

Ref: RDB/PM/GH/16.02.16

16<sup>th</sup> February 2016

Councillor Graham Hinchey,  
Cabinet Member for Corporate Services & Performance,  
County Hall,  
Atlantic Wharf,  
Cardiff,  
CF10 4UW.



Dear Councillor Hinchey,

**Environmental Scrutiny Committee – 16<sup>th</sup> February 2016**

On behalf of the Environmental Scrutiny Committee I would like to thank you and the officers for attending the Committee meeting on Tuesday 16<sup>th</sup> February 2016. As you are aware the meeting considered the 'Draft Corporate Plan 2016 – 2018 & 2016/17 Draft Budget Proposals'. In reviewing these proposals the Committee used the following documents to set the context of the discussion:

- Draft Corporate Plan 2016-18;
- Post Consultation Changes – Includes a total summary of the post consultation changes (£14.095 million), a schedule of amended 2016/17 savings proposals, post consultation changes – financial resilience mechanisms & additional pressures;
- 2016/17 Proposals Overview – Includes an overview of the 2016/17 savings proposals, Council wide budget savings proposals 2016/17, Addressable Spend – budget savings proposals 2016/17;
- City Operations Directorate - Draft Budget Savings Proposals;
- City Operations Directorate – Financial Pressures;
- City Operations Directorate – Capital Programme;
- City Operations Directorate – Employee Implications;
- City Operations Directorate – Controllable Budget Analysis;
- 'Changes for Cardiff – Consultation Results & Feedback Report on the City of Cardiff Council's 2016/17 Budget Proposals – Executive Summary' & relevant sections from the report;
- City Operations Directorate – Equality Impact Assessments.

This letter contains details of observations which were noted during discussion and agreed by Members during the Way Forward. The comments made below refer to the Corporate Overview which was provided by yourself and the Corporate Director Resources:

- Members noted and welcomed the progress achieved in reducing sickness levels in the City Operations Directorate and indeed across the Council as a whole. The Committee agreed that this would be beneficial in addressing the Council's difficult and ongoing financial position and will continue to monitor progress when reviewing the City Operations Directorate performance on a quarterly basis.
- Members noted that this complemented the work being done to reduce the money spent on agency staff and welcomed assurances that savings would not be made by simply reducing posts creating agency overspends later in the financial year.
- Members discussed the financial pressures that the increased costs for national insurance and complying with the living wage directives have created. In particular they welcomed the Council proposal to cover 100% of both of these costs in the schools' budgets. We appreciate that the Council cannot dictate to individual schools how they spend this increase on staff they have engaged via their delegated budgets; however, we share the Council's expectations that they will allocate the extra monies for the stated purpose.
- Members noted with concern that the Council's general and earmarked reserves are very low in comparison to the size of the Council's overall budget and when compared to other neighbouring authorities. We ask you to note our concerns and that both the Committee and particularly the Audit Committee should pay close attention to the level of these reserves in the coming financial year.

This letter does not require a response.

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:

Councillor Bob Derbyshire, Cabinet Member for the Environment

Councillor Ramesh Patel, Cabinet Member for Transport, Planning & Sustainability

Christine Salter, Corporate Director Resources

Allan Evans, Operational Manager, Service Accountancy

Andrew Gregory, Director for the City Operations Directorate

Tara King, Assistant Director for the City Operations Directorate

Marie Rosenthal, Director for Governance & Legal Services

Paul Keeping, Operational Manager, Scrutiny Services

Claire Deguara, Cabinet Office Manager

Cheryl Cornelius, Cabinet Support Manager

Councillor Nigel Howells, Chair of the Policy Review & Performance Scrutiny Committee

Members of the Environmental Scrutiny Committee