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CORRESPONDENCE FOLLOWING THE COMMITTEE MEETING

Committee ENVIRONMENTAL SCRUTINY COMMITTEE

Date and Time of Meeting WEDNESDAY, 26 AUGUST 2015, 2.00 PM

Please find below correspondence send by the Committee Chair following the meeting, together with any responses received.

For any further details, please contact scrutinyviewpoints@cardiff.gov.uk

10 **Correspondence Following the Committee Meeting** (Pages 1 - 16)

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Ref: RDB/PM/BD/08.12.15

11th January 2016

Councillor Bob Derbyshire,
Cabinet Member for the Environment,
County Hall,
Atlantic Wharf,
Cardiff,
CF10 4UW.



Dear Councillor Derbyshire,

Environmental Scrutiny Committee – 8th December 2015

On behalf of the Environmental Scrutiny Committee I would like to thank the officers for attending the Committee meeting on Tuesday 8th December 2015. As you are aware the meeting considered items titled 'City Operations – Quarter 2 Performance' and 'Cardiff's Commercial Waste Collection Service'. The comments and observations made by Members following this item are set out in this letter.

City Operations – Quarter 2 Performance

- At the meeting an officer explained that the sickness absence process could be improved by changing the definition of a sickness absence period; such a change it was felt could reduce sickness absence. Members would be grateful if you could provide details of these suggested changes so that they can be compared against the existing sickness absence policy.
- It was noted that the staff agency budget for City Operations had achieved 89% of the published annual budget by the end of month six. Members were concerned by this high level of spend and would like assurance that this budget will be better managed during the second half of 2015/16 to help ensure that budget and performance targets are met. Members still feel that staff upskilling is a key element which could be implemented to reduce agency spend; they also believe that it is a key

element which should be one of the main ingredients for the successful Infrastructure Services Alternative Delivery Model option.

- A Member asked if the 240 litre wheelie bins which were replaced by the smaller 140 litre wheelie bins as of the 2015 waste collection changes would be recycled. She was told that they would be recycled (melted down and reused) and that the very small tonnage produced would contribute to the Council's recycling target. I would be grateful if you could provide the estimated tonnage from recycling the old 140 litre wheelie bins and the recycling category into which the material would fall.

Cardiff's Commercial Waste Collection Service

- Members were very pleased at the progress that the Commercial Waste Service has made in recent years; in particular they were impressed at the level of business acumen within the team which has resulted in a steadily increasing income for the service. The Committee would like to commend the Commercial Waste Service for the recent work and improvements which have been made to the service.
- During the way forward Members noted the competitive advantage created by the Council's VAT exempt status when compared against other private sector commercial waste businesses. They felt that the Commercial Waste Service should use the advantage as a selling point to attract new business and maintain existing business. It was suggested that non VAT registered businesses in particular would benefit from the exemption and that it would help improve short term cash flow of all VAT registered businesses. Members noted with concern that the Council's Commercial Waste Service webpage did not promote the VAT exemption benefit to businesses. Other local authorities, for example, Oxford Direct Services have successfully used this tax advantage on their website and when prospecting for new business. The Committee feel that the Council's Commercial Waste Service should follow this example.

- An officer explained that a longer term objective of the service was to offer it a part of a solution based cluster of services for businesses. This, for example, would mean that the Commercial Waste Service elements of work would be packaged with services like grounds maintenance and general cleansing to offer a bespoke package for individual businesses. Members agree with this solutions based approach and strongly support the development of the idea. They feel that modern businesses want a packaged solution for a whole suite of services instead of having to manage a diverse number of contractors; the simplicity of this approach allows the business to focus on the most important part of the operation, i.e. making money.
- A Member was keen to find out how many businesses or individuals had actually used the frontage clearance service and how this service was promoted. I would be grateful if you could explain how this service is promoted and how many times it was used by business and individuals in 2014/15 and 2015/16.
- It was explained at the meeting that it was important to strike a balance between recycling and income generation when running Council's Commercial Waste Service. Any commercial waste collected by the Council still has to comply with statutory recycling targets (58% for 2015/16); this is in contrast to private sector waste collection services that currently don't have to comply with this target. Based on the current position Members support the approach taken by the Commercial Waste Service and understand the restrictions that they currently face. It was also explained that the new Environment (Wales) Bill may place the same statutory recycling targets against private sector waste collection services in the near future. Members saw this potential change as an opportunity for the Council as private sector waste collection services will have to manage the same recycling cost base as the Council, therefore, creating a level playing field. The Committee asks that development of the Environment (Wales) Bill is closely monitored and that if statutory

recycling targets are created for private sector waste collection services then the Council is ready to take advantage of the change.

