

## ENVIRONMENTAL SCRUTINY COMMITTEE

15 MARCH 2016

Present: County Councillor Mitchell(Chairperson)  
County Councillors Aubrey, Clark, Hill-John, Lomax, White and  
Darren Williams

66 : APOLOGIES FOR ABSENCE

No apologies for absence were received.

67 : DECLARATIONS OF INTEREST

No declarations of interest were received.

68 : MINUTES

The minutes of the meeting held on 16 February 2016 were approved by the Committee as a correct record and were signed by the Chairperson.

69 : INFRASTRUCTURE SERVICES - FULL BUSINESS CASE STRATEGY  
BRIEFING

The Committee received a briefing report providing an opportunity to scrutinise the Infrastructure Services ADM Full Business Case Strategy, prior to matter being considered as part of a joint scrutiny meeting with the Policy Review and Performance Scrutiny Committee on 12 May 2016. It was suggested that the Committee focus their scrutiny on the project objectives, the services within scope; the Overview Strategy applied to the development of the business case; the Service Area Strategy applied to the development of the business case; and the work streams which have been created to support the development of the business case.

The report set out the background of the project to date and the previous scrutiny of this subject. Members were advised that the objectives of the Infrastructure Services project were to identify and implement the most appropriate future service delivery model to reduce operating costs; improve performance; improve customer satisfaction; reduce failure demand and develop a range of income opportunities. The project will aim to ensure that there is appropriate engagement with key stakeholders at all times, such as Elected Members, Trade Unions and staff.

The report contained a summary of the services included within the Infrastructure Services Full Business Case. Members received information on each service in scope, including a service description; descriptions of the statutory and non-statutory services provided; a breakdown of the functions including volume of work demand; customer and client information; details of the current operating model; staffing details; budget details; operational facilities; comment on future strategy and key enablers.

The Chairperson welcomed Councillor Bob Derbyshire, Cabinet Member for the Environment; Tara King, Assistant Director City Operations and David Lowe, Waste

Operations Manager to the meeting. Tara King was invited to deliver a brief [presentation](#) on the Full Business Case.

The Chairperson welcomed representatives of the Trade Unions. Representations were received from Mohammed Hassan, Unison and Ken Daniels, GMB (also on behalf of Unite and UCATT).

Mohammed Hassan stated that Unison supported the modified in-house model but expressed concerns regarding whether the technology necessary to support the model could be introduced quickly enough.

Ken Daniels thanked the Cabinet Member for meeting with the Unions throughout the process. It was agreed that some services included within the scope of the project were operating successfully and other were not. However, Mr Daniels considered that the future strategy was based on a number of assumptions, particularly in relation to future incomes. Trade Unions were said to understand the need for change and protect jobs.

Concerns were expressed regarding the implementation of new technology, such as body cameras, duplication and the waste of resources. Unions wanted to create a flagship Council but Mr Daniels doubted that this would be achieved with the proposed strategies.

Mr Daniels stated that placing income generating services within directorates did not support commercialisation. There were opportunities for internal commerce which should be investigated. It was suggested that a Commercial Directorate be established.

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

- Some Members acknowledged that there were some benefits for the modified in-house model. It was considered that front line staff know how a service should be delivered and they need a management body that is prepared to support the staff in achieving this.
- Members asked officers to clarify whether it would be easier for a wholly owned company to outsource services in the future. Officers stated these concerns mirror those raised earlier by members of staff. It would be easier for a full trading company to outsource services but not for a TECKAL company.
- Members noted that a benefit of the changes in service delivery proposed would be that the service would have a greater degree of operational autonomy. Members asked whether the downside to this was a reduction in accountability. Officers felt that in order to implement the changes proposed quickly a degree of autonomy was essential. However, a wholly owned company would have the same degree of accountability as existed currently. Any future governance arrangements would need to reflect that accountability. Under the wholly owned company model the directors would be accountable; indeed, there was now an opportunity to strengthen accountability.

