

Ref: RDB/NH/CW/12.02.2018

13 February 2018

Councillor Chris Weaver,
Cabinet Member for Finance, Modernisation & Performance,
Room 519,
County Hall,
Atlantic Wharf,
Cardiff CF10 4UW.



Dear Councillor Weaver,

Economy & Culture Scrutiny Committee – 12 February 2018

On behalf of the Economy & Culture Scrutiny Committee I would like to thank you and the officers for attending the Committee meeting on Monday 12 February 2018. As you are aware the meeting received an item titled 'Draft Budget Proposals 2018/19 & Corporate Plan 2018 – 2021'.

The item initially considered the Corporate Overview and was followed by scrutiny of the draft budget proposals and sections of the draft corporate plan relevant to the terms of reference of the Economy & Culture Scrutiny Committee. Presentations were delivered on behalf of the Economic Development Directorate and the Communities, Housing & Customer Services Directorate. Following the presentations Members had the opportunity to question the relevant Cabinet portfolio holders and supporting officers. The comments and observations made by Members following this item are set out in this letter.

Corporate Overview

- During the meeting I raised a concern about the geographic and demographic breakdown of the consultation work undertaken in advance of the budget process; this is something that has been raised at scrutiny in previous years and does not appear to have been addressed. I felt that the results were heavily skewed by responses from North Cardiff and by people who were over the age of 55. The topic was raised in the way forward where the Committee agreed that the Council needed to do more

to broaden the overall consultation reach. In order to improve the current approach it was suggested that:

- The Council should work more closely Cardiff University to improve the overall consultation methodology for the budget. Cardiff University has a wealth of experience in understanding what needs to be done to engage with the more difficult to reach groups and so it would seem sensible to access this knowledge base.
 - In order to improve consultation with younger groups it was suggested that the Council should focus some of its resources at sites that younger people visit on a regular basis, for example, a Member suggested the consultation exercise might do well to target parents while they were waiting to collect their children from outside the school gates.
 - It was suggested that Members of Cardiff's five scrutiny committees should be asked how the consultation process might be improved. Any ideas or suggestions collected should then be passed onto the Cardiff Research Centre for consideration when developing a future consultation methodology.
- Slide 10 of the Corporate Overview presentation addressed the Medium Term Outlook and created a budget gap projection for the period 2018/19 to 2021/22. It estimated that the base case budget gap for 2018/19 to 2021/22 would be £91 million while the worse case estimate for the same period was £117 million. Members were told that this gap was driven by increasing demand on services, inflationary pressures and projected funding settlements. A Member questioned the growing budget gap and asked for clarification on the various parts that had contributed to this growing deficit. To address the concerns of the Committee I would be grateful if you could provide the following details so that Members are better able to assess the anticipated simple and real term pressures facing the budget:

- The assumed financial budget settlement for each of the years 2019/20 to 2021/22;
 - The assumed financial value for the increasing service demands for each of the years 2019/20 to 2021/22;
 - The assumed financial value of the inflationary pressure for each of the years 2019/20 to 2021/22;
 - Details of any other financial costs that have been built into the assumption of the financial gap for each of the years 2019/20 to 2021/22.
- 5% of the draft budget savings proposals put forward for 2017/18 did not have detailed planning. This figure then increased to 10% for the draft budget savings proposals for 2018/19. Members understand that budget pressures are making it increasingly difficult to identify savings, however, they would like to note their concern at the reduction in detailed planning for budget proposals.

Economic Development Directorate

- Comments were made during the meeting that previous economic development schemes had failed to adequately monitor and review the impact and benefits that they had produced. Councillor Goodway specifically cited the Cardiff Bay Development Corporation as an example, suggesting that more might have been done to review what the Corporation had actually achieved and delivered for the local community. The Committee note and acknowledge the importance of putting in place proper monitoring and review processes for future economic development schemes, and stress the importance of measuring the benefits produced for local residents. I would be grateful if Councillor Goodway could clarify how this might be achieved for future economic development schemes and highlight where he believes responsibility should fall for ensuring that the work is delivered.
- The graph on page 35 of the Draft Corporate Plan 2018 to 2021 titled 'Visitor Numbers Per Annum (millions) 2005 – 2016' illustrated a very

smooth curve that increased steadily for the period 2005 to 2010. The graph then appeared to level out for the period 2010 to 2016. A Member was concerned that the graph did not capture enough detail to reflect the real story of visitor numbers in the city. He felt this type of graph should capture more points during each year and so reflect the fact that Cardiff's visitor numbers are mainly driven by major events in the city. He has asked that this point is noted.

