

17 FEBRUARY 2016

Present: County Councillor Howells(Chairperson)
County Councillors Hunt, McKerlich and Murphy

70 : APOLOGIES FOR ABSENCE

None. The Committee noted that Councillor Russell Goodway had resigned from the Committee.

71 : DECLARATIONS OF INTEREST

The Chairperson advised Members that they had a responsibility under Article 16 of the Members' Code of Conduct to declare any interests and complete Personal Interest Forms at the commencement of the agenda item in question.

72 : MINUTES

The minutes of the 12 January 2016 were approved as a correct record.

73 : DRAFT CORPORATE PLAN 2016-18

The Chairperson advised Members that hard copies of the correspondence produced following the meetings of the other four scrutiny committees had been tabled.

The Chairperson welcomed:

- Councillor Phil Bale, Leader of the Council
- Paul Orders, Chief Executive
- Gareth Newell, Head of Cabinet Office

The Chairperson reminded Members they had an opportunity to consider an earlier draft of the 2016-18 Corporate Plan in January 2016, following which the Committee had sent a letter to the Cabinet Member outlining Members comments and observations. Therefore, the Committee's role today was to consider the overall structure and direction of the final draft Plan, and to test the links between the Plan and the specific services which fall within this Committee's remit.

The Chairperson invited Councillor Bale to make a statement.

Councillor Bale explained that subsequent to the Wales Audit Office recommendations, the Corporate Plan reflected the Corporate Priorities. The Plan echoed the difficulties faced by the Council but also mirrored the growth and development of the City and the direction of travel for going forward.

Gareth Newell explained the Plan was in line with the Local Government Wales Measure and being developed in line with the budget. The Plan reflected the Wales

Audit Office recommendations with improved objectives and key performance indicators. The full priorities were outlined in the plan, along with new improved objectives relating to Helping Young Persons into Employment, Education or Training.

The Committee was pleased that the use of the word “Drawbacks” had been removed from the foreword and the language had been softened. The inclusion of target outcome trends was maintained for all indicators in the appendix, including both national and local target results for 2 years. Quarter 3 data was addressed by the Star Chamber and passed to Cabinet for finalisation.

The Chairperson invited the Committee to ask questions.

Members of the Committee drew attention to the structure of the Plan and asked why initial Objectives were outlined in the main body of the Plan, with further Objectives detailed in the appendix. Improvement Objective 4.1 was provided as an example as the style seemed a little fragmented.

Officers explained that the Appendix contained local, national and statutory performance indicators against which the Council must report, while the main body of the plan simply contained those indicators that Cabinet Members considered most important to Cardiff. This structure was a continuation of the approach established for the 2015.17 Corporate Plan.

The Committee was advised that, following the introduction of the Wellbeing of Future Generations Act, Welsh Government would be reviewing these measures going forward, with a suggestion of moving away from the ‘outcomes and PAMS’ measurements.

Committee Members discussed the ‘Delivery of Vision’ in the Plan and were concerned the Council Priorities were limited and asked if these priorities were linked into the ‘What Matters Agenda’.

The Leader explained the Council recognised the importance of partnership working in order to deliver on some priorities. Additional responsibility was being directed towards the Council to support this, and this was reflected in the Corporate Plan. Cardiff was measured alongside other Core Cities in respect of recycling targets with Cardiff being the largest recycler in this cohort.

The Committee was advised that budget commitments were resourced and outlined in the Corporate Plan. Unfortunately, PAM results did not reflect the improvement in Council services, albeit that these were National Indicators and actual Council improvements were not echoed in these scores. Improvements in Education had risen overall to 60%, achievements were being realised in recycling, and the Council was a partner in the Severn Estuary project to improve renewable energy.

RESOLVED: That the Chairperson of the Policy Review and Performance Scrutiny Committee write to the witnesses to thank them for attending the meeting and set out the comments made by Members (letter attached)

The Chairperson advised the Committee that it could firstly consider the proposals from a corporate point of view in terms of how they align to the Council's priorities. The Committee should also test the processes, consultation and assessments which the proposals have been subject to. Secondly the Committee could consider specific services' proposals within its term of reference, how they align to the Corporate Plan and their impact on service delivery.

The item would be split into two parts:

- An overview of the 2016/17 budget proposals from Councillor Hinchey and Christine Salter; followed by
- Scrutiny of the Directorates which came under the PRAP remit, with the appropriate Cabinet Members and Directors.

The Chairperson welcomed:

- Councillor Graham Hinchey, Cabinet Member for Corporate Services
- Councillor Phil Bale, Leader of the Council
- Christine Salter, Corporate Director Resources
- Ian Allwood, Head of Finance
- Edward Janes, Principal Research and Consultation Officer.

The Chairperson invited Councillor Hinchey to make a statement.

Councillor Hinchey explained that the last three years had been difficult with diminishing budget settlements and an unstable economic climate contributing towards prudent financial decisions. The use of Council reserves had been considered carefully partly in recognition that Cardiff had the lowest reserves in Wales. The overall budget consultation programme was thorough with engagement across all sectors. The additional settlement from Welsh Government of £11m was welcomed and would be allocated astutely.

