfolios and directorates and has been written in consultation with all Cabinet Members and Directors that have responsibility for the relevant functions.

The following paragraphs set out responses to your specific points.

I welcome the Committee's continued interest in the Leisure Alternative Delivery procurement process in which they have been involved from the start with the establishment of the original "task & finish" group. Like the Committee the service area is highly committed to delivering the savings as identified from the project but a paramount consideration has always been and remains to ensure that the procurement process is followed correctly, limiting any legal exposure of the Council. Nonetheless, due to the fact that the procurement process and selection of delivery model is now in an advanced stage of identification and highlighted as both a corporate and directorate risk we are confident that budgetary issues will be addressed effectively.

The issue of funding capital works to the scale of £4m has been a matter of considerable discussion within the Project Board as well as various Council departments and it was concluded that the best option was for the Council to fund the works at some of the Centres to ensure that improved income is generated. The sum involved could have been at the bidders expense thereby increasing the level of management fee as the cost of borrowing the money

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would have been at the market rate and thereby reducing the likelihood of getting near to a zero subsidy position which is one of the aims of the Council. This way the cost is the prudential rate that the Council receives which means that there is more chance of reaching that zero subsidy aim. As well the comparator, the Enhanced in House model has also based their working on a similar sum being available to them.

In addition, this investment is reflected as part of the procurement exercise and will be recovered through a reduced subsidy over the coming years or through increased income if an enhanced in house model is adopted. As the Committee notes, these buildings will remain council assets and therefore any work undertaken will be to the long term benefit of the Council and Council Tax payers.

With regard to both Leisure Centres and Play Centres the Committee's statement is correct although I would make the point that in the case of Play Centres the delivery model will see play delivered from a number of locations/venues not just one facility.

I hope that this letter captures all the points raised in your letter and thank you again for your support in the budgetary process.

Yn gwyir  
Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Bradbury', with a long horizontal flourish extending to the right.

**Councillor / Y Cyngorydd Peter Bradbury**  
**Cabinet Member for Community Development, Co-operatives & Social Enterprise**  
**Aelod Cabinet Dros Datblygu Cymunedol, Mentrau Cydweithredol a Mentrau Cymdeithasol**



Fy Nghyf / My Ref: NRS/CW/BD/15.02.16

Dyddiad / Date: 17 February 2016

Councillor Bob Derbyshire  
Cabinet Member for the Environment  
City of Cardiff Council  
County Hall  
Atlantic Wharf  
Cardiff  
CF10 4UW



Dear Councillor Derbyshire

## **ECONOMY AND CULTURE SCRUTINY COMMITTEE – 15 FEBRUARY 2016**

### **Draft Corporate Plan 2016 – 2018 and Budget Proposals 2016/17 Environment Portfolio**

Thank you for attending Committee to present your Portfolio's draft Corporate Plan and Budget proposals that fall within this Committee's terms of reference. I will be grateful if you could also pass on the thanks of Committee to Andrew Gregory for his presentation and for addressing the questions raised during the meeting. This letter contains observations and requests for information agreed by Members at the end of the meeting.

On the whole, the Committee is content with the savings proposals from your portfolio put forward within the Budget Proposals 2016/17, and the aspirations set out within the Corporate Plan, that fall under this Committee terms of reference. We do however wish to mention our slight reservations with regard to the £450,000 saving to be achieved through the reshaping of grounds maintenance services. This is something we intend to monitor over the coming year, as we anticipate there could be discontent from the public when it becomes more apparent which areas of the city are going to be subject to reduced frequency of grass cutting. We also anticipate that additional burdens will be placed on Community Councils to undertake additional grounds maintenance and hope that there are plans for Council rules and regulations to be relaxed to assist in this respect.

Members wish to note that during the meeting we were informed that there are no planned changes to the provision of parks pitches for outdoor sports, despite the proposals to reshape grounds maintenance services and to reduce the subsidy to outdoor sports.

I would be grateful if you would consider the above comments, and look forward to receiving your feedback.

Regards,

A handwritten signature in black ink, appearing to read 'Rod McKerlich', with a horizontal line underneath it.

**Councillor Rod McKerlich**  
**Chairperson, Economy and Culture Scrutiny Committee**

cc Andrew Gregory, Director: City Operations  
Christine Salter – Section 151 Officer  
Cabinet Support Office  
Members of the Economy and Culture Scrutiny Committee.  
Cllr Nigel Howells, Chair of Policy Review and Performance Scrutiny  
Committee

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Fy Nghyf / My Ref : CM33609  
Eich Cyf / Your Ref : NRS/CW/BD/15.02.16  
Dyddiad / Date: 25th February 2016

Councillor Rod Mckerlich  
Chairperson Economy and Culture Scrutiny Committee  
c/o Scrutiny Services  
County Hall  
Atlantic Wharf  
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Annwyl / Dear Rod

**Economy And Culture Scrutiny Committee - 15 February 2016**

Thank you for your letter dated 17 February 2016 regarding the above.

I was pleased to hear that the Committee was, on the whole content with the budget proposals and aspirations set out in the Corporate Plan, against what is a very challenging back drop.

In terms of the 450k savings on grounds maintenance I am very aware of the potential impacts that the reduction in mowing frequencies may have and I will continue to work with Officers to mitigate such impacts.

With regard to sports pitch provision I can confirm that there are no planned changes to outdoor pitches, linked to the two budget items. Notwithstanding this we continue to work with sporting clubs, local leagues and governing bodies in order to deliver alternative models and management arrangements for outdoor sports facilities that ensure the sustainability of provision.