- Members note that the Council is close to achieving access to a complete suite of sustainable waste disposal facilities which should give them a degree of control over waste disposal costs. The Committee would suggest that this is a good time to review if having these local facilities provides a local cost advantage which in turn could be a key ingredient for generating new business. I would, therefore, suggest that these disposal costs are reviewed and benchmarked against other private sector commercial waste providers operating in the area.
- The Committee were informed that the Commercial Waste Service is limited by how much of an income surplus it can generate. They also noted the progress that has been made by the service in recent years and that these improvements point towards a commercially viable business which could generate a healthy profit for the Council. On this basis they feel that the service could benefit from being a part of a wholly owned arms length company instead of being in a part of a modified in house option. Moving to a wholly owned arms length company would provide them with the ability to trade in the same way as an ordinary company and remove the restrictions which are placed on local authorities.

I would be grateful if you would consider the above comments and provide a response to the requests made in this letter.

Regards,

A handwritten signature in black ink that reads "P. D. Mitchell". The signature is written in a cursive, slightly slanted style.

Councillor Paul Mitchell
Chairperson Environmental Scrutiny Committee

Cc to:

Andrew Gregory, Director for City Operations

Tara King, Assistant Director for City Operations

Jane Cherrington, Operational Manager, Strategy & Enforcement

Paul Keeping, Operational Manager, Scrutiny Services

Joanne Watkins, Cabinet Office Manager

Members of the Environmental Scrutiny Committee

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Ref: RDB/PM/RP/08.12.15

11th January 2016

Councillor Ramesh Patel,
Cabinet Member for Transport, Planning & Sustainability,
County Hall,
Atlantic Wharf,
Cardiff,
CF10 4UW.



Dear Councillor Patel,

Environmental Scrutiny Committee – 8th December 2015

On behalf of the Environmental Scrutiny Committee I would like to thank the officers for attending the Committee meeting on Tuesday 8th December 2015. As you are aware the meeting considered an item titled 'City Operations – Quarter 2 Performance'. The comments and observations made by Members following this item are set out in this letter.

City Operations – Quarter 2 Performance

- Members noted that PLA/004 (a) and (c) were again rated as red performance risks and considerably below target for 2015/16. As failure to achieve these statutory targets could trigger refund clauses on new planning applications I would be grateful if you could provide assurance that the mitigation measures put in place will be sufficient to improve performance; this should include the anticipated timescale for improvement.
- At the meeting there was some discussion around the increase in income into the parking revenue account from parking charges, civil parking enforcement and moving traffic offences. This prompted a discussion around how much surplus was generated and more importantly how the monies were being spent. An officer explained that under section 52 of the Traffic Management Act 2004 the funds could be used to support appropriate transport and environmental work; this included pothole

management. I would, therefore, be grateful if you could provide detail on:

- The income and expenditure from the parking revenue account for 2014/15 and 2015/16;
 - A description of the scope of services which can now be funded from the parking revenue account under section 52 of the Traffic Management Act 2004.
- During the meeting Members were advised that THS/012 was an annually reported performance indicator which illustrated the percentage of principal (A) roads, non – principal (B) roads and non – principal (C) roads that are in overall poor condition. The outturn figure for 2014/15 was 6.8%, however, no year to date information was provided on the report to illustrate the in year position on the state of Cardiff's roads. A Member asked if it would be possible to break the category (A), (B) and (C) road data down into three separate values for 2014/15; this would provide a more detailed insight into the condition of Cardiff's different types of road. I would appreciate it if you could provide a this information and if possible provide the same in year data for 2015/16 to illustrate the in year picture.

I would be grateful if you would consider the above comments and provide a response to the requests made in this letter.

Regards,

A handwritten signature in black ink that reads "P. D. Mitchell". The signature is written in a cursive, slightly slanted style.

Councillor Paul Mitchell
Chairperson Environmental Scrutiny Committee

Cc to:

Andrew Gregory, Director for City Operations
Tara King, Assistant Director for City Operations

Matthew Wakelam – Operational Manager, Infrastructure & Operations

James Clemence – Head of Planning

Simon Gilbert – Operational Manager, Development Management (Strategic
& Place Making)

Paul Keeping, Operational Manager, Scrutiny Services

Joanne Watkins, Cabinet Office Manager

Members of the Environmental Scrutiny Committee

Councillor Michael Michael, Chair of Cardiff's Planning Committee

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Fy Nghyf / My Ref: CM33216
Dyddiad / Date: 24th February 2016

Councillor Paul Mitchell
Cardiff Council
County Hall
Atlantic Wharf
Cardiff
CF10 4UW

Annwyl/Dear Paul

Environmental Scrutiny Committee - 8 December 2015

Thank you for your correspondence dated 11 January 2016 concerning the above and please accept my apologies for the delay in responding.