The Committee was provided with a presentation on the Cabinet Draft Budget Proposals 2016/17.

The Chairperson invited Maggie Simpson of UNISON to make a statement.

The Committee was advised that overall Welsh Council's had received additional monies, and therefore the cuts were not as severe as originally expected. The number of job losses were lower than anticipated and the Trade Unions had been assured there would be no compulsory redundancies. However, as a result of these job losses staff would have additional work loads, contributing towards low morale in the work place. The future of Leisure Centre's in Cardiff was unclear, along with the position of the Youth Service. Equality was highlighted as a concern, with only 6 % of the Council's workforce being from a black or ethnic minority. Lower paid

members of staff affected by the job losses were predominantly women and the Council had an obligation to promote equality and address these issues.

The Chairperson invited Committee Members to ask questions.

Members of the Committee made reference to private sector budget control mechanisms and asked why the Council was not doing enough to control costs. The Medium Term Outlook was discussed with the continued budget gaps becoming more problematic both now and in future years.

The Committee was advised that Cardiff's Council Tax was not one of the highest in Wales, including the proposed rise of 3.7 %. The Council as an organisation was completely different from that of a private company and had an obligation to provide public services. It was recognised that changes were inevitable and that the Council was becoming more commercially aware. A reduction in sickness absence had been recorded, along with a review as part of the Health & Wellbeing Policy.

Members were informed of the challenges faced by the Council, in light of the Welsh Government settlement and Central Government cuts. The financial settlement was based on need and statutory services had to be protected, along with the expectation citizens had for the Council to provide facilities to promote health and wellbeing. The Council had developed new partnerships to deliver some of its services and this change in culture was a key driver for delivery. Cardiff was in a unique position with an onus to deliver and support events, alongside the ability to meet its resident's expectations.

Members of the Committee suggested that if Cardiff was in a position to hold onto its business rates the city would be equivalent to Council's in England.

The Committee discussed the public consultation results and were pleased with the useful qualitative feedback which accurately reflected the responses, in some services.

The Committee discussed the Risk and Planning Status of the Savings Proposals, noting the complexity of the proposals around the delegated risk and residual risk. Focus had been directed towards the red/amber risks and whether or not they were deliverable. Strategies had been placed on Adult Social Care proposals and there was a level of confidence these proposals could be achieved.

Members of the Committee were keen to see monies being put back into schools and suggested that further communication channels between the Council and head teachers be developed in order to effectively manage school's budget issues. Welsh Government Grants for schools could be unpredictable and often announced after the start of the financial year.

Officers explained that the overall school budgets increase was capped at 75% of non- demographic growth with additional funding awarded to recognise increases in pupil numbers. There were variables between all schools, however it was recognised that changes to the respective school's circumstances would impact on their money allocation.

The Committee acknowledged that schools relied on high pupil numbers, the number of Looked After Children in attendance and Children with Special Needs, in order to benefit from the system. The Committee noted that some school's with a high percentage of pupils receiving free school meals would also receive a deprivation grant.

The Chairperson advised the Committee that they would be moving onto scrutinise the specific services which came under the Committee's remit.

CORPORATE MANAGEMENT PROPOSALS

The Chairperson welcomed:

- Councillor Phil Bale, Leader of the Council;
- Christine Salter, Corporate Director Resources

The Chairperson invited Councillor Bale to make a statement.

The Committee was advised there would be reductions in the Cabinet Office with the deletion of 2 vacant posts. Efficiencies within Communication & Media were being realised with a reduction in campaign budgets. Funding was being provided to reinstate additional Capital Times income targets that were not achievable.

The members were invited to ask questions.

The Committee drew attention to the Corporate Initiative budget, reduction in the amount available to support events and market the city and asked if this decision had been accepted. The officers explained that the budget would be adequate to support currently known events.

The Committee were concerned with the amount of contingency monies being allocated and asked if the Cabinet was confident with these proposals. Councillor Bale explained that Cardiff was hosting the Champions League Final in 2017, which was seen as a great opportunity and would require draw down to finance. It was explained the Council no longer had a Corporate Initiative Reserve.

Members of the Committee felt that more should be done to support events taking place in Cardiff as a result of some of the annual celebratory events not taking place anymore.

The Leader of the Council advised that during last new year's eve celebrations partners across the city supported events which were cost neutral to the Council. It was vital that the Council continue to draw on these cost neutral solutions in order to keep Cardiff's Capital City profile at the forefront.

ECONOMIC DEVELOPMENT PROPOSALS

The Chairperson welcomed Neil Hanratty, Director of Economic Development.

The Chairperson reminded Members that PRAP's remit only covered Property and International Policy within this Directorate.

