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GOHEBIAETH YN DILYN CYFARFOD Y PWYLLGOR

Pwyllgor PWYLLGOR CRAFFU'R ECONOMI A DIWYLLIANT

Dyddiad ac amser y cyfarfod DYDD MAWRTH, 27 CHWEFROR 2024, 3.00 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

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

Mae'r dudalen hon yn wag yn fwriadol

My Ref: SharePoint/E&C Library/Correspondence/February 2024



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Date: 28 February 2024

Councillor Weaver
Cabinet Member, Finance, Modernisation and Performance
Sent Via E-mail

Dear Councillor Weaver,

Economy & Culture Scrutiny Committee: 28 February 2023

On behalf of the Economy & Culture Scrutiny Committee, our sincere thanks to you, your Cabinet colleagues, and officers, for facilitating our scrutiny of the draft Corporate Plan 2024-2027 and draft Budgetary Proposals.

This letter summaries the key comments and observation made by Members at the meeting. Please also note our requests, listed at the end of our letter.

Overall Corporate Overview

Members note shortly before the meeting, yourself and officers received the final settlement from the Welsh Government which confirmed the Council remains in the anticipated financial position on which this budget is based; and so no further addendums will be required.

As I'm sure you will agree, undertaking Equality Impact Assessments (EIA) on the budget proposals is of vital importance and it was pleasing to hear, all relevant budget proposals have been subject to an EIA, and the findings of which, have informed the Council's consultation and engagement activity.

Remaining mindful to the importance of these assessments, and the recent Motion passed by Council, we are of the view that, in future years the budget papers provided to Scrutiny Committees must include the full EIA information as standard.

Further, we ask that all the EIA's carried out on these 2024/25 Budget proposals be circulated to all Scrutiny Committees.

From the meeting's discussions, Members note, and are reassured, that the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) remains a key commitment within the Council's Corporate Plan and has a central focus in the development and delivery of key Council strategies, such as Cardiff & Vale's Violence Against Women, Domestic Abuse & Sexual Violence Strategy.

Turning our attention to financial matters, it was interesting to explore the process used to determine the use and allocation of the reserve funds and we note the assurance offered by the Council's Section 151 Officer, that within these budget proposals, the Council will retain a level of reserves that provides financial resilience.

In terms of borrowing, and its implications on the Council's revenue budget, Members would appreciate a break-down on what proportion of capital financing is covered by income stemming from the projects we are borrowing for, what proportion is covered by grants, what proportion is money allocated from the council's general revenue/reserve fund etc.

Lastly, Members note and share the concerns of yourself and officers regarding the financial situation with schools and hope, through close collaboration with schools, we manage and mitigate the situation.

Councillor Burke's portfolio

Given the current financial context, and overall budgetary position of the Council Members noted and questioned why no price increase has been proposed regarding hiring Cardiff Castle. Although we note the rationale is in part due to the promotion of the Castle, given the wider context, the committee would like this to be given consideration.

Remaining in the remit of fees and charges, given the city's status and its popularity for tv production companies, Members believe charges for filming in the city could be a significant avenue to generate income; and so, queried why the budget proposals contain no proposed price increase for filming in the city.

Upon reflection, Members wish to explore this matter in greater detail and so will task our support officer to work with the relevant officers to allow us to examine this topic in greater detail.

To facilitate our future consideration, we would like to receive insight on when the filming fees for Cardiff last increased, the costs our neighbouring cities charge for filming along with a wider fee comparison with core cities.

Regarding the Mansion House Budget service change proposal (*Ref: ECDSC4*) we sought assurance and confirmation that the gifting agreement allows the Council to lease or dispose of the property. From the discussion we note the assurance provided; however, we welcome written confirmation of these assurances, once further checks on this matter have been undertaken. In addition, we welcome the agreement that the full detail on the Mansion House proposal will be brought to Cabinet and this Committee at a future date.