City Operations - Quarter 2 Performance

Definition of Sickness Absence Period - At the current time, the Council's Attendance and Wellbeing Policy identifies a 4 stage process for the management of short term absence, that is, the Informal Stage and Stages 1 to 3 inclusive. Unlike Stages 1 and 2, the criteria for reaching the Informal Support Stage is based on an employee having 2 or more absences in a rolling 6 month period or the identification of a pattern of absence. As a result, an employee who may be absent for relatively long periods (e.g. a few weeks or more) at frequencies greater than 6 months may not be 'picked up' by the short term absence procedure. Therefore, at the Scrutiny meeting, the Officer suggested that the Informal Support Stage of the short term absence procedure also include a criteria for the duration of absence (e.g. similarly to Stages 1 and 2, a period of absence of 6 days or more over a 6 rolling month period) so that such absences would be picked up and managed accordingly.

Cardiff's Commercial Waste Collection Service

Although Commercial Services do not currently actively promote the VAT exemption on the website contracting officers regularly utilise this information during sales meetings, especially when attempting to compete against the private sector. Redesigning the online offering is a strategy which will be considered in earnest. Some apprehension may be prudent to accommodate any changes that may occur as a result of the alternative delivery modelling. If a VAT exempt option is chosen by Cabinet as a preferred platform for trading in the future then a stronger promotion of the commercial services' VAT status will be implemented. Until such time and in order to reduce confusion amongst current and future customers of the Council we will prepare but not publish.

PLEASE REPLY TO / ATEBWCH I: Cabinet Support Office / Swyddfa Cymorth Y Cabinet
Room / Ystafell 514, County Hall / Neuadd Y Sir, Atlantic Wharf / Glanfa'r Iwerydd,
Cardiff / Caerdydd, CF10 4UW
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The many legislative changes on the horizon will continue to be monitored closely and corresponding feasibility studies considered for those changes deemed to impact the service. The decision of the alternative delivery model process will in many ways dictate the future trading possibilities of the team. Officers are considering income generating strategies for a variety of ADM outcome scenarios so as to ensure that whichever way Cabinet decides swift action can be undertaken to maximise opportunities for new business.

I trust the above is of assistance.

Yn gywir
Yours sincerely

A handwritten signature in black ink that reads "Bob Derbyshire". The signature is written in a cursive style with a large initial "B".

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

Fy Nghyf / My Ref: CM33217
Eich Cyf / Your ref: RDB/PM/RP/08.12.15

Dyddiad / Date: 11 February 2016



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Councillor Paul Mitchell
Chair, Environmental Scrutiny Committee
Scrutiny Services
Room 263
County Hall
Cardiff
CF10 4UW

Annwyl/Dear Councillor Mitchell

Environmental Scrutiny Committee - 8th December 2015

Thank you for your correspondence concerning the above.

Quarter 2 Performance

The Planning Service is aware of the need to bring this indicator back into a positive position. Unfortunately the indicator fails to recognise the very substantial improvements currently taking place that will shortly be presentable. The reason for this current under performance is:

- (i) As part of recent improvement measures, staff have been 'flushing out' older applications within the system. Therefore, 20 majors were determined in Q3, more than any quarter in 2014/2015 or 2015/16;
- (ii) The volume of determining majors has risen for 2015/16 as a whole (Q1-Q3 combined) with more determined to date than for the whole of 2014/15;
- (iii) Major applications associated with the LDP have been stalled but now will move;
- (iv) New monitoring and management measures have recently been put in place this has already seen a significant improvement in the turnaround of householders/micros/others (up to 85.7% within 8 weeks for December 2015) which accounts for approximately 98% of all applications processed.

For the reasons outlined above, improvements to majors will take slightly longer to run through the system. Taking account the above, it is envisaged the performance in relation to majors will henceforth significantly improve. A target of 25% for Q4 (Green) is considered reasonable in these circumstances but with a commitment for further gradual improvement through Q1 to Q4 within 2016/17 to even more positive service achievement.

ATEBWCH I / PLEASE REPLY TO: Swyddfa Cymorth Y Cabinet / Cabinet Support Office,
Ystafell / Room 514, Neuadd y Sir / County Hall,
Glanfa'r Iwerydd / Atlantic Wharf, Caerdydd / Cardiff,
CF10 4UW Ffon / Tel (029) 2087 2598



Revenue Account for Civil Enforcement (including parking charges)

The Parking & Enforcement Account supports the operation of; on and off street parking, parking enforcement, moving traffic enforcement, residential parking, traffic regulation (legal & adverts), notice processing appeals and blue badge.

In addition to operational costs the Parking & Enforcement Account supports any improvements or developments to parking and enforcement in the city, this year this includes new radio communication for enforcement staff, introduction of new parking sensors, upgrade and new disabled bays and works to upgrade on street/ off parking and bus lane/yellow box junctions.

In previous years CPE has contributed to Cardiff East P&R, bus station improvements, city centre mobility, highway maintenance etc.

The income generated from CPE is approx. £9.7m, anticipated direct spend for parking and enforcement is £5m the remaining balance is appropriated within the Council as per Section 55 of the Traffic Regulation Act.

	Spend	Income	Net
	£000's	£000's	£000's
Summary of Direct CPE Expenditure - Operational & Development			
Operational costs			
On Street Parking - including cash collection, credit card commissions, rates etc	364	-4,305	-3,941
Enforcement Costs- including staff, vehicles, tickets etc	1,653	-2,328	-675
Operational costs of MTO - including camera car, staff, software, DVLA, credit card commissions etc	1,009	-1,824	-815
Off Street Parking - including cash collection, credit card commissions, rates, NNDR etc	179	-852	-674
Resident- Operation	33	-307	-274
Admin & Support - including office accommodation costs, HR, C2C costs etc	346	-57	289
Traffic Regulation Order - staff	124		124
Traffic Regulation Order - Legal & Advertising	101		101
Notice Processing Appeals - including appeal/DVLA cost, staff	636		636
Blue Badge - Operation	107		107
Infrastructure improvement /Developments			
Cardiff Asset Inventory	14		14
ICT development support	38		38
New Radio Comms for Enforcement Officers	18		18
Improvement to signing, lining etc	60		60
New Parking sensor	20		20
Advertising New Parking Tariff	70		70
Disabled Bays	55		55
Surface car Parks and other on street enhancement- Upgrades	200		200
Total CPE Costs	5,027	-9,673	-4,647

THS/012 Performance Indicator

The information requested is provided below. The improvement in condition in 2013/2014 was following significant investment from the Local Government Borrowing Initiative (LGBI) investment

THS011a Percentage of principal (A) roads that are in overall poor condition (red) (86km total length in Cardiff)	
Result Period	Result
2010/2011	9.2%
2011/2012	6.9%
2012/2013	7.0%
2013/2014	4.0%
2014/2015	4.3%

THS011b Percentage of principal/classified (B) roads that are in overall poor condition (red) (25km total length in Cardiff)	
Result Period	Result
2010/2011	15.0%
2011/2012	9.6%
2012/2013	8.4%
2013/2014	8.2%
2014/2015	7.4%

THS011c Percentage of principal/classified (C) roads that are in overall poor condition (red) (112km total length in Cardiff)	
Result Period	Result
2010/2011	10.1%
2011/2012	11.4%
2012/2013	12.8%
2013/2014	10.1%
2014/2015	9.3%

THS012 Percentage of principal (A) roads and non-principal/classified (B & C) roads that are in overall poor condition (red)	
Result Period	Result
2010/2011	n/a
2011/2012	9.12%
2012/2013	9.43%
2013/2014	6.9%
2014/2015	6.83%

The table below show the proposed condition targets for the carriageway network included in the Highway Asset Investment Strategy document based on current condition and the achievement of steady state funding. These percentages are calculated based on expected service lives. Obviously we need to be careful here as carriageway condition is relative to investment in improvement and the current anticipated capital settlement of approx. £850k results in on accelerated depreciation in condition over time, also included in the investment strategy.

Road Class	Target (% of network in red condition)	Acceptable tolerance
A	5%	+/- 1%
B	8%	+/- 1%
C	8%	+/- 1%

I trust the above is of assistance.

Yn gywir
Yours sincerely



Councillor / Y Cyngorydd Ramesh Patel
Cabinet Member for Transport, Planning & Sustainability
Aelod Cabinet dros Drafnidiaeth, Cynllunio a Chynladwyedd