

ENVIRONMENTAL SCRUTINY COMMITTEE

14 FEBRUARY 2018

Present: Councillor (Chairperson)
Councillors Owen Jones, Lancaster, Lay, Mackie, Owen and Wong

35 : APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Hill-John and Wood.

36 : DECLARATIONS OF INTEREST

The following declarations were received in accordance with the Members Code of Conduct and the Local Government Act 1972:

Councillor Patel	Item 4	Non-Executive Board Member of Cardiff Bus
Councillor Lay	Item 4	Non-Executive Board Member of Cardiff Bus
Councillor Michael	Item 4	Trustee of a Charity that has a commercial waste contract with the Council

37 : DRAFT BUDGET PROPOSALS 2018/19 - CORPORATE OVERVIEW

The Committee received a report setting out the context for scrutiny of those sections of the Council's Draft Corporate Plan 2018 to 2021 and the Draft Cabinet 2018/19 budget consultation proposals which relate to those functions under the remit of the Environmental Scrutiny Committee. The relevant Cabinet Members were invited to attend, supported by officers.

Members were advised that in July 2017 the Council's new administration set out a policy programme and associated delivery commitments entitled 'Capital Ambition' which established the Cabinet's key priorities for the municipal term and actions to drive the city's economy forward, whilst ensuring the benefits are felt by all residents. The Corporate Plan and Well-being Plan are key documents in delivering Capital Ambition as they translate the administration's priorities into deliverable organisational objectives. The Corporate Plan is structured around the Capital Ambition priorities and seven well-being objectives and it makes clear the steps the Council will undertake.

The Corporate Plan also includes Performance Measure and targets that will enable the Council to monitor service delivery.

In terms of the budgetary position, the Committee was advised that as of 6 February 2018 the Council is facing a funding shortfall of approximately £19 million for 2018/19. In addition to the shortfall the Council has identified additional pressures within directorates of £1.474 million, bringing the total shortfall to £20.702 million. Savings of £14.296 have been identified resulting in £6.406 million to be raised from additional Council Tax, as set out below.

The directorate savings proposals of £14.296 million was shown in Appendix 2 of the report. There were:

- £1.879 million from employee costs
- £9.391 million from other spend
- £3.026 million from increased income

The Council Tax increase and savings identified account for two of the four components that the Council has identified as part of its 2018/19 budget strategy. The other two components are a 30% cap on schools non-pupil number growth and the use of earmarked reserves were accounted for.

The Chairperson welcomed Christine Salter, Corporate Director Resources and Ian Allwood, Head of Finance, to the meeting. The officers were invited to deliver a presentation which summarised the outline Welsh Government funding proposals and how these would impact on services.

The Chairperson invited the Committee to comment, raise questions or seek clarification on the information received. Those discussions are summarised as follows:

- Members noted that capital expenditure was increasing and that the cost of the increasing interest payments will come from the revenue account. Therefore, there will be less revenue to spend on core services. Officers were asked to comment and explain the risks associated, and to also comment on the use of earmarked reserves. Officers stated that the increase in capital expenditure is driven by the authority's aspirations, particularly the joint Welsh Government/Council programme of improvement to Band B funding for schools. The programme proposes £300 million of investment in Cardiff's schools and this can only be achieved with affordable borrowing. Revenue spend on capital finance is highlighted in the 2018/19 budget report. Revenue expenditure on finance equates to 16.5%. When compared to 2011/12 the proportion in 2022/23 is predicted to increase by 23.6% and as finance professionals officers must ensure that borrowing commitments can be met.
- Members asked whether interest rates are considered. The Corporate Director Resources stated that external borrowing is secured at fixed interest rates for the period of the loan. It is not possible to borrow in advance of need but it is possible to look forward 18 months in order to evaluate whether to borrow before any potential interest rate rises. The authority received advice from treasury advisors and should an interest rate rise seem likely then consideration would be given to whether we would want to borrow. Members were advised that these matters are addressed in the framework included in the budget report.
- A Member noted that risk assessed savings proposals of £12.11 million are planned. Officers were asked to clarify the £1.434 million of saving proposals for which there was no plan in place. The Corporate Director Resources stated that these are savings for which there was some level of uncertainty as to how they would be achieved, or that where there are plans were in place, there was

an insufficient level of detail.