In conjunction, we were informed as a result of the Protocol budget service change proposal (*Ref: ECDSC14*) there will be a reduced programme of events for the Lord Mayor, however this impact will be carefully managed through utilising resource in the Council's Event teams.

We noted our concern regarding the playground budget proposals (*Ref: ECDSC8 & ECDSC9*) exploring if this will result in safety implications. Through the response we were informed these results will have no adverse impact on safety or statutory obligations.

We again highlighted our concern regarding the budget service change proposal to reduce the provision of park rangers (*Ref: ECDSC6*). It was unclear to Members how this proposal would impact on Friends Groups, so we would appreciate further clarity on this matter.

In addition, remaining mindful to the Council's aspirations and commitments surrounding EOTAS, some Members raised concerns regarding the proposal to reduce 3 apprenticeship posts in the parks scheme (*Ref: ECDSC13*).

In terms of the Pentwyn Leisure Centre redevelopment; we note the development work is anticipated to be concluded by summer 2025, £3m has been allocated to this project within the Capital Programme, and the intention for this project to access Welsh Government funding in relation to carbon reduction.

We also welcome the confirmation that £1.5m of Shared Prosperity Funding has been agreed in January 2024 for the development of leisure projects; of which, Pentwyn is specifically named.

We wish to reiterate the importance of your Cabinet colleague's engagement with this scrutiny committee on the Pentwyn redevelopment proposals and their acceptance of our recommendation regarding a firm grounding for local community consultation. We are of the view, agreeing to this recommendation, and ensuring the development has firm local community consultation is vital.

Councillor Goodway's portfolio

Members wish to pass on their thanks to Cllr Thomas for answering questions on this portfolio, in the absence of Cllr Goodway.

Given the significant sums of monies allocated within the Capital Programme to projects in our remit we explored the aspect of risk management. We note the risk management assurance made by Cllr Thomas regarding resilience and future spend. Further, we note Cllr Thomas' view, that the indicative economic forecast, particularly around interest rates, is given additional assurance and confidence.

We as a Committee, look forward to closely monitoring and assessing the development of these projects.

In terms of the velodrome at the Sports Village, we sought confirmation on its funding, in light of the potential new options for the Band B rebuild of Cathays High School. We note timeframes are still unknown but there is a strong commitment to provide a 'state of the art' school; and all opportunities regarding location are worth exploring.

Cllr Merry's Portfolio

Members are pleased to note that Cardiff Commitment is to receive an allocation of £200,000 through the Financial Resilience Mechanism. Further we also welcome the insight offered by Cllr Merry at the meeting regarding the opportunities for the Council to access funding to further support this commitment.

Councillor Bradbury's portfolio

Members recognise the overall achievement and performance of the Into Work teams, noting in particular, the increase in the number of jobseekers supported from the ethnic minority community.

However, we do wish to stress the importance of the Performance Panel's action (*Appendix 2, Feb 2024*) for the executive to assess, in collaboration with the Race Equality Taskforce, the number of meaningful interventions. And, in line with this work, we are of the view a sustainability KPI and target on this matter should be developed and included in future Corporate Plans.

It was also important to recognise that the academic performance of different ethnic groups did not translate into the ability to access the labour market, and further work is needed to explore why this discrepancy can occur and what we as a Council can do to address it.

We do wish to stress the importance of this issue remaining at the fore of Cabinet's priorities and are pleased to note, Cllr Bradbury's commitment toward addressing this, and more general inequity matters.

Cllr Thorne's portfolio

Generally, Members were pleased with the diligent approach regarding local consultation for the reduced hub and library opening times proposals (*Ref: HACSC3*). However, we do still have concerns regarding potential impact of the proposal on staff, local groups, and residents. As such, we would like to request a break-down of how this proposal would affect each of the listed libraries / hubs in turn (*albeit indicative, if still unknown*), to enable local members to understand the impact in their communities.