- Members asked what progress had been made in terms of agreeing a governance model, what good/bad practice has been considered and what the potential pitfalls were. Officers provided an example of a TECKAL where services were brought back 'in-house' due to a conflict of interest that had occurred when the Leader of an authority was also a Board Member. In this instance, officers considered that the TECKAL was not established correctly. There were other examples where authorities had been over-ambitious and included services which were not appropriate. Members were asked to note that the proposed governance model had been considered by the Policy Review and Audit Committee in December 2015.
- Members asked whether there would be a specific target for income generation and noted that a TECKAL would be limited to 20% of actual turnover. Officers advised that the service was currently generating approximately £9 million in external income, which equated to around 13% of turnover. Therefore, there was scope for an additional £6/7 million in external income. By trading with other Local Authorities it was possible to increase turnover. It was also possible to create an externally trading company if necessary. The Committee considered that it was important not to restrict external income to a limit based on of 20% of turnover.
- Members questioned whether the technological advances required to accompany new efficiencies in working practices could be delivered within timescales. Officers advised that the necessary resources were in place were confident that 'quick wins' could be realised through the mobilisation of officers. Adopting the new technologies would bring about immediate benefits.
- Member questioned what protections were in place to prevent the private sector cherry-picking contracts or asset stripping, and furthermore, whether staff would be protected. The Committee was advised that under the modified in house solution there would be no staff transfers. The Teckal would require TUPE transfer of staff and their existing terms and conditions would be protected. The Council would guarantee contracts to either model.
- The Committee discussed how local government reorganisation may affect the business case. Officers stated that senior regional officers were working alongside the WLGA on how collaboration may affect service delivery. There were already examples of collaborative working, such as Prosiect Gwyrdd. Company articles would need to be flexible enough to allow scope for the possibility of collaborations to be accommodated in the future.
- Members noted that without technology, such as a fleet management system in CTS, it was currently not possible to accurately monitor performance and finances, and this was a serious handicap to efficiently running such a service. Officers stated that a report on this issue would be brought forward in the near future.
- Officers were asked whether they considered the business case projections for both the modified in-house and the Teckal business models were robust. Officers stated that they were confident that the business case had been sufficiently challenged, amendments were made as a result, and the valuations were said to be 'conservative'. In addition, officers reported that the figures must be robust to

ensure that both business case receive the Section 151 Officer's approval.

- Officers indicated that some rebuilding of services was necessary in terms of their cost operating model. Multiskilling of staff was necessary and this would present upskilling opportunities for staff. Trade Union representatives stated that the workforce are waiting for these changes to be implemented and suggested that the process needed to be accelerated.

AGREED – That the Chairperson writes on the Committee's behalf to the Cabinet Member to convey their comments and observations.

## 70 : CITY OPERATIONS - QUARTER 3 PERFORMANCE

The Committee received the Quarter 3 Performance Report for the City Operations Directorate. Members were asked to consider the directorate's performance and provide observations to support the Cabinet's consideration of the Quarter 3 Performance Reports.

The Performance Report examined a range of performance areas including projected budget outturn; projected savings outturn; progress against Directorate Plan/Corporate Plan actions; progress against performance indicators; progress on challenges identified at Q2; service delivery; challenges; and risk update. A range of performance information which helps the Committee benchmark against the Council as a whole; and against other service areas was also provided in the report. This included information on customer contacts; staff costs; month 6 financial monitoring; sickness absence levels; and PPDR compliance.

The report highlighted a number of key observations identified from the performance information. The report also highlighted those performance indicators identified as 'Amber' or 'Red'. Members were asked to note that four of the indicators published were annual and one indicator was new. No results were available for these indicators as the data was still being collected, interrogated and verified.

