Ref: RDB/RP/CW/18.02.2019

19 February 2019

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

Dear Councillor Weaver,

Environmental Scrutiny Committee – 18 February 2019

On behalf of the Environmental Scrutiny Committee I would like to thank you, Councillor Wild and the officers for attending the Committee meeting on Monday 18 February 2019. As you are aware the meeting received items titled 'Draft Budget Proposals 2019/20 – Corporate Overview' and 'Draft Corporate Plan 2019 to 2022 & 2019/20 Draft Budget Proposals'.

The meeting 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 Environmental Scrutiny Committee. Presentations were made by officers from the Resources and Planning, Transport & Environment Directorates. 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

- **Capital Programme & Future Revenue Budget Pressures** – During the meeting Members asked how sustainable the Council's proposed Capital Programme was over the next five years, and questioned the impact that this might have on a wide range of services funded through the revenue budget. The five year capital programme contains just over £843 million in proposals; much of which needs to be repaid by funds from the Council's revenue budget. An officer explained to the Committee that the current

proposals are both affordable and sustainable; however, further expansion of the Capital Programme could place large pressures on the Council's finances. Given the current financial challenges facing the Council, the Committee believe that all future capital investment decisions should be based on prudence and supported by a robust business case. In particular, capital investment should be self-funding in the long term and used as a catalyst for the ongoing provision of important front line services.

- **Achieving Savings** – The month six budget report indicates that only £11.24 million of the Council's £14.296 million savings will be delivered during 2018/19; this means that the Council is projecting an overall savings shortfall of £3.056 million for the current financial year. The Planning, Transport & Environment Directorate in particular has struggled with achieving savings in 2018/19 – it is projected that only £1.105 million of the £1.838 million in savings will be achieved in year, leaving a savings shortfall of approximately 40%. The Committee is disappointed at these results and asks for assurance that the 2019/20 savings proposals have been better planned and are more deliverable that those presented in the 2018/19 budget. This is particularly important as the savings for 2019/20 (£19.157 million for the Council as a whole and £4.269 million for the Planning, Transport & Environment Directorate) are significantly higher than those put forward in 2018/19, and that many of the unachieved savings from 2018/19 will need to be delivered in the new financial year.

- **Brexit** – An officer suggested that budget pressures had been placed on the Planning, Transport & Environment Directorate as a consequence of Brexit. For example, some evidence pointed to a slow down in development in the city which in turn will impact on planning fees raised by the Council. A Member raised the point that the question of Brexit planning had been asked at the October Environmental Scrutiny meeting, and that the response was that there were other priorities for the service area to address before focusing on the uncertainty of Brexit. The Committee was disappointed by this response and would like confirmation

of the current and proposed work that the Council and Planning, Transport & Environment Directorate are undertaking to mitigate any potential impacts from Brexit.

Strategic Planning & Transport Portfolio - Draft Budget Proposals 2019/20

- **Smart City Infrastructure** – At the meeting a Member asked an officer which types of smart city infrastructure the Council was looking to introduce in the city, for example, is the Council considering smarter traffic lights. He was told that the Council is currently reviewing best practice from across the United Kingdom (with particular reference to core cities) and that the result from this piece of work would help the Directorate to identify the smart city highways infrastructure that needed to be purchased. I would be grateful if you could provide the Committee with a copy of the best practice report once it is completed.

- **Civil Parking Enforcement – Fundamental Service Review** – Line 58 of the draft budget savings set out a £300,000 income based saving to be delivered as a part of a fundamental service review. During the meeting a Member asked how this saving would be achieved and was informed that it would be created through efficiency savings. When discussing this matter in the way forward it was pointed out that the saving was allocated against the income column and, therefore, could not be an efficiency saving. I would be grateful if you could provide the Committee with the 'Detailed plan' that has been developed for this proposal so that Members can have clarification of exactly how this saving will be achieved.

- **Highways Investment – Financial Resilience Mechanism** – The Financial Resilience Mechanism for 2019/20 has allocated £1 million for 'localised highway asset improvement works' and £250,000 for 'road signs and lines'. In the last three years the Council has also allocated £320,000, £620,000 and £537,000 respectively into the Highways budget using the same mechanism. As you will be aware the Financial Resilience

Mechanism is only designed to provide funding for one year initiatives, however, over a four year period it looks set to invest £2.727 million into the Highways budget. It is clear that this investment is something that the Council has to do every year; therefore, the Committee recommends that instead of using the Financial Resilience Mechanism on an annual basis it builds the required amount into the Highways base budget. Members believe that this approach will provide Highways officers with a better opportunity to plan instead of having to wait each year to see how much they might receive from the Financial Resilience Mechanism.

- **Clamping & Removal of Nuisance Vehicles** – Line 45 of the draft budget savings includes a £120,000 saving that is to be created by a newly formed partnership with the DVLA for the clamping and removal of nuisance vehicles. The Committee scrutinised this new working arrangement in November 2018 and were informed that the service would commence in January 2019. At the meeting Members were told that there had been delays in the implementation of the scheme due to 'slippage', which left them concerned about the deliverability of the saving. I would be grateful if you could confirm why the projected start date of the scheme has been delayed; when is it anticipated that the scheme will begin and if you are confident that the £120,000 saving will be delivered in 2019/20.