I trust that the above is helpful and clarifies matters.

Yn gwyir  
Yours sincerely

**Councillor / Y Cynghorydd Bob Derbyshire  
Cabinet Member for Environment  
Aelod Cabinet Dros Yr Amgylchedd**

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Atlantic Wharf / Glanfa'r Iwerydd, Cardiff / Caerdydd



Mae'r dudalen hon yn wag yn fwriadol

Fy Nghyf / My Ref: NRS/CW/GH/15.02.16

Dyddiad / Date: 17 February 2016

Councillor Graham Hinchey  
Cabinet Member: Corporate Services and Performance  
City of Cardiff Council  
County Hall  
Atlantic Wharf  
Cardiff  
CF10 4UW.



Dear Councillor Hinchey

## **ECONOMY AND CULTURE SCRUTINY COMMITTEE – 15 FEBRUARY 2016**

### **Draft Corporate Plan 2016 – 2018 and Budget Proposals 2016/17**

Thank you for attending Committee to present us with an overview of the Draft Corporate Plan 2016 – 2018 and Budget proposals 2016/17. I will be grateful if you could also pass on the thanks of Committee to Christine Salter, Ian Allwood and Edward Janes who attended the meeting and provided clarification on all our questions.

The Committee had a few observations following the meeting, mainly with regard to the *Changes for Cardiff* consultation, which are outlined below. Discussions also took place around the level of capital borrowing the Council is undertaking, the confidence in the achievability of savings and the timing of the initial budgetary proposals in December 2015. Members welcomed the answers provided during the meeting and do not wish to follow up on these points any further.

With regard to the *Changes for Cardiff* consultation, we wish to note our congratulations on to the level of response received, which we were informed was one of the highest of comparable consultations undertaken by local authorities across the UK. We do however note that the total number of responses is approximately 800 fewer than was received for the 2015/16 consultation.

Members of the Committee are concerned with the relatively low levels of participation seen in the Cardiff East and City and Cardiff South Neighbourhood Areas, particularly when compared to the level of response received from Cardiff North. We fear these disparities could skew the results toward the preferences of individuals from a higher socio economic background, and not accurately reflect the whole demographic of Cardiff. We appreciate that efforts are being made to increase participation in the Southern Arc of the city, but wish to recommend that a weighting mechanism is introduced in future years, in an attempt to make the results more

representative of the people of Cardiff. We fear that currently the views of individuals in the Southern Arc of the city are underrepresented.

Members appreciate that there is a fine balance to be struck in relation to the length of the consultation and the wording used within the questions. If overly long and complicated, response rates will fall, but if overly simplistic the validity of the questions and results can be diluted. We feel that some of the wording within this years consultation document is quite vague, calling into question the usefulness of the results. For example, question 3 of the consultation document asked people whether they would support the Council charging more for some services – however there is no indication in the scale of the price increase, and no doubt there would be very different results to varied levels of price increase, or indeed for each different service that may be subject to price increases. This is one of a number of examples we could cite, and recommend that future budget consultation questionnaires are robustly validated by an outside organisation.

The Committee requests clarification on the process used in developing the consultation document, and more specifically the terminology used within it. Some Members of the Committee participated in consultation events and found themselves explaining the meaning of the 'jargon' used in order for members of the public to complete the survey. We question the process used for proof reading the consultation document and recommend that in future years a sample group of the public, or external organisation, is asked to assist in proofing the document, ensuring the document is accessible and not filled with needless technical terminology,

The Committee will write separately to each Cabinet Member whose portfolio falls under the terms of reference of the Economy and Culture Scrutiny Committee, highlighting the budgetary and operations issues that were discussed during the meeting. We include for your information in this letter the points made in relation to budgetary issues, given your overarching role on the Budget and Corporate Plan.

Members of the Committee are pleased to note that a number of proposals in relation to Arts and Culture in Cardiff have been removed from the budget proposals to be taken to Cabinet on Thursday 18 February. We see this as a clear signal that the Cabinet has listened to the feedback received in the consultation process, to the points raised following our January Committee meeting and to the petitions that have been prevalent in the local media. We welcome this responsiveness from Cllr Bradbury, Cabinet Member: Community Development, Co-operatives & Social Enterprise, and are pleased that the favourable settlement from the Welsh Government has been used to respond to public opinion.

The Committee questions the inclusion of a £4million Invest to Save Bid for Leisure Centres within the Capital Programme. While we recognise the need for priority works to be undertaken at some facilities, we question whether increased footfall and

increased income as a result of this work is the basis of a genuine Invest to Save scheme.

The Committee is conscious that substantial savings are proposed through securing alternative delivery models (ADM) for services. In the case of this committee we are concerned with the ADM for Leisure Centres and the ADM for Arts and Cultural Venues – procurement exercises that were identified and accepted within the 2015/16 Budget. However we are aware that there has been a failure to deliver the identified level of savings in 2015/16, and we wish to stress the importance of these savings being delivered in 2016/17.

I would be grateful if you would consider the above comments, observations and recommendations, and look forward to receiving your feedback.

Regards,

A handwritten signature in black ink, appearing to read 'Rod McKerlich', with a horizontal line underneath it.

**Councillor Rod McKerlich**  
**Chairperson, Economy and Culture Scrutiny Committee**

cc Christine Salter – Section 151 Officer  
Cabinet Office  
Members of the Economy and Culture Scrutiny Committee  
Cllr Nigel Howells, Chair of Policy Review and Performance Scrutiny  
Committee

Mae'r dudalen hon yn wag yn fwriadol