### Strategic Planning, Highways, Traffic and Transportation and Energy

The Chairperson welcomed Councillor Ramesh Patel, Cabinet Member for Transport, Planning and Sustainability and Andrew Gregory, Corporate Director, to the meeting. Andrew Gregory was invited to deliver a brief [presentation](#) on the SPHTT & Energy aspects of the City Operations Quarter 3 Performance. The Chairperson invited the Committee to comment, raise questions or seek clarification on the information received. Those discussions are summarised as follows:

- In terms of planning applications, officers were asked to clarify the definition of a major planning application. Members were advised that everything over 10 units or 1000 sq metres would be classed as a major planning application. Everything else is a minor application. The authority is able to agree extensions to the 8 week limit for determination of these applications with the applicants.
- Referring to the Highways Asset Management Strategy, Members asked whether the Cabinet Member still intended to bring a report forward during the Spring. The Cabinet Member confirmed that this was still the intention. Members were advised that the extra funding had been allocated for repairs to the carriageway.

The authority had also made bids for additional funding from the Welsh Government and would continue to do so.

- The Cabinet Member confirmed that the Cardiff Central Transport Interchange project was on schedule. A Cabinet Report was published which set out the timetable for delivering the project.
- Officers agreed to provide the Committee with details of any fines issued in regard of environmental enforcement issues.
- Officers confirmed that there had been a reduction of 438 staff that are eligible for PPDRs within the directorate as a result of restructuring.

### Environment

The Chairperson welcomed Councillor Bob Derbyshire, Cabinet Member for the Environment and Tara King, Assistant Director, City Operations. Tara King was invited to deliver a brief [presentation](#) on the Environment aspects of the Quarter 3 Performance Report. The Chairperson invited the Committee to comment, raise questions or seek clarification on the information received. Those discussions are summarised as follows:

- Officer advised that some variation in the recycling statistics was to be expected, with Q1 and Q2 normally achieving the highest results. The recycling of bottom ash from the Energy from Waste Plant was not yet included in the recycling results. It was forecast that this bottom ash would account for approximately 6% of the total recycling for the year.
- Members requested further information on the cleanliness of streets survey. Officers gave an undertaking to further investigate the LEAMs data and report back to the Committee.

AGREED – That the Chairperson writes on the Committee's behalf to the Cabinet Member to convey their comments and observations.

### 71 : RIVER POLLUTION IN CARDIFF

The Committee received a report providing an opportunity to review the water quality of Cardiff's three rivers and their supporting tributaries. Members were asked to focus their scrutiny on the water quality; work being undertaken to manage and monitor river pollution; the challenges facing Cardiff's three main rivers; and the impact water quality is having on the local environment.

Members were advised that Cardiff was primarily located on a large flood plain which hosts three rivers; the Taff, the Ely and the Rhymney. The three rivers flow into the Bristol Channel and along with a series of supporting tributaries they provide drainage for a large section of South East Wales. The rivers have played a significant role in the economic, geographic and social development of Cardiff and they continue to provide an important role. The report provided further information on each of the rivers Taff, Ely and Rhymney such as their source, the distance travelled and their tributaries.

South East Wales has a strong industrial heritage which for many years contributed to high levels of pollution in the three rivers. Since the decline of heavy industry significant improvements in water quality and pollution levels have been achieved and these improvements have led to a number of benefits such as leisure activities and an increase in fish stocks. However, some difficulties still persist, such as silting and discharge of sewage during heavy rains.

The Committee was informed that Natural Resources Wales (NRW) has the statutory responsibility for monitoring river water quality and it uses a number of pieces of legislation to do so. The report provided an overview of the role of Natural Resources Wales and how it discharges its responsibilities.