We also explored the impact of the saving proposal to increase volunteers in the Hub & Libraries (*Ref: HACSC5*). Assessing the impact, or potential loss of knowledge and skill this proposal could entail. From the response, we note the need to retain specific knowledge and skill is recognised and so specific posts within the Hubs and Libraires will be retained. In addition, we were also informed it would roughly, on average, be 4 or 5 volunteers to match the equivalent workload of 1 FTE, due to the fluctuating available hours of volunteers.

In line with this we also tested the equitability of Hubs and Libraires given they are not located in every ward of the city. We note this is recognised by the Cabinet Member and welcomed the assurance within the discussion the value of Hubs & Libraries is recognised, and they will be protected as much as possible.

Some Members highlighted their concern regarding the removal of papers and periodicals from libraries and hubs; noting this would be a significant loss for some. We welcome the assurance offered at the meeting that this is recognised, and it will be carefully managed. We are also pleased to note, officers agreeing to explore our proposal for the future consultation (*or other relevant work of the service area*), exploring the possibility of business sponsoring the availability of hard copy newspapers in Hubs & Libraries, which in turn, provides them with advertisement.

Thank you once again to you, your Cabinet colleagues, and officers for attending Committee and facilitating our consideration.

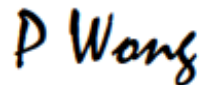
To confirm, this letter requires a response please, to the following requests:

Request

1. **Members request:** all the EIA's carried out on all the budget proposals be circulated to all Scrutiny Committees.
2. **Members request:** a break-down on what proportion of capital financing is covered by income stemming from the projects we are borrowing for, what proportion is covered by grants, what proportion is money allocated from the council's general revenue/reserve fund etc.
3. **Members request:** written confirmation that the Mansion House gifting agreement, allows the Council to lease or dispose of the property.
4. **Members request:** clarity on how the budget proposals, to reduce provision of park rangers will impact on Friends Groups.
5. **Members request:** a break-down of how the proposal to reduce opening and closing times, will affect each of the listed Libraries / Hubs in turn (*albeit indicative, if still unknown*).

Regarding our request to explore filming charges in the city in more detail and for the additional information requested; our support officer will be in touch with relevant officers to take this request forward.

Yours sincerely,



**COUNCILLOR PETER WONG
CHAIR, ECONOMY & CULTURE SCRUTINY COMMITTEE**

cc Members of the Economy & Culture Scrutiny Committee
Zack Hellard – Youth Council representative
Group Leaders
Chair, Governance & Audit Committee
Cllr Merry Cllr Thorne Cllr Thomas Cllr Bradbury Cllr Goodway Cllr Burke
Chris Lee Ian Allwood Gill Brown
Neil Hanratty Jon Day Jon Maidment
Helen Evans Rebecca Hooper
Rita Rohman Christine Brain Clair James
Cabinet Support Office
Chris Pyke Tim Gordon Jeremy Rhys

Mae'r dudalen hon yn wag yn fwriadol

**SWYDDFA CYMORTH Y CABINET
CABINET SUPPORT OFFICE**



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Fy Nghyf / My Ref: Budget 24.25/ECSC [CE:0047770]
Eich Cyf / Your Ref: SharePoint/E&C Library/Correspondence/February 2024
Dyddiad / Date: 29 February 2024

Councillor Peter Wong
Chairperson Economy and Culture Scrutiny Committee
Cardiff Council
County Hall
Cardiff
CF10 4UW

Annwyl / Dear Peter,

**Economy and Culture Scrutiny Committee – 27th February 2024
Draft Budget Proposals 2024/25**

Thank you for your letter dated 28th February 2024 and the useful comments raised. I can assure you that Cabinet was able to reflect on the points raised prior to our meeting on 29th February 2024. The following paragraphs address each of the Committee's further information requests:

Request: All the EIA's carried out on all the budget proposals be circulated to all Scrutiny Committees.

All relevant budget proposals have been subject to an Equality Impact Assessment (EqIA), the findings of which have informed the Council's consultation and engagement activity, thereby ensuring that the voice of those disproportionately impacted by any changes is heard in the budget setting process. Impact Assessments will also reflect the findings of the consultation and engagement activity undertaken. These EqIAs will be made available to members via a dedicated SharePoint space.

Request: a break-down on what proportion of capital financing is covered by income stemming from the projects we are borrowing for, what proportion is covered by grants, what proportion is money allocated from the council's general revenue/reserve fund etc.

The Capital Financing budget reflects the estimated costs of undertaking the Council's Treasury Management activities (interest payable and receivable) and other costs in relation to capital expenditure activities including provision for Prudent Minimum Revenue Provision (A sum towards repayment of historic capital expenditure paid for by borrowing money). Numerous factors that can impact on the costs such as timing of borrowing, scheme progress and interest rates.

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GWEITHIO DROS GAERDYDD, GWEITHIO DROSOCH CHI

Mae'r Cyngor yn croesawu gohebiaeth yn Gymraeg, Saesneg neu'n ddwyieithog. Byddwn yn cyfathrebu â chi yn ôl eich dewis, dim ond i chi roi gwybod i ni pa un sydd well gennych. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

WORKING FOR CARDIFF, WORKING FOR YOU

The Council welcomes correspondence in Welsh, English or bilingually. We will ensure that we communicate with you in the language of your choice, as long as you let us know which you prefer. Corresponding in Welsh will not lead to delay.



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A breakdown of estimated Capital Financing Costs for the whole council are as follows for 2024/25:

General Fund Capital Financing Costs estimated for 2024/25 are £37 million. These costs are met from Welsh Government Grant and Council Tax as part of the Councils annual revenue budget process.

The above budget assumes that projects and expenditure deemed to pay for themselves from additional borrowing, do so. This is illustrated on Page 14 Annex 3 of the Capital Strategy. i.e Capital financing costs for such projects are deemed net neutral to the Capital financing budget as other identified revenue budgets are in place to meet these costs.

In addition to the £37m, the following capital financing costs are projected to be recovered from the following sources for 2024/25:

- £5.5m - Recoverable from Welsh Government Grant where there is a commitment from WG to provide a specific revenue grant over future years (Local Government Borrowing Initiative).
- £3.3m - Recoverable from Red Dragon Centre Income.
- £10.4m - Recoverable from identified revenue budgets (21st Century Schools Financial Model) held to support the Council's previous and future investment in new schools as part of 21st Century Schools Programme.
- £4.4m - Recoverable from Invest to Save / Invest to earn schemes, where it has been identified that capital expenditure will result in future financial and non-financial benefits, allowing any initial expenditure to be repaid from revenue budgets as a result of savings or additional income. These projects include Highway assets LED conversion; Property Energy measures retrofit, Radyr Weir and Lamby Way Solar Farm energy generation, Cemetery expansion, Core Office Strategy and buying vehicles instead of leasing where deemed more effective to do so.

Housing Revenue Account

In addition, Capital Financing Cost estimates for HRA for 2024/25 are £33m. These are to be met by rent payers and service charges.

Arena Multi Storey Car Park and Development

Capital Financing costs are expected to commence on completion of the development in 2026/27 estimated at £9m. These are assumed to have no impact on the Capital Financing Budget in 2024/25, as assumed to be recovered from developer and parking income and other mitigations in the short term, as identified in the Arena Funding Strategy considered by Cabinet in November 2023.

Request: Written confirmation that the Mansion House gifting agreement, allows the Council to lease or dispose of the property.

As confirmed at the meeting, the Council has an unencumbered freehold ownership of the building and as such there is no legal impediment or covenant that restricts the Council's ability to explore private sector investment.

Request: Clarity on how the budget proposals, to reduce provision of park rangers will impact on Friends Groups

As confirmed at the meeting, the Park Rangers service was awarded additional funding in 2019/20 and 2020/21 which enabled the service to be increased by 4 posts. The proposed saving will reduce this growth of 4 posts by 2 posts. The service currently has c16.5 FTE and this will now reduce to c14.5 FTE.