- In terms of capital programme expenditure, Members asked whether private investment is included under the 'grants/other contributions'. The Corporate Director Resources indicated that private investment is shown in the figures under the 'private investment/other public bodies'.
- Officers were asked to elaborate on the new responsibilities placed on the Council as part of the Welsh Government final settlement. Members were advised that the new responsibilities related to Homelessness Prevention (£836k) and an increase in the residential care cap (£636k).

RESOLVED – That the Chairperson write to the Cabinet Member on behalf of the Committee to convey their comments.

38 : DRAFT CORPORATE PLAN 2018 TO 2021 & 2018/19 DRAFT BUDGET PROPOSALS - STRATEGIC PLANNING AND TRANSPORT

The following declarations of interest were declared in accordance with the Members' Code of Conduct:

Councillor Michael *Trustee of a Charitable Organisation with a waste contract with the authority*

Councillor Lay *Non-Executive Board Member of Cardiff Bus*

Councillor Patel *Non-Executive Board Member of Cardiff Bus*

The Chairperson welcomed Councillor Caro Wild, Cabinet Member for Strategy Planning and Transport and Andrew Gregory, Director, to the meeting. The Chairperson invited Councillor Wild to make a statement.

Councillor Wild stated that the budget proposals recognise the importance of the basic services. The budget proposals allow for improved traffic management and recognises the deterioration of public space in the inner city. There is also a clear shift towards active travel and a commitment to invest in asset renewal. The £6 million allocated towards the development of cycling superhighways will be a step change toward active travel targets.

Members received a presentation on the budget proposals relevant to the Strategic Planning and Transport Portfolio, after which the Chairperson invited questions and comments from Members. Those discussions are summarised as follows:

- Members of the Committee considered that the new transport interchange was reliant on strategic mini exchanges being delivered. Officers were asked to explain why progress in this area has been slow. The Director stated that the authority needs to ensure that such infrastructure is delivered in a cost effective way. The Director provided an overview of the issues encountered that had resulted in the delaying of the delivery of the Waungron Road scheme.
- In terms of the extension of the 20mph speed zone – Members asked what monitoring is taking place and for further information on the process for evaluating

that monitoring. The Director stated that as part of the pilot scheme a report was presented to Council. On-going reviews by transportation teams are proposed. There is no process in place for monitoring the 20mph zones but officers were happy to investigate how monitoring might be implemented in the future. The Chairperson stated that the Committee would like to see evidence of how successful the schemes are and how progress in being monitored. The Cabinet Member stated that a report was expected in March 2018.

- Members welcomed the proposals for improvement to the cycle network. Officers were asked to clarify the implications for existing systems on the affected roads such as pay and display parking. Officers advised that pay and display machines can be easily relocated.
- Members also asked for further details of the plans for roads in the vicinity of the cycle superhighways. Officers stated that the wider cycle network is being consulted upon and the cycle superhighways are presented as part of that document. Senghennydd Road, for instance, would provide linkages from the Heath Hospital eastwards towards Newport Road. However, the scheme won't be an isolated island and will be part of the wider network.
- Members referred to the upgrade of the intelligent transport systems (cctv control room) and asked whether further upgrades in the future could be planned annually. Officers stated that the control room was operating on Microsoft software that is no longer supported. In the future, consideration will be given on working with in partnership with other organisations and using a multi-functional control room as a shared resource.
- Members welcomed the investment in the city's carriageways. However, the bulk of the investment will be made during 2018/19. Members asked whether the investment should be spread more evenly. A Member considered that the investment was concentrated on the central area and the southern arc and it was suggested that the investment could be spread more evenly across the whole of the city. The Cabinet Member stated that the authority does employ a 'whole city' approach and there are also links to the active travel and regeneration schemes. There are extra pressures in the central area and there will also be a focus on areas of deprivation. The Director stated that the authority is aware of its commuting routes are and including areas in the north of the city. A technical process measuring density of use is employed to prioritise schemes. In terms of the additional funding in 2018/19, officers advised that an additional £2.571 million is slippage; a one-off payment from the financial resilience mechanism.
- The Committee discussed the implications of a catastrophic failure of Roath Park Dam. Members were advised that following the failure of a dam in Yorkshire the Dam Act has been realigned and, an engineering assessment has reclassified Roath Park Lake in a new category. The authority now needs to act to meet the requirements of the Act.
- Line 49 – Members asked what the £212,000 of the budget proposals related to. Officers stated that the budget line related to ensuring the service area maximise income from businesses for Highways Permits, A-Frame permits, etc.