- The Committee is pleased that the Economic Development Directorate is planning to create a business plan to protect the city's historic assets during 2018. The Members felt that scrutiny of the proposed historic assets business plan would be a worthwhile exercise and will consider it as a potential work programme item for 2018/19. During discussion of the plan it was suggested that when developing the document thought should be given to:
 - Building in the protection of historic parks and green spaces into the plan;
 - Prioritisation of the most important historic assets that we are able to maintain in the current financial climate;
 - Ensuring that there is sufficient budget to maintain the historic assets that we prioritise.

- The Committee welcome the large capital investment that has been proposed for Cardiff's parks; however, they are at the same time concerned that the parks revenue budget is shrinking. Members are of the view that if the Council invests such a large amount of capital then it will need additional staff to manage or maintain the new infrastructure. In addition to this the Draft Corporate Plan sets out an ambition to increase support from friends groups and volunteers from across the city. With this in mind the Committee would ask you to consider providing additional revenue funding to support an additional post in the strained Park Ranger Service. The post could be used to support and maintain the new capital

investment and help encourage / develop working relationships with friends groups and volunteers.

- It was explained during the meeting that the Council is currently in the process of developing a report to assess the accessibility of sports facilities in the city. The Committee think that this is a good idea and that in doing this particular consideration should be given to how easy it is to access schools sports facilities after 3:30pm – they believe that residents not being able to access these facilities after the schools close is a missed opportunity. Once this report is written I would be grateful if you could provide the Committee with a copy.
- Line 86 of the capital programme refers to ‘Leisure Centres – Alternative Service Delivery - £2,100,000’. At the meeting I asked for a detailed breakdown of what the funding was for and Councillor Bradbury agreed to provide a response in writing. I would be grateful if you could provide me with a breakdown of details for this capital line.
- During the meeting there was some discussion on the impact that major developments had upon small businesses and local employment prospects. The concern was that small local businesses were being displaced without any thought as to how they would continue operating and that local residents were not benefiting from the newly created employment opportunities. Members would like some feedback on where the Council’s accountability rests in terms of supporting affected local businesses and the employment prospects of local residents.

Communities, Housing & Customer Services Directorate

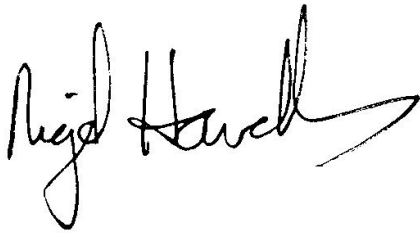
- There was some concern during the way forward that the Council is no longer able to subsidise community adult learning courses in a manner that was previously possible. Members acknowledge the existing financial restrictions and understand that the current model operates on a cost recovery basis, however, feel that it is important for the service to think a little outside the box to ensure that it is possible to continue to provide the

range of courses at the lowest possible price. With this in mind I would be grateful if you could explore a range of options including encouraging individuals to volunteer to deliver courses; increasing the use of hubs for community adult learning and the cross subsidy of new courses from existing high demand courses.

- It was noted at the meeting that Line 37 of the draft budget savings proposals referred to a 'Reduction in Libraries Book Fund - £50,000'. I would appreciate it if you could provide assurance that this reduction in funding does not take Cardiff below the Welsh Public Library Standards.

I would be grateful if you would consider the above comments and work with the relevant Cabinet portfolio holders to provide a response to the content of this letter.

Regards,

A handwritten signature in black ink, appearing to read 'Nigel Howells', with a stylized flourish at the end.

Councillor Nigel Howells

Chairperson Economy & Culture Scrutiny Committee

Cc:

- Councillor Huw Thomas, Leader, Cardiff Council;
- Councillor Russell Goodway, Cabinet Member – Investment & Development;
- Councillor Peter Bradbury, Cabinet Member – Culture & Leisure;
- Councillor Sarah Merry, Cabinet Member – Education, Employment & Skills;
- Councillor Lynda Thorne, Cabinet Member – Housing & Communities;
- Christine Salter, Corporate Director Resources;
- Ian Allwood, Head of Finance;
- Neil Hanratty, Director of Economic Development;

- Jon Maidment, Operational Manager – Parks, Sport & Harbour Authority;
- Sarah McGill, Director of Communities, Housing & Customer Services;
- Jane Thomas, Assistant Director Housing & Communities;
- Davina Fiore, Director of Governance & Legal Services;
- Members of Cardiff's Economy & Culture Scrutiny Committee.