

ENVIRONMENTAL SCRUTINY COMMITTEE

22 FEBRUARY 2022

Present: County Councillor Patel(Chairperson)
County Councillors Derbyshire, Owen Jones, Lancaster,
Jackie Parry, Sandrey and Wong

51 : APOLOGIES FOR ABSENCE

Apologies were received from Councillor Owen.

52 : DECLARATIONS OF INTEREST

No declarations of interest were received.

53 : MINUTES

The minutes of the meetings held on 7 December 2021 and 13 January 2022 were approved by the Committee as a correct record.

54 : DRAFT CORPORATE PLAN 2022-2025 & DRAFT BUDGETARY PROPOSALS 2022/23

The Committee received a report providing Members with an opportunity to scrutinise those sections of the draft Corporate Plan 2022-25 and draft 2022/23 Budget Proposals that related to the Cabinet Portfolios and service areas within the remit of the Committee.

Members were advised that the Cabinet will consider the Committee's comments and recommendations prior to finalising their budget proposals. The draft Cabinet budget proposals will be taken to the Cabinet Meeting on 24 February 2022 for agreement and the Cabinet's budget recommendations would then be considered by Council at its meeting on 3 March 2022.

In terms of the draft Corporate Plan, Members were advised that in July 2017 the Council set out a policy programme and associated delivery commitments entitled 'Capital Ambition' establishing the Cabinet's key priorities for the municipal term, and outlining a programme of action to continue to drive the city economy forward, whilst ensuring that the benefits of success are felt by all residents.

In January 2020 the Cabinet approved an update of the Administration's policy programme, priorities and commitments entitled, Capital Ambition, our Continuing Commitments for Cardiff. The commitments set out within the Capital Ambition focuses on four main priorities, which form the basis for the Corporate Plan 2022-25:

- Working for Cardiff: making sure that all our citizens can contribute to, and benefit from, the city's success
- Working for Wales: A successful Wales needs a successful capital city
- Working for the Future: Managing the city's growth in a sustainable way.
- Working for Public Services: making sure our public services are delivered efficiently, effectively and sustainably in the face of the rising demand and reducing budgets.

The Well-being of Future Generations Act also places a statutory duty on Public Bodies to publish well-being objectives. In Cardiff, the Council and the Public Service Board have adopted the same 7 Well-being Objectives reflecting their shared aspirations for the city and a common understanding of challenges. The Corporate Plan is structured around Capital Ambition priorities and 7 well-being-objectives and makes clear the steps the Council will undertake to make progress in achieving these objectives. Appendix 1 to the report set out the sections of the Corporate Plan 2022-25 that fall within this Committee's terms of reference.

The report provided a summary of the background and context within which the draft budget proposals have been set, including the financial implications of the Covid-19 pandemic in terms of additional costs and loss of income for the Council. A summary of the financial support provided by the Welsh Government was set out in the report. Members were advised that Welsh Government support funding would not be in place during 2022/23 and the budget must, therefore, be sufficiently robust to ensure that the Council can continue to manage the financial pressures associated with Covid-19.

The draft 2022/23 budget proposals reflected the Provisional Funding Settlement as reported to Cabinet on 13 January 2022. Cardiff will receive a 10.7% (£52.6 million) increase, including funding for additional financial pressures. Those additional financial pressure include:

- support for the payment of the Real Living Wage in the care sector as announced by the Deputy Minister for Social Services on 21st December 2021
- allowances for increased pay and national insurance contributions from April 2022
- in the absence of any Local Authority Hardship Fund next year, the Council will need to ensure it can cover any ongoing COVID-19 related pressures (both expenditure and income) from within this allocation.

A summary of the 2022/23 revenue budget was provided in the report. The revenue budget was predicated on the delivery of £7.708 million in efficiency savings. Members were advised that all savings proposals have been screened for their equalities impact and no concerns were identified. Savings are to be made across directorates, except for Schools, which following consideration post consultation by Cabinet, have been protected for 2022/23. In order to improve the deliverability of savings and maximise the chances of securing full year savings in 2022/23, proposals are being implemented in the current financial year where possible - £2.785 million have already been achieved.