- **Millennium Walkway** – Members were surprised to see that £2.25 million had been added to the Capital Programme to replace the timber surface of the Millennium Walkway. A Member asked if this was a Council responsibility and if other parties were contributing to the cost of this refurbishment. He was told that responsibility for this maintenance currently fell on the Council and that no other parties were offering to provide financial assistance to undertake this work. The Committee feel that the primary purpose of this walkway is to allow access to and from the Principality Stadium, therefore, the Council should ask the parties that control the stadium to contribute to the work.

- **Welsh Government Sustainable Transport Investment** - It was pleasing to see a significant capital investment in the Capital Programme for the delivery of sustainable transport initiatives. Investments of £10.852 million from the 'Local Transport Fund'; £950 for the roll out of 20mph zones and £5.5million for new cycling infrastructure are very welcome and as they will help the Council achieve its sustainable travel ambitions for Cardiff. Members acknowledge that such investment is not something that the Council can achieve on its own; therefore, feel that thanks should be passed onto the Welsh Government for the valuable support that they provide in this area.

Clean Streets, Recycling & Environment Portfolio - Draft Budget Proposals 2019/20

- **Neighbourhood Services Cleansing** – Members were confused that the draft budget savings included a £160,000 savings proposal to rebalance street cleansing rounds on an area basis, and then added in £312,000 via the Financial Resilience Mechanism for "'*Additional Deep Clean' to fund a new team of joined resources to provide a deep clean to localised central areas, outer wards and gateways"*. They felt that one of the budget lines justified the savings, and then the other refunded the saving with interest. I would be grateful if you could provide the Committee with the rationale for these budget proposals.

- **Zonal Cleansing** – Members were told that the Council was in the process of developing a new zonal cleansing approach that was being piloted in St Mellons. Several Members were surprised at this since no wider Member engagement had taken place on the proposals. They were told that wider Member engagement would take place should the proposals be taken further. The Committee agrees with this and recommends that local councillor engagement should happen well in advance of any zonal cleansing roll out. They believe that local councillor knowledge is essential in successfully delivering this type of change.

- **Cardiff North Household Waste Recycling Centre** – A Member asked if line 43 of the Capital Programme meant that the residents of north Cardiff would have to wait three years for a new Household Waste Recycling Centre (line 43 allocates £2.925 million for the scheme in 2021/22 and 2022/23). He was told that a Cabinet paper was being prepared to provide an update on the proposal, and that this would be received by Cabinet on the 21st March 2019. The Committee is very interested in the progress of the Cardiff North Household Waste Recycling Centre, therefore, I would be grateful if you could arrange for this item to be made available for scrutiny in advance of the paper being received by Cabinet.

- **Achieving Recycling Targets** – The issue of reaching the future recycling target of 64% was discussed at the meeting. Officers ran through a series of measures that they are looking to implement in the coming year to achieve this target, and commented on additional challenges that they currently face in the area of recycling, for example, the potential of a complete change in the structure of the recycling targets. I would be grateful if officers could provide the Committee with:

  - A summary of the actions that they are proposing to use to increase recycling rates and the anticipated impact that they hope that these will have;
  - Any plans that the Council has created to deal with any changes in Welsh Government recycling targets.

- **Council Commercial Waste Contracts for Schools** – The Committee was told that only 75% of Cardiff schools currently use the Council's Commercial Waste Service for waste collection. Several Members were disappointed at this figure and felt that it should be higher. The Committee asks that the Council's Commercial Waste Service to do what it can to win the business of the 25% of schools who do not currently use the service. This it is felt would provide a valuable new source of business and help to raise valuable income to offset future budget savings.

- **Electric Vehicle Conversion** - The draft budget proposals allocated £550,000 in the Capital Programme to support the roll out of electric vehicle charging points and £60,000 for converting existing Council fleet into electric powered vehicles. I would be grateful if you could confirm the number of vehicles that will be converted; the number of charging points that will be installed and the timescale for completing both of these pieces of work.

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,

Councillor Ramesh Patel
Chairperson Environmental Scrutiny Committee
Cc:

- Councillor Huw Thomas, Leader, Cardiff Council;
- Councillor Caro Wild, Cabinet Member Strategic Planning & Transport;
- Councillor Michael Michael, Cabinet Member Clean Streets, Recycling & Environment;
- Christine Salter, Corporate Director Resources;
- Ian Allwood, Head of Finance;
- Andrew Gregory, Director for City Operations;
- Matt Wakelam, Operational Manager, Infrastructure & Operations;
- Davina Fiore, Director of Governance & Legal Services;
- Gary Jones, Head of Democratic Services;
- Members of Cardiff's Environmental Scrutiny Committee.