- Line 63 – Officers were asked to explain the meaning of the term ‘general planning’. Officers stated that this line related to increased productivity as a result of reduced failure demand. For example, improvements to street lighting now means that the service area will know when street lights have failed and therefore operatives who were formally carrying out routine checks can be deployed in other areas. It was estimated that this would increase productivity by 30% to 40%. Members asked whether this was a realistic expectation and questioned why it was included in the budget as a detailed plan was not in place. Officers considered that the opportunity to achieve savings was realistic and indicated that the proposal is monitored on a monthly basis.
- Line 61 – Members requested further details on the collaborate working arrangements referred to. Officers indicated that the authority was looking to collaborate with other authorities in areas such as school transport, learner travel lifeskills, a ‘scooters to primary schools’ project; whereby the authority can provide these services to other authorities.
- Line 94 – loan to Cardiff City Transport. Members asked what the purpose of the loan was. The Corporate Director Resources advised that as Cardiff Bus is a wholly owned subsidiary of the authority, they are only able to borrow through the Council. The £2 million loan is intended to be put towards the purchase of new vehicles and it is currently undergoing due diligence. Cabinet has yet to consider the full business case.
- Line 35 – Members requested further details of the bus corridor expenditure. Officers advised that the expenditure was linked to the Waungron Road bus interchange and bus corridors on Penhill and Cathedral Road. Resources have been set aside to progress the project, which has been delayed.
- Line 34 – Officers stated that there was potential for a bus interchange at UHW. The project will be funded and delivered by UHW. Discussions are ongoing
- The Committee discussed the delivery of the Waungron Road Bus Interchange. Members considered that a network of satellite hubs needs to be delivered at the same time as the Transport Interchange. Officers stated that the Transport Interchange was not directly dependent on orbital hubs; whilst there was some interdependency, the projects are not reliant.

RESOLVED – That the Chairperson write to the Cabinet Member on behalf of the Committee to convey their comments.

39 : EXCLUSION OF THE PUBLIC

RESOLVED – That Members of the public be excluded during the discussion of the following item on the grounds that the report is exempt from publication by virtue of paragraphs 14 and 21 of Part 4 and 5 or Schedule 12A of the Local Government Act 1972.

40 : APPENDIX 10 - EXEMPT FEES & CHARGES

Members discussed a range of fees and charges set out in Appendix 10 of the report.

41 : DRAFT CORPORATE PLAN 2018 TO 2021 & 2018/19 DRAFT BUDGET PROPOSALS - CLEAN STREETS, RECYCLING AND ENVIRONMENT

The Chairperson welcomed Councillor Michael Michael, Cabinet Member for Clean Streets, Recycling and Environment and Tara King, Assistant Director Commercial and Collaboration, to the meeting.