Members were advised that the draft budget proposals include a £3.8 million Financial Resilience Mechanism (FRM) which is intended to help the Council deal with funding uncertainty. The FRM is used to invest in priority areas. In the context of the better than anticipated funding position, the FRM will not be required to address the funding position and is therefore available for one-off investment. The FRM would be invested in as follows:

- Young People £1.21 million
- Community Improvement and Safety £1.648 million
- Cleaner and Greener Cardiff £670,000

- City Infrastructure £272,000

The draft budget proposals also include proposals to ensure resilience cover for the following specific contingencies:

- The difficulty in modelling potential increases in the number and complexity of Looked After Children Placements (£2.500 million.)
- The difficulty in modelling demand in Adult Services (£3.000 million)
- Market volatility in respect of recycling materials (£0.350 million)

The report also provided an overview of the draft Capital Programme 2022/23 to 2026/27. The proposed 2022/23 Budget outlines capital expenditure proposals of £1.206 billion, of which, £263 million is earmarked for 2022/23. Details of the individual Directorates' capital programmes were included as appendixes to the report.

55 : CORPORATE OVERVIEW

The Chairperson welcomed Councillor Chris Weaver, Cabinet Member for Finance, Modernisation and Performance, Chris Lee, Corporate Director Resources and Ian Allwood, Head of Finance to the meeting. Following a statement from the Cabinet Member the officers delivered a presentation providing an overview of the 2022-23 Budget Proposals as the impact on the Committee's terms of reference.

The Chairperson invited Members of the Committee to comment, seek clarification or raised questions on the information provided. Those discussions are summarised as follows:

- Members asked how many consultation responses were received from the Citizens Panel. Members asked whether the 1,547 responses received could be considered a good response. The Committee had previously raised concerns that hard to reach groups were less likely to respond to online consultations. The Cabinet Member stated that the overall response was reasonable and compared well with other local authorities. The Cabinet Member accepted that there were clear limitations to the online method. However, the consultation period started at a point when the community was under Covid-19 related restrictions and the consultation period was time limited. Members were advised that the Corporate Plan includes proposals to develop a Citizen Engagement Strategy within the first few months of the new administration.
- Members noted that the Welsh Government recycling target will soon be increased to 70% and the Council is currently struggling to attain the current target. Members asked what budget proposals would help the authority achieve the necessary increase in its recycling rate. The Cabinet Member stated that one-off funding was provided for the segregated recycling trial. The Recycling Strategy was being consulted upon and that will set the direction of travel for the Council and budget will be put in place to support the policy. The Corporate Director Resources stated that appropriate budget has been provided to the service over the medium-term in terms of this requirement.
- Members sought assurance that increases in energy costs had been taken into account and the budget has resilience built in to cope. The Cabinet Member stated that work has been undertaken to understand known and expected

increases in costs, anticipating those and preparing a budgeting accordingly. Account has been taken of the expected increases in energy costs, including whether these are long term increases or more temporary. A £2 million contingency has been included and the FRM can also be used in future years. Welsh Government have provide 2 years of indicative funding also. The Corporate Director Resources agreed that this was a key risk. The budget is not increased incrementally each year and modelling is used over the medium term that links to those contingencies.

- Members asked what funding was in place to provide a replacement dogs home in the city. The Cabinet Member suggested that this question be put to the portfolio holder.
- Members ask how the budget was accounting for increases in wages, whether there was a strategy in place to maintain the Council workforce and whether there were any longer term plans to grow the workforce in the future. The Cabinet Member stated that there was a Workforce Strategy in place and every directorate conducts workforce planning. These will be refreshed early in the next administration. Members were advised that some areas within the Council have had difficulties in recruiting staff and this impacted on service delivery. The Council's Into Work Service has launched HGV driver training and has been working in partnership with training providers in the construction industry to address the shortage of workers in those professions. Budget setting also considers what a likely public sector pay award will be. It was anticipated that the Welsh Government proposal to pay the 'Real Living Wage' in the care sector will have an impact on the labour market. The Corporate Director Resources stated that over the period of the Medium Term Financial Plan (MTFP) of £131 million cost pressures, £57 million are employee related pressures. In addition to the real living wage there are also changes to National Insurance contributions and changes to the teacher pension scheme.
- Members noted that the Cabinet report includes proposals for a review of staffing arrangements resulting in a saving of approximately £1 million and yet also includes proposals for an increase of 58.3 FTE posts being created. The Corporate Director Resources stated that the 58.3 FTE increase is a net increase. The increase relates to additional staff taken on in the policy growth areas identified in the budget.
- Members sought clarification on the £4 million reduction in 'external spend' highlighted in the presentation and whether there was anything relating to the Committee's portfolio. The Cabinet Member stated that the efficiency savings proposals in relation to the Committee's remit were highlighted in Appendix 5 to the report. The bulk of the 'external spend' savings related to other directorates.
- Officers were asked to clarify the comments regarding market volatility in recycling materials in the section of the report relating to the Financial Resilience Mechanism. The Cabinet Member advised that the market price the Council receives for recycling materials often varies. Officers advised that the key driver for the price received is the cleanliness of the material. Segregating recycling at source helps to maximise the market price received.

