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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, 28 CHWEFROR 2024, 10.00 AM

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 - 18*)

Mae'r dudalen hon yn wag yn fwriadol

Date: 29 February 2024

Councillor Huw Thomas, Leader
 Councillor Chris Weaver,
 Cabinet Member, Finance, Modernisation & Performance,
 Cardiff Council,
 County Hall,
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Dear Huw & Chris,

PRAP Scrutiny Committee: 28 February 2024: Corporate Plan 2024-27

Thank you for facilitating scrutiny of the draft Corporate Plan 2024-27 yesterday. The Committee has asked that as Chair I pass on its observations captured at the Way Forward. Please place on record our appreciation of senior officers continued support for in-person scrutiny. On this occasion, please pass on our sincere thanks to Paul Orders, Chris Lee, Sarah McGill and Dylan Owen. Members made observations as follows:

Co-production and collective conversations

The Committee was pleased to play its pre-decision part in the journey of this important strategic document through to Full Council, alongside the budget proposals for 2024/25. We note you consider the Plan is ambitious but rooted in reality. We are particularly pleased that constructive informal discussion with the Scrutiny Performance Panel has resulted in 5/6 recommendations being accepted. Officers were most reassuring that all recommendations are clearly evidenced in the Plan.

Outstanding targets

Members noted that a number of 2024/25 targets in this draft Plan are not set at this point because they require 2023/24 outturn data. We heard that 37 of over 180 KPI's either have no target, no in-year data, or data is still awaited. Members felt this made it difficult to fully consider the Plan and have noted your suggestion that the Committee re-visits Corporate Plan targets mid-year, alongside mid-year performance 2024/25. One such target is that for *the percentage of learners with ALN attending Cardiff-maintained specialist placements*. We note the Corporate Director's view that this is a demand led service with significant volatility and you would not want to set a target, however reform is underway in this area, together with a need for further data development.

Capturing Citizen voices.

Members explored how the Council proposes to capture young people's voices and were pleased you consider this is fundamental. We note you seek to strengthen citizen voices across the whole Corporate Plan in response to the Audit Wales report recommendation that KPI targets are informed by citizen satisfaction.

Corporate Plan Audience & Staff Engagement

The Committee followed up a Performance Panel observation that there are a variety of audiences for the Corporate Plan, including Cabinet, Scrutiny, Directorate management teams, and indeed all Council staff. We note the Chief Executive's comment that the priorities and steps within the Plan must align with Directorate Delivery Plans *and* staff Personal Performance and Development Reviews. Given that it is considered an important document for all staff, Members asked how staff voices had been heard in its development. We consider this is a gap that needs to be closed. We have noted that you are about to re-launch the staff engagement programme and the Plan will be a central feature. Therefore, the Committee will monitor progress on this at Mid-year 2024/25.

Recruitment and Retention

Given current austerity challenges, we note you are pleased with how diversity in the workforce is growing, particularly at senior management levels.

WBO5 – A Capital City that Works for Wales.

The Committee observed there is little mention of economic disparity across the city in the Corporate Plan, and in fact KPI's are limited in measuring the economic progress we are trying to achieve. Officers advised that some KPI's for this Well-being objective are broad proxies for wider health, there is a new KPI measuring the number of co-working spaces, throughout the Plan there are many references to inequalities, and a new Regeneration Strategy is listed in WBO4 Safe, confident and empowered communities.

Living Wage City

Finally, we endorse the Council's efforts to re-enforce Cardiff as a Living Wage City. We were pleased to hear that the Council offers SME support for accreditation both

directly and through a number of partnership agencies, whilst also seeking to accredit potential large employers and often particular sectors.

Recommendations following this scrutiny:

To summarise, the Committee makes 1 formal recommendation as set out below. As part of the response to this letter I would be grateful if you could state whether the recommendation is accepted, partially accepted or not accepted and summarise the Cabinet’s response. If the recommendation is accepted or partially accepted, I would also be grateful if you could identify the responsible officer and provide an action date. This will ensure that progress can be monitored as part of the approach agreed by Cabinet.

Recommendation	Accepted, Partially Accepted or Not Accepted	Cabinet Response	Responsible Officer	Action Date
We consider there is a gap in facilitating staff voices in developing the Corporate Plan. We recommend you address closing this gap and the Committee will monitor progress on this at Mid-year 2024/25.				

Once again, on behalf of the Committee, thank you for your co-operation on this important document, and for your ongoing collaboration and policy engagement with Scrutiny. I look forward to your response.

Yours sincerely,



**COUNCILLOR JOEL WILLIAMS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

CC Members of the Policy Review & Performance Scrutiny Committee
Leaders of Opposition Parties – John Lancaster, Rodney Berman &
Andrea Gibson
Paul Orders, Chief Executive
Chris Lee, Corporate Director, Resources
Sarah McGill, Corporate Director, People & Communities
Gareth Newell, Partnership & Community Engagement Manager
Dylan Owen, Policy & Improvement Manager
Mr Gavin McArthur, Chair, Governance & Audit Committee
Chris Pyke, OM Governance & Audit
Tim Gordon, Head of Communications & External Relations
Jeremy Rhys, Assistant Head of Communications and External Affairs
Gary Jones, Head of Democratic Services
Claire Deguara, Cabinet Business Manager
Debi Said, Cabinet Support Officer
Alison Taylor, Cabinet Support Officer
Andrea Redmond, Committees Support Officer

Date: 29 February 2024

Councillor Chris Weaver,
Cabinet Member. Finance, Modernisation & Performance
Cardiff Council,
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Dear Chris,

PRAP Scrutiny Committee 28 February 2024: Draft Budget Proposals 2024/25

On behalf of the Policy Review and Performance Scrutiny Committee sincere thanks for attending Committee on 28 February 2024 to present the budget proposals for 2024/25. Please also pass on our appreciation to the Corporate Director Resources, Chris Lee, Corporate Director People & Communities, Sarah McGill, Head of Finance, Ian Allwood, and Capital Account Manager, Anil Hirani, and the Policy & Improvement Manager, Dylan Owen for attending in person to answer Members questions. The Committee acknowledges the value of bringing budget proposals forward simultaneously with the draft Corporate Plan. I therefore pass on Member's comments and observations following our discussion at the Way Forward.

Firstly, Committee Members wish to commend you and the Finance team for arriving at this budget within an exceptionally challenging financial context. We acknowledge that many Local Authorities are in financial difficulty. The Committee considers the presentation of budget papers to be professional, and communication with scrutiny on budget proposals a credit to both the leadership and finance offices.

Revenue Budget 2024/25

The Committee acknowledges the challenging financial context in which you are setting this year's budget and closing a £30m gap. We note the proposed 6% Council Tax increase for residents and the use of £3.5m of reserves. We are reassured by the final settlement announcement from Welsh Government, confirming the anticipated settlement on which this budget is based. Whilst Welsh Government have indicated they will pass on monies from central government, some uncertainty remains until summer 2024 regarding unfunded pension schemes for Teachers and

the South Wales Fire & Rescue Service. Members raised concerns and note your confidence that this issue can be appropriately managed.

Education funding

The Committee focussed on education, the current and future financial position of the city's schools and the need to support schools before they find themselves in deficit. Members were interested to hear of the forthcoming Collaboration and Federation Strategy, seen as a potential tool to address deficit budgets in the longer term.

However, given the current position we note:

- the onus placed on schools governing bodies in setting and managing their budgets and being a key part of the solution if issues arise.
- that if a school sets a deficit budget, they must present to the Council how they will come out of it within three years.
- schools in Cardiff have been in deficit over the past fifteen years and occasionally it takes longer than 3 years to resolve.
- the current position is that 28 Cardiff schools are in deficit, with three of those schools expected to balance their budgets by the end of March 2024.

Advice Services

Members explored the implication of Universal Credit on the Council's budget, noting the transition has resulted in a reduced staff resource as the new system is managed by the Department for Work & Pensions. We highlighted with concern the loss of staff within the Council's Advice Services team and were advised this budget proposal relates to a reduction in vacant posts. The Committee would be interested in exploring the availability of Advice Services further and will explore the possibility of a short scrutiny when the Committee sets its 2024-25 Work Programme.

Waste Management

The Committee highlighted the importance of the Council encouraging responsible citizenship in waste disposal and ensuring that this is reflected in the budget. We note that a market assessment undertaken in relation to waste fees and charges suggests the proposed fee increases represent good value for money.

Equality Impact Assessment (EIA) & Consultation

The Committee feels that undertaking Equality Impact Assessments (EIA) on budget proposals is important. We commend you and officers on ensuring these assessments are in place. Further we note that Cabinet is committed to improving its approach to EIA's and so additional monitoring work has taken place that provides a confidence that the EIA's are robust. In addition, Members wish to congratulate you on the consultation exercise delivered in support of setting a budget that reflects citizens preferences. In line with our interest in EIA's we **request** further clarity on the impact of the proposed Shopmobility saving.

Capital Budget

Affordability

Given the significant sums of money within the Council's Capital Programme Members explored its overall affordability. We note the Corporate Director Resources view that a balance must be struck between the cost of capital investment versus costs the Council will incur if it does not invest in its assets. Further, we note the Section 151 Officer's assurance that the Council's Capital Budget is affordable. As discussed at the meeting, Members wish to reiterate the importance of a return on investment when spending significant sums within the Council's Capital Programme.

Public understanding of *Revenue* versus *Capital* budgets

The committee considers it is important there is clear public understanding of the difference between *Revenue* and *Capital* Budgets. We **recommend** that the Council actively invests in improved communication to ensure members of the public understand that investment in large projects, such as the Arena development, is funded from the Capital budget, thereby improving understanding of the rationale for Council decision making.

Members sought assurance on the following specific Capital Investment lines:

- **Line 7: Footway Investment.** whether the £595,000 allocated within this budget is sufficient given the challenge and scope of work required. We note you share our concern regarding the need for additional money for this issue. and are assured it is managed through the Highways Maintenance policy.

- **Line 36: Coastal Risk Management Programme.** £4,416m over 5 years supported by WG grant funding.
- **Line 37: Flooding and Drainage.** £934,000 over the next 5 years, match funding for WG grant funding.
- **Line 48: City Hall Phase 1 Heating & Mechanical.** We are assured that sufficient funding has been set aside for this phase, however further money will be required for phase 2.
- **Line 91: GLL Leisure.** £600,000 proposed to install solar panels at GLL Leisure Centre, considered an 'Invest to Save' proposal that will benefit the Council as the GLL contract expires in five years.
- **School's Property Estate:** Members enquired how a school can apply for Capital Programme funding to secure a facility. We note the Education directorate assesses need in an operational discussion with the school. As offered, Members **request** more information and clarity on this process.
- **New Council House Build Programme,** and the significant financial allocation in this budget to support its delivery to provide best value for citizens. We note builds are subject to the 30-year HRA business plan and viability assessments factor in the cost of borrowing, grants available and rental charges.
- **Pentwyn Leisure Centre.** This project does not appear in the Capital Budget however Members note the timetable for its redevelopment is still on track, £3m has been allocated to this project within the Capital Programme. This project will access Welsh Government funding in relation to carbon reduction, and £1.5m of Shared Prosperity Funding.

Resources Directorate Budget Proposals

Resourcing the back office efficiently

Members consider that back-office efficiency is critical to deliver assurance on Council-wide efficiency and capability. The committee notes that the finance service's current approach to reducing costs is through service transformation and reducing the number of processes within teams. We note that the overall loss of finance posts in this budget results in £1m of savings and there is no further excess capacity to support future budgets. You assured us that no posts are to be taken from Audit, Insurance, Tax or Schools Support. We note and concur with the emphasis on the

need to work smarter and improve technology. In line with this we note the apparent programme of change for accountancy professionals, where there is a renewed emphasis on the importance of working alongside directorates as opposed to monitoring their use of budgets. We have also noted that as the Council's finance resources decrease and its need for accountancy support on complex projects increases there may be a need to buy in consultancy services.

Staff redundancies

The committee was reassured that Directorate redundancies in these budget proposals, across both Finance and C2C, are not compulsory, with the majority of FTE losses achieved via the deletion of vacant posts and 2 voluntary redundancies.

Customer Service

Members considered the increased use of volunteers and removal of posts in Hubs and Libraries and stressed how important it is that the Council recognises there is a level of inequity in service provision as not all areas of the city benefit from a Hub or Library.

Finally, whilst Members acknowledge the value of digitalisation and its capacity to deliver efficiencies, the Council must ensure its services can be accessed through non-technological channels, and Members urge that a telephone service must always be offered.

Requests following this scrutiny:

As there are two requests following this scrutiny, I request a response to this letter providing the following:

- We note the Education directorate assess a school' property estate need in an operational discussion with the school. We **request** more information and clarity on this process, how needs are identified and allocated to the Capital Programme.
- Clarity on the impact of the proposed Shopmobility saving.

Recommendations following this scrutiny:

To summarise, the Committee makes 1 formal recommendation as set out below. As part of the response to this letter I would be grateful if you could, for each recommendation, state whether the recommendation is accepted, partially accepted or not accepted and summarise the Cabinet’s response. If the recommendation is accepted or partially accepted, I would also be grateful if you could identify the responsible officer and provide an action date. This will ensure that progress can be monitored as part of the approach agreed by Cabinet.

Recommendation	Accepted, Partially Accepted or Not Accepted	Cabinet Response	Responsible Officer	Action Date
We recommend that the Council actively invests in improved communication to ensure members of the public understand that investment in large projects, such as the Arena development, is funded from the Capital budget, thereby improving understanding of the rationale for Council decision making.				

On behalf of the Committee, thank you once again for facilitating scrutiny of budget proposals for 2024/25. With your support, I look forward to continuing the valuable internal challenge established between this Committee and the Cabinet.

Yours sincerely,



**COUNCILLOR JOEL WILLIAMS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc Members of the Policy Review & Performance Scrutiny Committee
Leaders of Opposition Parties – John Lancaster, Rodney Berman &
Andrea Gibson
Chris Lee, Corporate Director, Resources
Sarah McGill, Corporate Director, People & Communities
Ian Allwood, Head of Finance
Anil Hirani, Operational Manager, Capital, Corporate & Treasury
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Gary Jones, Head of Democratic Services
Rita Roman, PA to Chris Lee
Alison Taylor, Cabinet Support Officer
Claire Deguara, Cabinet Business Manager
Andrea Redmond, Committees Support Officer.

Mae'r dudalen hon yn wag yn fwriadol

**SWYDDFA CYMORTH Y CABINET
CABINET SUPPORT OFFICE**



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Fy Nghyf / My Ref: [CE:0047808]
Dyddiad / Date: 29 February 2024

Cllr Joel Williams
Chairperson, Policy Review and Performance Scrutiny Committee
Cardiff Council
County Hall
Cardiff
CF10 4UW

Annwyl / Dear Joel,

Policy Review & Performance Scrutiny Committee 28th February 2024

Thank you for your letters dated 29th February 2024 and the useful comments raised in relation to the 2024/25 Budget and Corporate Plan. I can assure you that Cabinet was able to reflect on the points raised prior to our meeting on 29th February 2024.

Responses to requests and recommendations in respect of the Corporate Plan are included below:

Thank you for your consideration of the Corporate Plan and the Committee's ongoing commitment to supporting the Council's Planning and Delivery Framework. A number of issues were rehearsed, and we would welcome the opportunity to return to these at future meetings of the Committee and the Scrutiny Performance Panel. The Committee's consideration of both the Mid-Year and End-of Year Self-Assessment of Performance represents excellent opportunities for doing so.

The Committee made one formal recommendation regarding staff engagement. I agree with the committee over the importance of making sure staff are valued and that their voices are heard. As the Chief Executive outlined with the committee, this is a piece of work which is currently in development, and the new programme of staff engagement will commence early in the next financial year.

Recommendations - Corporate Plan

Recommendation	Accepted, Partially Accepted, Not Accepted	Cabinet Response	Responsible Officer	Action Date
We consider there is a gap in facilitating staff voices in developing the Corporate Plan. We recommend you address closing this gap and the Committee will monitor progress on this at Mid-year 2024/25.	Accepted	Refreshed Staff Engagement Programme to Commence in Q1 2024/25.	Chief Executive	Commence Q1 2024/25

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.



**STRONGER
FAIRER
GREENER**



Responses to requests and recommendations in respect of the 2024/25 Budget are included below:

Request: We note the Education directorate assess a school’ property estate need in an operational discussion with the school. We request more information and clarity on this process, how needs are identified and allocated to the Capital Programme.

I have asked Education officers to provide the Committee with a note that sets out how asset renewal allocations are prioritised.

Request: Clarity on the impact of the proposed Shopmobility saving

The Shopmobility project was a third sector project which was based in the city centre of Cardiff and assisted people with limited mobility to shop and use the other facilities in the city centre. The project was closed prior to 2020 due to the enhanced accessibility for disabled people in the city centre, and the post was there for no longer needed.

Contained within your letter, you set out some important points regarding schools in deficit and Pentwyn Leisure Centre. I would like to point out that the total number of schools currently in deficit is 38, and the Shared Prosperity Funding contribution to Pentwyn Leisure Centre is £1.0 million.

Recommendations - Budget

Please see response to the Committee’s recommendations in the table below

Recommendation	Accepted, Partially Accepted, Not Accepted	Cabinet Response	Responsible Officer	Action Date
We recommend that the Council actively invests in improved communication to ensure members of the public understand that investment in large projects, such as the Arena development, is funded from the Capital budget, thereby improving understanding of the rationale for Council decision making.	Partially Accepted	Within available resources, we will look at ways to build on information that is currently already available in the Council’s financial strategy documents to see how this can be simplified for a wider audience.	Chris Lee	July 2024 (Budget Update Report)

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

Yn gywir / Yours sincerely,



Cynghorydd / Councillor Huw Thomas
Arweinydd / Leader
Cyngor Caerdydd / Cardiff Council



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

Cc:

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