Members received a presentation on the budget proposals relevant to the Clean Streets, Recycling and Environment after which the Chairperson invited questions and comments from Members. Those discussions are summarised as follows:

- Members asked what measures were in place to improve attendance and improvement efficiency in domestic waste collections. The Committee was advised that attendance was improving and if the trajectory continued approximately £50k on agency costs would be achieved. There was now a more rigorous application of attendance policies and this was being complimented by health improvement initiatives such as the Wellman Clinics. The service area has also introduced essential skills learning which has enabled upskilling in the workforce and opportunities to redeploy staff. Measures to improve efficiency included the introduction of in-cab technology and the reduction in failure demand. The Cabinet Member stated that missed collections are being reduced and efficiency is improving.
- Members asked what percentage of a reduction in sickness absence levels is required to achieve the £50k saving targeted in the budget. Officers stated that sickness absence was currently 15 days across Commercial and Collaborative Services and the aim was to reduce sickness levels to between 12 and 13 days. Members questioned whether the sickness targets were ambitious enough. Officers stated that waste operatives were at higher risk of sickness absence due to their working conditions and were therefore, more liable to sickness. Much has been done to address this issue and put in place supportive mechanisms. Officers considered that the Sickness Absence policy was applied firmly and the targets were ambitious enough.
- Line 88 – Members asked whether the additional borrowing for energy efficiency included energy efficiency measure in County Hall. The Cabinet Members responded and stated that it was incumbent on the Council to be as efficient as possible wherever it can be. The authority has 500 buildings and the Energy Team supports all them. The additional borrowing is to be invested in 'Invest to Save' schemes, the vast majority of which will be in schools.
- Lines 64-68 – in relation to business processes and digitalisation – these savings were risk rated Red/Amber and Amber/Green – the Committee asked officers to explain the inherent risks associated with these savings and how they will be managed. Officer stated that the risks were recognised and the authority will be employing a Chief Digital Officer. There was a need for consistency in terms of scheduling and management of the project. Officers considered, however, that there were opportunities to be had and the authority was committed to moving the agenda forward.
- The Committee discussed options for the delivery of a new cemetery in the north of the City. The Cabinet Member stated that several alternatives were being

considered including the possibility of using part of Thornhill Farm. Discussions with the leaseholder were ongoing and a Cabinet report on the matter is expected in the near future.

- Members referred to the £120k savings in Central Transport Services and asked for further clarification. The Cabinet Member stated that these relate to fleet rationalisation and savings from fleet purchasing.
- Line 38 – Flood Risk Prevention – Officers stated that this budget line related to small schemes in parks and allotments, and also clearing culverts and drainage.
- Line 99 – Solar Farm, Lamby Way – Members asked whether the authority would own any such facility outright and whether the power generated would be used to power fleet vehicles. Officers indicated that the authority had a significant opportunity to deliver the project, but side contracts with 3rd parties would improve the business case. Charging fleet vehicles would also bring additional benefits for the business case. The Cabinet Members stated that opportunities were being considered and a host of initiatives such as the Clean Air Strategy and new fleet vehicles were coming together would be unveiled in the near future.
- Line 57 – Trade Waste – Members asked where the additional trade identified would come from and why was this budget line risked red/amber. The Cabinet Member stated that the service has introduced a commercially competitive skip service, which has proven successful during the early stages. The authority has announced its intention to building over 1000 new Council homes in the City during this administration and these projects could potentially use the Council's skip service. Officers were aware of the need to bring in income and the Cabinet Member was confident the authority can deliver this service. Members asked how achievable the savings targets were. Officers stated that the service was currently exceeding its targets and improving its business retention. There were also other income generating projects in the pipeline and officers were confident that the income generating targets were achievable.
- The Committee discussed financial pressure bid of £523k to compensate for the reduction in recycling income. Officers stated that the figures are based on best estimates, as the markets were still fluctuating and these were expected to get worse before improving. The Cabinet Member stated that the markets are asked for improved quality of recyclables. There are elements in the budget aimed at supporting mitigation to this end, including the pilot scheme for separating glass and the auto-sorter at the MRF.

RESOLVED – That the Chairperson write to the Cabinet Member on behalf of the Committee to convey their comments.

42 : DATE OF NEXT MEETING

Members were advised that the next Environment Scrutiny Committee is scheduled to take place on 17 April 2018.

The meeting terminated at 1.30 pm

This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg