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## GOHEBIAETH YN DILYN CYFARFOD Y PWYLLGOR

**Pwyllgor** PWYLLGOR CRAFFU ADOLYGU POLISI A CHRAFFU PERFFORMIAD

**Dyddiad ac amser  
y cyfarfod** DYDD MERCHER, 17 TACHWEDD 2021, 4.30 PM

Gweler isod gohebiaeth anfon gan Gadeirydd y Pwyllgor ar ôl y cyfarfod , ynghyd ag unrhyw ymatebion a gafwyd

Am unrhyw fanylion pellach, cysylltwch â [scrutinyviewpoints@caerdydd.gov.uk](mailto:scrutinyviewpoints@caerdydd.gov.uk)

11 **Gohebiaeth yn dilyn Cyfarfod y Pwyllgor** (*Tudalennau 3 - 14*)

Mae'r dudalen hon yn wag yn fwriadol

Date: 17 November 2021



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Councillor Chris Weaver,  
Cabinet Member Finance, Modernisation & Performance,  
Cardiff Council,  
County Hall,  
Cardiff  
CF10 4UW

Dear Chris,

### **Policy Review & Performance Scrutiny Committee: 17 November 2021**

Thank you for attending the Policy Review and Performance Scrutiny Committee online for consideration of the budget position at month 6 2021/22. Would you also please pass Members thanks to Corporate Resources Director, Chris Lee, and Head of Finance, Ian Allwood, who attended in support of this item. The Committee notes the improved position compared with the month 4 monitoring position; however, Members had some concerns and comments they wish to pass on and agreed that I relay the following.

#### **Balancing the budget with contingency funds**

The Committee notes that the Council always aspires to a balanced budget. In that respect it wishes to establish whether contingency funds will be used to balance overspends emerging at this point in the year. We note you are monitoring overspends closely whilst making some presumptions concerning funding that will be made available from the Welsh Government (WG) Hardship Fund. Members noted some unexpected changes in the Council's income in quarter 2, namely in school catering income which has fallen by 40% since September, resulting in a higher income claim to the Hardship Fund than had originally been forecast.

#### **Grant funding**

Members are seeking clarification of the position in respect of commissioned care. The budget report assumes that the number of delivered domiciliary care hours will increase during the remainder of the year reflecting the expectation that some additional hours will be accommodated through grant-funded block contract arrangements. We note in previous years, before the pandemic, including grant

funded contracts was traditionally a part of budget monitoring. We note this will be kept under review as those arrangements are finalised.

### **Council Tax collection rates**

The Committee heard that Cardiff's Council Tax collection rates at this point in the year compare favourably across all Welsh Authorities. We note that the Council Tax Base report to Cabinet in December will retain a target of 98%, and you consider there is no reason to adjust this. However, we also note the potential impact of a fall in collection rates as the Council Tax benefit reduction scheme is withdrawn.

### **Income loss**

Members note that £4.805 million of lost income was reimbursed by the WG Hardship Fund, and £204,000 is held pending clarity on whether income in areas such as planning have been delayed rather than lost. We note there are areas, for example in Economic Development, where income loss claims are higher in quarter 2 than in quarter 1. Similarly, the Committee notes the forecasted fall in income from Civil Parking Enforcement, which is unlikely to be reclaimed from the Hardship Fund. The Solar Farm is clearly an area of concern within the Planning, Transport & Environment Directorate, however you reassured us that the business model for this initiative is still valid whilst requiring continual monitoring.

### **Children's Services Overspend.**

The Committee highlighted the projected overspend of £1.4 million in Children's Services and asked at what point the overspend is likely to fall, given that there have been significant increases in the Children's Services budget over previous years. We note there are several challenges, namely the cost of placements, the numbers of children and the availability of places. We accept that contingency budgets for this service area are therefore very important. Despite best laid plans, which you confirm are based on trends, we note that at this point in the year 30-40% of the contingency budget has been committed to address the overspend. We also note your explanation that the pandemic has resulted in cumulative demand which has been supported by the Welsh Government Hardship Fund.

My sincere thanks once again for the time you continue to commit to scrutiny of the budget in such an open and accountable manner. As there are no recommendations at this point in the financial year, I will not expect a response to this letter.