The Committee was advised that the capitalisation of 3 posts in major projects will result in a saving of £86k. A service redesign of Strategic Estates would release one full time post resulting in a saving of £41k. Reduced service in Economic Development to release 0.3 FTE resulted in a saving of £15k. An increase in income had been realised with an increase in rental income from the managed industrial workshop estate over and above existing income targets to achieve a saving of £47k. There had been a reduction in the miscellaneous revenue budget, amounting to a saving of £7k and additional rental income from the Council's property estate through the periodic rent review process had resulted in a saving of £56k.

The Committee was concerned with occupancy levels in the workshop estates and asked if this could be sustained taking into consideration the limited resources. In response the Committee were assured that following the independent report from property advisors JLL report, there was capacity to sustain increases and encourage additional investment. It was noted there was a shortage of starter units and re-investment was being looked at.

Members of the Committee were advised that sufficient resources were in place to support Capital Projects and the rental review figures were based on next years assumptions.

The Committee drew attention to the change in dynamics of the city over the past twenty years especially the property element and asked what future plans were in place to support this. In response, officers explained that bids were submitted to Welsh Government for support in order to unlock potential projects. Cardiff was a thriving city with vast amounts of potential, including having an active vibrant private sector. Ambitious projects were being developed across the city with the introduction of digital bus stops and a City Deal.

GOVERNANCE & LEGAL SERVICES DIRETORATE PROPOSALS

The Chairperson welcomed the following:

- Councillor De'Ath, Cabinet Member for Safety, Engagement & Democracy
- Marie Rosenthal, Director Governance & Legal Services.

The Committee was advised that providing a welsh translation service for public meetings in-house would result in savings. Bilingual Cardiff was progressing with the new Welsh Centre to be opened shortly. The introduction of the new Welsh

Language Standard had had an impact on the service with all agenda, minutes and reports being translated into Welsh. The in-house team also provided simultaneous translation at Council Meetings and their services could be used to support neighbouring local authorities.

Councillor De'Ath explained that finding savings in this department was difficult as a result of its size and the service it provided. The Democratic Services team provided a statutory service to the Council including support to Members and senior officers with limited resources. The introduction of Modern.Gov technology was being used to support both Members and officers, and had resulted in a saving towards printing costs. Additional income in land charges through a combination of increased demand and increasing charges was being anticipated. A pressure bid for £100k would support Members in their roles and support the correspondence process they undertook.

A review of Scrutiny had taken place looking at all aspects of the scrutiny function in Cardiff. Task & Finish meetings had proved worthwhile and the team supported 5 Scrutiny Committee's and therefore Members felt that 5 Principal Scrutiny Officers were required to provide the support to this service.

The Chairperson invited the Committee to ask questions.

The Committee thanked Scrutiny Services for the support provided to them at the Task & Finish meetings. Members were concerned with the demand being placed on the Research Team and asked if there was sufficient capacity to support this. In response, Members were advised that currently Democratic Services did not have enough resources to support Members Services overall.

The Committee was updated on the position with land charges. Private agencies carried out land charge searches, however the quality of their product did not match the Council. The risk of increasing charges was acknowledged and had been analysed as part of the budget process.

RESOURCES DIRECTORATE PROPOSALS

The Chairperson welcomed the following:

- Councillor Graham Hinchey, Cabinet Member for Corporate Services
- Christine Salter, Corporate Director Resources
- Philip Lenz, Chief Human Resources Officer
- Ian Allwood, Head of Finance

CS drew attention to the proposals outlined for Resources. A proposal for the deletion of 18 FTE posts was being put forward, with 4 vacancies and 1 voluntary severance request. Additional monies were being realised through Enforcement Charges, to continue with recent changes to bring more of the enforcement of Penalty Charge Notices directly under the control of local authority staff. Savings

were being made in relation to corporate digital efficiencies, with the introduction of an income target to reflect the Enterprise Architecture Team's support in driving out the adoption of digital services across the organisation which would result in improved customer experience, increased automation and employee efficiencies. A reduction in spend on licences, network and maintenance would include negotiations with suppliers and drive down costs.

The Committee noted that the Red/Amber risks were in relation to the Alternative Delivery Model projects.

The Chairperson invited the Members to ask questions.

The Committee was advised there was uncertainty connected with the Alternative Delivery Model (ADM) as the best option going forward. The back office functionality was addressed, along with the impact on clients.

Members were advised that last year Housing Fraud transferred to the Department of Works and Pensions, this had allowed for the deletion of two auditor posts and utilisation of reserves to enable the fraud team to become self financing over time.

The Committee was informed of the changes included in the extension of Income Enforcement Services. Currently external Bailiffs charged a set statutory fee, payable to external agencies, in future the Council would manage this service.

Members of the Committee discussed the ICT provision for the Alternative Delivery Models. The current ICT procedures in place would be looked at in conjunction with developing new methods of working to support the project. Value for money was essential and both options of ADM would be analysed before a decision was made.

RESOLVED: That the Chairperson of the Policy Review and Performance Scrutiny Committee write to the witnesses to thank them for attending the meeting and set out the comments made by Members (letter attached)