- Council Tax would increase by 1.9%. Members asked how this compared with other local authorities in Wales. Members were advised that not all Councils have published their proposals but it was anticipated that Cardiff's increase would be at the lower end of the scale.

RESOLVED – That the Chairperson writes to the Cabinet Member on behalf of the Committee to convey any comments, observations and recommendations made during the way forward.

56 : STRATEGIC PLANNING AND TRANSPORT PORTFOLIO

The Chairperson welcomed Councillor Caro Wild, Cabinet Member for Strategic Planning and Transport and officers from the Planning, Transport and Environment directorate.

Following a brief statement by the Cabinet Member, the Committee were invited to comment, seek clarification or raise questions on the information received. Those discussions are summarised as follows:

- Members requested further information regarding the regeneration investment proposals for district shopping centres, and in particular how that investment would affect the highway in areas such as City Road. Members asked whether investment in sustainable transport and active travel was likely to result in a fall in traffic enforcement and parking revenues and whether account had been taken of this. The Director stated that the core of the local district centre regeneration schemes would sit within another service areas portfolio. However, Strategic Planning and Environment would work closely with colleagues in terms of the works taking place to ensure that those works align with other opportunities. Proposals for City Road have not yet been brought forward but some improvements a crossing points that link to improvements in pedestrian access have been provided using Section 106 funding. The Director stated that officers were aware of significant infringement in terms of parking in City Road and enforcement would be increased as a short-term tactical measure. More broadly, in terms of income, it is anticipated that parking will still play a key role in traffic management and this will work in parallel with active travel and sustainable transport options.
- Members noted the £3 million investment for the redevelopment of Churchill Way during 2022/23. Members asked whether the project was likely to be completed during that period. The Director stated that the delivery of phase 1 of the redevelopment was anticipated to be completed within 12 months.
- A Member commented that in the past the Council has been criticised at the level of parking enforcement income attributed to administration costs. The Member asked what proportion of traffic and parking enforcement income would be ringfenced specifically for traffic management schemes. The Director stated that there is a commitment in place that any additional income from moving traffic offences and parking enforcement would be ringfenced for the development and delivery of transport projects. The Director recognised the point made. All conversations for use of the parking reserve take place in consultation with colleagues from Finance and are subject to due diligence and a business case.