The Chairperson welcomed representatives from Natural Resources Wales, Dwr Cymru/Welsh Water, South East Wales Rivers Trust, Glamorgan Anglers and the Cardiff Rivers Group. The Committee received representations from each of the bodies invited to attend. These representations are summarised as follows:

- Nadia De Longhi and Jon Goldsworthy of the NRW explained what could be to identify polluters by working in partnership. Members were advised that new legislation provides an opportunity to work more collaboratively, which is crucial for improving water quality.
- Dr Emma Harris of Dwr Cymru/Welsh Water addressed the Committee. Dr Harris provided a statement highlighting the continuous improvements made in respect of water quality. Members were advised that Dwr Cymru/Welsh Water recognise that the environmental damage and impact on our community caused by unpermitted discharges from our assets is unacceptable and work hard to prevent them. Details of the activities undertaken to improve water quality were provided.
- Tony Rees of South Wales Rivers Trust advised the Committee of the role of the Trust. The Trust is a voluntary organisation which has previously monitored water quality in the three river and their tributaries. The Trust produced a report 'Clean the Clun', a pilot River Restoration Project run by the South East Wales Rivers Trust from June 2014 until August 2015 focusing on the restoration of the River Clun. The work of the Trust has ceased following the withdrawal of grant funding.
- Hugh Kettle of Cardiff Rivers Group stated that his voluntary group cleared the rivers and tributaries of litter and rubbish. The Group had held over 130 events over the past 4 years. Mr Kettle stated that plastic bottles, crisp packets and sanitary towels presented particular difficulties, especially when these items were deposited in the branches of overhanging trees during peak river flows.
- Mike Roberts of Cardiff Anglers advised Members that there had been a vast improvement in water quality since the 1950's and an improvement in the flora and fauna. However, the water quality was not reflected in the quality of the fishing, as match weights were lower now than in the 1950's. Concerns were raised regarding the appearance of the river banks which were described as sordid and a disgrace.

The Chairperson thanked all those in attendance for their interesting and informative contributions. The Committee were invited to discuss, comment or seek clarification on the information received. Those discussions are summarised as follows:

- The Committee asked how much pollution was still coming from ‘missed connections’ in the sewage system. Members were advised that, as a result of building regulations, the pollution was not as serious as it has been historically. However, there were still incidents occurring. This was a complex issue and identifying and rectifying missed connections was a resource heavy process. This was an area where Dwr Cymru/Welsh Water and Natural Resources Wales were working collaboratively. The Local Authority was able to assist by using the enforcement powers it has to identify polluters.
- Members asked whether there were any schemes through which members of the public were able to identify polluters. NRW advised that they operate a pollution hotline and members of the public are encouraged to report pollution incidents immediately. It was accepted that infrequent breaches were difficult to identify. CRG suggested that Cardiff University students may be able to help monitor pollution levels as part of their studies.
- The Committee asked whether the Council would be able to assist groups such as Cardiff Rivers Group and Cardiff Anglers by improving accessibility to riverbanks. Members were advised that it was not possible to fish on large sections of the river as flood defences were constructed with large, steep sides. CRG stated that if overhanging branches are removed, then litter and debris will not be caught in the trees, but the litter will be deposited elsewhere. CRG indicated that there are areas in the Bay where a build-up of litter has been identified and that Cardiff Harbour Authority will not permit them access to.
- Those present discussed the issue of kayakers using the river and the dangers kayakers pose to fishermen. Cardiff Anglers said that this was a contentious issue. Kayakers and canoeists can cause nuisance to fishermen and there was little or no control over this issue.
- Members asked whether, by separating rainwater from sewerage as part of the Greener Grangetown project, pollutants from the environment would seep into the river.
- NRW and Dwr Cymru/Welsh Water commented on the LDP. NRW considered that it was important mitigation measures are put in place at new developments. Dwr Cymru/Welsh Water advised that they have an entire department to ensure that new developments are constructed sustainably.
- Members asked what sort of monitoring of the more toxic compounds is carried out and what stretches of the rivers were most affected. Dwr Cymru/Welsh Water advised that traders can be given discharge permits that allow a certain level of discharge. There are legislative drivers which determine the types and frequency of monitoring. The Committee discussed mobilising local volunteers, community groups and students from the university with a view to carrying out additional monitoring.

72 : DATE OF NEXT MEETING

Members were advised that the next Environment Scrutiny Committee will take place on 19 April 2016.

The meeting terminated at 8.15 pm