Yours sincerely,



**COUNCILLOR DAVID WALKER**  
**CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc Members of the Policy Review & Performance Scrutiny Committee  
Chris Lee, Corporate Director Resources  
Ian Allwood, Head of Finance.  
Tim Gordon, Head of Communications & External Relations  
Jeremy Rhys, Assistant Head of Communications and External Affairs  
Joanne Watkins, Cabinet Office Manager  
Alison Taylor, Cabinet Support Officer  
Andrea Redmond, Committees Services Officer

Mae'r dudalen hon yn wag yn fwriadol

Date: 19 November 2021

Councillor Huw Thomas,  
Leader  
Cardiff Council,  
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Dear Huw,

**Policy Review & Performance Scrutiny Committee: 17 November 2021**

As Chair of the Policy Review and Performance Scrutiny Committee Members have asked that I pass on their thanks for your co-operation with our request for a full briefing on the Governance and Legal Services budget challenges. Please also pass on our appreciation to Davina Fiore, Director of Governance and Legal Services, Gary Jones, Head of Democratic Services, Sheila Davies, Operational Manager Communities, Leanne Weston, Solicitor and Ian Allwood, Head of Finance for supporting the scrutiny in the preparation of papers and attending committee. Members were grateful for the comprehensive presentation of the challenges faced and offer the following concerns and observations for your consideration.

**Challenges ahead**

The Committee notes the Governance and Legal service faces many challenges as a demand led service, particularly given the increasing number and complexity of safeguarding cases. We note that you are working closely with Finance to identify patterns and improve predictions of budget requirement. Members also note the increasing costs of democracy as the Council makes provision for hybrid and multilocation meetings and IT equipment to support 79 councillors in the future. We welcome the Director's assurance that the Council meets the need for resources to support effective corporate governance, noting that the service has maintained traditional spending commitments in Members Services in recent years We also welcome your assurance that the Democratic Services budget is not impacted by Legal Services overspending.

## **Charging framework/approach**

We explored the alternative budget option of Legal Services operating as a trading account, where internal client departments are charged for the work they commission from Legal Services. We note the Director's view that there are pros and cons to this approach and having worked in an Authority with this budget approach she would not advocate such a system as the result is a lot of time spent moving money around the organisation internally. Members also note the downside to the budgeting approach taken by the Council, where clients do not plan effectively and urgent legal advice is required, the Legal Service cannot put the Council at risk by failing to respond, and therefore incurs increased expenditure. The Director stated that the service will often ask Directorates to fund external legal spend from their own budgets where ineffective planning is the cause of added costs to the Authority. We note therefore that a trading approach would be a reserve option for a situation where the Legal Services budget cannot afford to undertake the work and the client refuses to cover costs.

## **Staffing issues**

The Committee was keen to establish whether there had been a cost benefit analysis of the impact of social services skills shortages and the use of agency workers on creating additional work for legal staff. We were assured that, against a backdrop of a national shortage of social workers, work to recruit new staff and improve skills has started. There still remain questions, however, as to the evidence that all social workers who should be able to prepare paperwork for the courts which meets its legal requirements have the ability to do so or are scheduled to receive the appropriate training.

## **Children's Services**

Members highlighted that the Children's Services Directorate often overspends its budget each year. They are therefore keen to establish that we are spending appropriately as a Council, including on legal costs and that our predictions for service demand are accurate. The Committee has, every budget year of this Council, raised the concern that annual spending trends need to be analysed and used, along with departmental knowledge, to predict budget requirements much more accurately. We believe that there is scope to substantially improve such forecasting. We appreciate that throughout the pandemic there has been an



increase in referrals and workload. Members consider, as the Council develops its budget for 2022/23, an assessment is needed as to whether further investment in Children's Services (in terms of recruitment, supervision and training) could be an invest-to-save option that would lower legal costs whilst improving the professional capacity of Children's Services. I will be copying the Committee's letter to the Director of Children's Services and the Chair of the Children and Young People Scrutiny Committee to inform their forthcoming budget development and scrutiny respectively.

### **Recruitment and resources**

The Committee explored how well the Council's Legal Service is resourced, and whether there have been any difficulties recruiting solicitors. We note that the Communities Team has increased its resources, and there are now 4 Legal Services trainees.

Members highlighted that the Licensing Committee has, on occasion, had issues with securing timely legal services from the Litigation Team. We note there has been no growth in this small team. The Director was clear that no areas of the service, or indeed the wider directorate, are over staffed and whilst the impact of staff absence is sometimes an issue, as teams have no spare capacity, there is no reason that the Litigation Team would be more stretched than other teams in the Council. However, since this matter was raised by the Chair of the Licencing Committee, we request that you seek further details from her on the matters she raised about legal services resourcing of the committee.

Once again, on behalf of the PRAP Scrutiny Committee the attendance of yourself and senior officers to assist us in our consideration of the Governance and Legal Services budget and service challenges is much appreciated.

Yours sincerely,



**COUNCILLOR DAVID WALKER**

**CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc Members of the Policy Review & Performance Scrutiny Committee,  
Councillor Lee Bridgeman, Chair, CYP Scrutiny Committee  
Davina Fiore, Director of Governance & Legal Services  
Gary Jones, Head of Democratic Services  
Sheila Davies, Operational Manager Community  
Leanne Weston, Solicitor  
Ian Allwood, Head of Finance  
Deborah Driffield, Director of Children's Services  
Alison Jones, Principal Scrutiny Officer, CYP Scrutiny Committee  
Andrea Redmond, Committee Support Officer,  
Debi Said, Cabinet Support Officer  
Joanne Watkins, Cabinet Office Manager

Date: 19 November 2021

Neil Hanratty,  
Director of Economic Development,  
Cardiff Council,  
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Dear Neil,

### **Policy Review & Performance Scrutiny Committee: 17 November 2021**

Thank you for attending Committee with an opportunity for policy development scrutiny of the forthcoming Corporate Property Strategy 2021-26. Would you also please pass Members thanks to Donna Jones and Matt Seymour, who also attended in support of this item. The Committee looks forward to full pre-decision scrutiny of the Strategy at its December meeting, however, Members had some concerns and comments they wish to pass on as you finalise the Strategy and agreed that I relay the following.

In your presentation you clarified that the new Corporate Property Strategy will address three key issues for the Council that have emerged over the past year, the move to a Hybrid/locality working model, One Planet Cardiff, and management of the non-operational Leased Estate. We note it will set targets for a reduction in carbon (30%), running costs (£5m), and maintenance backlog, and an increase in Capital Receipts (£30m) and rental income (£600k).

### **Corporate Property Strategy- One Planet links**

The Committee was keen that you elaborate on the linkage between One Planet Cardiff and the Property Strategy 2021-26. Specifically, how the Council will assess the carbon impact of its decisions. We note that the final version of the Strategy will contain the detail of exactly how carbon reduction will take place. You were clear that the business case for any new property will include One Planet aspirations. Members referred to projects such as Cathays High School and the Velodrome and stressed the importance of all options (new build or refurbishment) being costed, analysed and in the public domain to evidence the validity of the final decision taken by the Council. Members were assured that this is the Council's intention moving forward.

### **Historic buildings**

Members highlighted the scaffolding on a number of historic buildings in Cathays due to crumbling sandstone and enquired whether you plan to examine all historic buildings in the City. We note that you are in the process of developing a list of buildings and it is the intention that the strategy will reference historic buildings and the stone maintenance required. We note work is underway to address this issue, including business cases, and that cost is an issue so a capital funding bid is under development.

### **Core office space**

This Committee is familiar with work underway to explore the potential for Hybrid working. Members observed that should this model progress as anticipated the Council might expect a reduction in the size of its core office. We heard that currently you cannot answer that question but that the results of detailed condition surveys for County Hall and City Hall will form a part of confidential papers attached to the Corporate Property Strategy next month. The plan would then be to develop an outline business case.

### **Leased income**

The Committee enquired about the viability of a target of £600k of leased income. We were reassured that it is achievable given that the target is based on commercial market rental rates.

My sincere thanks once again for the early briefing on the Corporate Property Strategy. I would be grateful if the Committees observations inform your final Strategy and look forward to seeing you in December. As there are no recommendations at this point, I will not expect a response to this letter.

Yours sincerely,



**COUNCILLOR DAVID WALKER**  
**CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc Members of the Policy Review & Performance Scrutiny Committee  
Councillor Russell Goodway, Cabinet Member Investment and Development  
Donna Jones, Assistant Director, County Estates  
Matt Seymour, Operational Manager, Asset Management  
Tim Gordon, Head of Communications & External Relations  
Jeremy Rhys, Assistant Head of Communications and External Affairs  
Alison Taylor, Cabinet Support Officer  
Andrea Redmond, Committees Services Officer

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