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GOHEBIAETH YN DILYN CYFARFOD Y PWYLLGOR

Pwyllgor PWYLLGOR CRAFFU'R ECONOMI A DIWYLLIANT

Dyddiad ac amser y cyfarfod DYDD MAWRTH, 14 CHWEFROR 2017, 1.00 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@cardiff.gov.uk

8 **Correspondence after the meeting** (*Tudalennau 1 - 10*)

Mae'r dudalen hon yn wag yn fwriadol

Fy Nghyf / My Ref: NRS/RM/PB/14.02.17

Dyddiad / Date: 14 February 2017



Councillor Phil Bale
Leader, City of Cardiff Council
County Hall
Cardiff
CF10 4UW

Dear Councillor Bale

ECONOMY AND CULTURE SCRUTINY COMMITTEE – 14 FEBRUARY 2017

**Draft Corporate Plan 2016 – 2018 and Budget Proposals 2016/17
Economic Development and Partnerships Portfolio**

Thank you for attending the February meeting of the Economy and Culture Scrutiny Committee, where we considered the draft Corporate Plan and budget proposals falling under the Committee terms of reference. I will be grateful if you could also pass on the thanks of Committee to Neil Hanratty for his presentation and for supporting you to answer our queries.

Members wish to request additional information with regard to the increased income proposed for City Hall. We recognise how the Castle seeks to boost income through the new Black Tower attraction, but cannot see what more City Hall has to offer, and are left querying whether income increases will be achieved solely through the price increased listed within the Fees and Charges budget papers. Please could you provide the Committee with a briefing note on the proposals to increase income across the portfolio of cultural venues across Cardiff?

Members note that the coming years will be an interesting time in terms of the positioning of Cardiff on a European and global stage, particularly in light of Brexit and associated implications this has for a city working to attract visitors from across the world. The draft Corporate Plan contains a commitment to produce an International Strategy for Cardiff, and we anticipate the future Members of this Committee would be most interested to consider and scrutinise this Strategy. Please could you ensure Scrutiny officers are updated on an appropriate time to schedule this item?

Discussion took place at the meeting around the support offered to businesses by the Council. We understand that the Council is no longer in a position to provide direct financial support to businesses, but rather play an important role in directing

businesses to the appropriate support and advice within Welsh Government and the business community.

I would be grateful if you would consider the above comments, and look forward to receiving your feedback.

Regards,

A handwritten signature in black ink, appearing to read 'Rod McKerlich', with a horizontal line underneath it.

Councillor Rod McKerlich
Chairperson, Economy and Culture Scrutiny Committee

cc Councillor Graham Hinchey, Cabinet Member for Finance and Performance
Neil Hanratty, Director: Economic Development
Christine Salter – Section 151 Officer
Cabinet Support Office
Members of the Economy and Culture Scrutiny Committee.
Cllr Nigel Howells, Chair of Policy Review and Performance Scrutiny
Committee

Fy Nghyf / My Ref: NRS/RM/PBr/14.02.17

Dyddiad / Date: 15 February 2017



Councillor Peter Bradbury
Cabinet Member: Community Development, Co-operatives & Social Enterprise
City of Cardiff Council
County Hall
Cardiff
CF10 4UW

Dear Councillor Bradbury

ECONOMY AND CULTURE SCRUTINY COMMITTEE – 14 FEBRAURY 2017

Thank you for attending the February meeting of the Economy and Culture Scrutiny Committee, where we considered the proposals coming forward from the Arts Management Procurement Exercise. I will be grateful if you could also pass on the thanks of the Committee to Neil Hanratty and Roger Hopwood who attended the meeting and addressed the questions we raised.

Following our consideration of the Arts Management Procurement Exercise, the Economy and Culture Scrutiny Committee endorses the recommendations made to Cabinet to cease the procurement process and proceed with the 'Enhanced In-House' model of provision outlined within the papers. Given the level of savings on offer, the risk involved in transferring services to an external partner and the benefits of retaining control of the venues in-house, we feel this decision is well informed.

We were informed at the meeting that this was the earliest possible point available to cease the procurement exercise (which was initiated in December 2014), having considered all options on offer to the Council. Members of the Committee are conscious that procurement exercises of this scale are subject to rules, regulations and timings set by EU Procurement Law, which can appear cumbersome or longwinded to the parties involved. We hope that this process, coupled with the Leisure Procurement, has provided useful learning points for any future procurement project of a similar scale undertaken by this Council.

Members of the Committee are pleased that the Council will retain control over these important cultural venues and discretion over the programme of shows on offer. We recognise there is a balance to be made between a diverse cultural programme of performances and popular culture performers such as comedians and musicians. We are assured that Roger Hopwood and colleagues have this in hand and will seek to maximise income while maintaining the high quality, and at times niche, cultural offer in Cardiff.

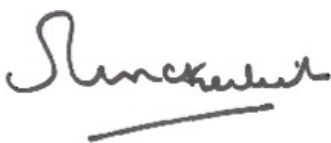
Discussion took place at the meeting around the subsidy these venues receive, with the 2017/18 budget proposals including £415,000 savings across the two venues. It was explained to us that a combination of increased sales, natural staff turnover and improved working practices will deliver these savings, and there was confidence that these savings were achievable in order to drive down the subsidy. The delivery of the 'Enhanced In-house' model and the achievement of these savings will no doubt be of interest to this Committee in the future and we expect that a review will be scheduled into the Committee 2017/18 work programme.

In terms of options available to the Council through this procurement exercise, it seems apparent that the only key difference between the external and internal offers comes down to savings made through mandatory and discretionary National Non Domestic Rate (NNDR) relief available to 'not for profit' organisations. We are glad to be informed that the Council will explore options available for the 'Enhanced In-house' model to operate through a 'not for profit' vehicle, providing NNDR relief and opportunities to unlock additional external funding. We hope this can help to further reduce the subsidy these venues receive.

In September 2015 we wrote to you regarding the Leisure Procurement Exercise, stating "the clear driver behind this project was the need to deliver substantial savings, [...] savings which would need to be found whether an internal or external solution was agreed. If indeed the best way to achieve this was through an enhanced in-house offer, the Committee would support this course of action." Applying this rationale to the Arts Management Procurement Exercise, we support the decision being made.

I would be grateful if you would consider the above comments, observations and recommendations, and look forward to receiving your feedback.

Regards,



Councillor Rod McKerlich
Chairperson, Economy and Culture Scrutiny Committee

cc Neil Hanratty- Director, Economic Development
Cabinet Support Office
Members of the Economy and Culture Scrutiny Committee

Fy Nghyf / My Ref: NRS/RM/PBr/14.02.17

Dyddiad / Date: 15 February 2017



Councillor Peter Bradbury
Cabinet Member: Community Development, Co-operatives & Social Enterprise
City of Cardiff Council
County Hall
Cardiff
CF10 4UW

Dear Councillor Bradbury

ECONOMY AND CULTURE SCRUTINY COMMITTEE – 14 FEBRUARY 2015

Draft Corporate Plan 2017 – 2019 and Budget Proposals 2017/18 Community Development, Co-operatives & Social Enterprise Portfolio

Thank you for attending the February meeting of the Economy and Culture Scrutiny Committee, where we considered the draft Corporate Plan and budget proposals falling under the Committee terms of reference. I appreciate that our consideration of the budget by Directorate Portfolio resulted in your participation across the majority of the meeting and welcome your commitment to answering Members' questions throughout the meeting. I will be grateful if you could also pass on the thanks of Committee to Sarah McGill, Neil Hanratty and Andrew Gregory for their presentations and for supporting you to answer our queries.

City Operations Directorate

The Committee notes that a substantial saving from the City Operations Directorate is apportioned to the Council's Leisure Partnership with GLL. This was discussed during the meeting and Members were given assurances that this figure is tied into the contract agreement we have in place, with the saving to be delivered by GLL. We are glad savings such as this have been written into the contract and trust that robust measures and controls are in place to ensure their delivery.

Members of the Committee are interested to hear more on the plans for refurbishment of sports facilities, enabled through allocation of Financial Resilience Mechanism funding. You commented that an audit of changing facilities across Cardiff is being conducted to inform the prioritisation process, and we welcome your commitment to bring this for the Committee's consideration in the future. We

recognise that a revamp of all facilities across Cardiff is out of scope and consequently feel it is important that a robust evaluation and prioritisation is undertaken to ensure the venues most in need get the attention they merit.

Communities, Housing and Customer Services Directorate

A minor comment from the Communities, Housing and Customer Services Directorate proposals is with regard to the bid for finance from the Museums, Archives and Libraries Division listed within the Capital Programme. We feel this could be misleading and may have been incorrectly badged or described. The Committee accepts your assurances that library provision will be present at the Llanrumney Hub regardless of whether or not this bid is successful.

Members were informed at the meeting that while finance has not been allocated within the budget for improvements at existing Hubs across the city, there is work ongoing with other public sector partners to drive service improvements and improved customer experience. We anticipate the Committee receiving updates on this through quarterly consideration of performance, and expect the Committee will be interested to see how this work develops.

Economic Development Directorate

I will be writing to you separately to outline the Committee observations with regard to the Arts Management Procurement Exercise as a whole, but for the purposes of budget scrutiny I will use this opportunity to provide financial observations.

The 2017/18 budget proposals include £415,000 savings across the two venues in question. It was explained during the meeting that a combination of increased sales, natural staff turnover and improved working practices will deliver these savings, and there was confidence that these savings were achievable in order to drive down the subsidy these venues receive. The delivery of the 'Enhanced In-house' model will no doubt be of interest to this Committee in the future and we expect that a review will be scheduled into the Committee 2017/18 work programme.

I would be grateful if you would consider the above comments, observations and recommendations, and look forward to receiving your feedback.

Regards,

A handwritten signature in black ink, appearing to read 'Rod McKerlich', with a horizontal line underneath it.

Councillor Rod McKerlich
Chairperson, Economy and Culture Scrutiny Committee

cc Councillor Graham Hinchey, Cabinet Member for Finance and Performance
Sarah McGill – Director, Communities, Housing and Customer Services
Neil Hanratty – Director, Economic Development
Andrew Gregory – Director, City Operations
Christine Salter – Section 151 Officer
Cabinet Support Office
Members of the Economy and Culture Scrutiny Committee
Cllr Nigel Howells, Chair of Policy Review and Performance Scrutiny
Committee

Mae'r dudalen hon yn wag yn fwriadol

Fy Nghyf / My Ref: NRS/RM/GH/14.02.17

Dyddiad / Date: 15 February 2017

Councillor Graham Hinchey
Cabinet Member: Corporate Services and Performance
City of Cardiff Council
County Hall
Atlantic Wharf
Cardiff
CF10 4UW



Dear Councillor Hinchey

ECONOMY AND CULTURE SCRUTINY COMMITTEE – 14 FEBRUARY 2017

Draft Corporate Plan 2016 – 2018 and Budget Proposals 2016/17

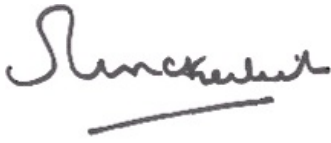
Thank you for attending February meeting of the Economy and Culture Scrutiny Committee to present us with an overview of the Council's finances, including the final settlement, budget proposals and medium term outlook. I will be grateful if you could also pass on the thanks of Committee to Christine Salter and Ian Allwood who attended the meeting and provided clarification on all our questions.

As discussed during the meeting, Members of the Committee are concerned that the Council's debt is high and continually increasing, with approximately £666m quoted during the meeting as the current level of debt. It was explained to us that while there is no absolute ceiling for the level of borrowing the Council can make, a robust review is undertaken of all Capital bids submitted at the outset of the budget process, ensuring that all approved borrowing is supporting the delivery of Council priorities. Despite this, we cannot escape the feeling that a better handle must be taken on the debt of this Council, and that there must come a time where we cannot afford to continue borrowing substantial sums of money each year.

The Committee will write separately to each Cabinet Member whose portfolio falls under the terms of reference of the Economy and Culture Scrutiny Committee, highlighting the budgetary and operations issues that were discussed during the meeting. I will ensure you also receive a copy of these letters for the purposes of understanding our view of the budget at a micro level.

I would be grateful if you would consider the above comments, observations and recommendations, and look forward to receiving your feedback.

Regards,

A handwritten signature in black ink, appearing to read 'Rod McKerlich', with a horizontal line underneath it.

Councillor Rod McKerlich
Chairperson, Economy and Culture Scrutiny Committee

cc Christine Salter – Section 151 Officer
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