There will be a reduction of one post in the Community Park Rangers team, which currently consists of 9 FTE, and one post in the Urban Park Rangers team, which currently consists of c7.5 FTE. The Community Park Rangers team provides support to Friends Groups and as a result of the reduction of one post it is expected to result in a small reduction in volunteer hours of less than 10%.

Request: a break-down of how the proposal to reduce opening and closing times, will affect each of the listed Libraries / Hubs in turn (albeit indicative, if still unknown).

Please find attached a draft, indicative timetable that will reduce the opening hours in Hubs as laid out in the proposal by 15.5 hours in total. This is a draft and is subject to change following public consultation which will be carried out after a Council decision is made.

I hope that this letter captures the key points raised in your letter and thank you again for your support in the budget process this year.

Yn gywir / Yours sincerely,



Councillor / Y Cynghorydd Chris Weaver
Aelod Cabinet dros Gyllid, Moderneiddio a Pherfformiad
Cabinet Member for Finance, Modernisation & Performance

cc Members of the Economy & Culture Scrutiny Committee
Zack Hellard – Youth Council representative
Group Leaders
Chair, Governance & Audit Committee
Cllr Merry, Cllr Thorne, Cllr Thomas, Cllr Bradbury, Cllr Goodway, Cllr Burke
Chris Lee, Ian Allwood, Gill Brown
Neil Hanratty, Jon Day, Jon Maidment
Helen Evans, Rebecca Hooper
Rita Rohman, Clair James
Cabinet Support Office
Chris Pyke
Tim Gordon, Jeremy Rhys

Draft Proposed Amendment to Hub Opening/Closing times- Subject to Consultation Total proposed 15.5 hour reduction

Location	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Central Library Hub – Current 53.5 hrs / week	9 – 6	9-6	9-6	10-7	9-6	9-5.30
Proposed 49 hrs / week, Loss of 4.5 hrs	9 - 5	10 - 6	9 - 5	10 - 7	9 - 5	9-5
Penylan Library – Current 54.5 hrs	9 – 7	9 - 6	9 – 6	9 - 6	9 - 6	9 -5.30
Proposed 50 / week, Loss of 4.5 hrs	9 – 7	9 - 5	10 – 6	9 - 5	10-6	9 - 5
Rhydypennau Hub – current 40.5 hrs	9 – 1 & 2 – 6	9 – 1 & 2 -7	closed	9 – 1 & 2 -6	9 – 1 & 2 – 6	9 – 1 & 2 -5.30
Proposed 40 / week loss of 0.5	9 - 5	10 - 6	N/A	10 - 6	9 - 5	9 - 5
Whitchurch Hub – Current 40.5 hrs	9 – 1 & 2 – 6	9 – 1 & 2 – 6	Closed	9 – 1 & 2 -7	9 – 1 & 2 – 6	9 – 1 & 2 – 5.30
Proposed 40 / week loss of 0.5	9 - 5	10 - 6	N/A	10 - 6	9 - 5	9 – 5
Canton Library – Current 40.5 hrs	9 – 1 & 2 – 6	9 – 1 & 2 – 6	9 – 1 & 2 -7	Closed	9 – 1 & 2 – 6	9 – 1 & 2 – 5.30
Proposed – 40 hrs / loss of 0.5	9 – 5	10 - 6	10 - 6	N/A	9 -5	9 - 5
Rhiwbina Hub Current 44.5 hrs	10 – 7	Closed	9 – 6	9 - 6	9 - 6	9 – 5.30
Proposed – 40 hrs / loss of 4.5	10 - 6	N/A	9 – 5	10 – 6	9 – 5	9 - 5
Cathays Heritage Library - 40.5 hrs	9 – 1 & 2 – 6	9 – 1 & 2 – 6	9 – 1 & 2 -7	9 – 1 & 2 – 6	Closed	9 – 1 & 2 – 5.30
Proposed 40 Hrs loss of 0.5	9 - 5	10 - 6	9 - 5	10 - 6	N/A	9 – 5

Fudalen 14