- Members stated that a considerable proportion of the income received is set aside for overheads such as staff salaries and Members considered that the original scheme brought forward by Welsh Government was not designed for that purpose. Members asked whether additional budget would be provided for the service area that would allow for the income revenue to be truly ringfenced for transportation projects. The Director stated that a decision has been taken that means any additional income received will be ringfenced for transportation projects. Other budgets are set corporately. The Director stated that when capital funding is in place for a transport improvement project there is also a need to have the staff in place to deliver the project on the ground. However, the broad principle of the point made was accepted.
- Members noted that, in terms of modal shift, the target for public transport usage in the Corporate Plan is 22%. Members asked whether there were any indications of continued low usage as a result of the pandemic and whether, if this continued, there would be any financial pressures on public transport providers as a result. The Director stated that the situation is dynamic and, whilst things are returning to normality, there is still some uncertainty. City centre businesses and the Council's partner organisations are moving towards a hybrid position in terms of their staffing arrangements. Public transport usage is still significantly below the pre-pandemic period. Incentive schemes were brought in before Christmas and there are currently discussions ongoing with Welsh Government regarding the reintroduction of incentive schemes to support bus and rail services. Responding to further comments from the Committee regarding projected usage and the financial modelling of major transport projects, the Director stated that fundamentally there would no long term detrimental impact on the need for public transport or for the new transport networks, but there may be adjustments in travel patterns.
- Members asked the Director to comment on the delivery timelines for new infrastructure as part of the metro project, such as the new stations. The Director stated that the targets were ambitious but realistic. Some of the projects listed were dependent on funding and therefore there was some risk associated. Where Cardiff Council is taking the lead the Director was confident that projects will be delivered within the timescales.
- Members noted that there had been delays in delivering existing projects such as city centre sections of the Cardiff to Newport cycleway. Members asked what lessons had been learned that would ensure delivery of the entire 10 mile cycleway by 2025. The Director stated that work has been progressing behind the scenes on the scheme in terms of its design. Lessons have been learned from the implementation of a small section of the scheme during the covid pandemic and implementation is therefore improving. The scheme is funded and is a key priority for the Welsh Transport Commission. The Director considered the 2025 target to be ambitious but achievable.
- Members requested clarification and further details of the grant scheme aimed at assisting the taxi fleet in the city to move towards more environmentally friendly vehicles. The Director stated that the funding for the scheme has only just been confirmed and the detail of how that would best be used is yet to be finalised. The Director agreed to report back to the Committee on the details of the scheme.

RESOLVED – That the Chairperson writes to the Cabinet Member on behalf of the Committee to convey any comments, observations and recommendations made during the way forward.

57 : CLEAN STREETS, RECYCLING AND ENVIRONMENT PORTFOLIO

The Chairperson welcome Councillor Michael Michael, Cabinet Member for Clean Streets, Recycling and Environment and officers from the directorate.

Following a statement from the Cabinet Member, the Committee were invited to comment, seek clarification or raise questions on the information received. Those discussions are summarised as follows:

- Members noted that the Welsh Government recycling target would soon increase to 70%. Members asked how that would be achieved. The Cabinet Member considered that the 70% target was unachievable under the previous waste collection arrangements. However, improvements such as the replacement of the waste collection vehicle fleet, better working relationships, digital technology and the reorganisation of rounds now mean the target is achievable. The kerbside sort trial is ongoing and is designed to reduce the amount of contamination. Initial findings suggest that contamination has been reduced from 30% to 3% under the trial. The Cabinet Member considered that kerbside sort will mean the 70% target is achievable and the recycling produced will be of better quality, so income will also increase. It will also remove 24 million green recycling bags from the waste stream.
- Members asked what budget has been provided to progress the replacement of the Cardiff Dogs Home. The Cabinet Member stated that a site has been identified and planning constraints are currently being considered before a report is brought forward to the Cabinet. The Director stated that this was a priority project. Due diligence will be undertaken during the next financial year and the capital programme will hopefully recognise the opportunity to provide a new dogs home in the following year.
- Members asked for further information on the savings proposals in Shared Regulatory Services. The Head of Shared Regulatory Services stated that the service is currently operating under budgetary pressures and in the aftermath of the response to the covid pandemic, with a number of staff still being seconded to other roles. There are a number of key areas where the service is behind – such as food standards. The service is following the FSA Recovery Plan which will lead to improvements over time. There have also been difficulties in the recruitment suitably qualified staff. The Cabinet Member for Finance and Performance stated that the savings proposals relate mainly to business administration within Shared Regulatory Services.
- Members asked whether there have been any improvements to sickness rates since the introduction of the 4-day working week pattern. The Cabinet Member stated that there has been no improvement in sickness absence rates.
- Members requested further details of the large scale renewable energy projects referred to in the Corporate Plan. The Cabinet Member stated that future projects

have been identified but he was unable to provide any further details as this point.

- Members asked for a progress update on the provision of a replacement recycling facility in the north of the city. The Cabinet Member stated that a suitable site for such a facility has not yet been identified.
- Members welcomed proposals to provide additional staff for the street cleansing teams. Members asked where those additional resources would be deployed. The Cabinet Members stated that Neighbourhood Services is currently being remodelled. Officers stated that the funding would be used to create an additional 'blitz team' to respond where and when needed and a 'lanes team' which would respond to the high number of fly-tipping incidents reported in gated lanes. An additional 4 mechanical cleaners would also be provided.
- Members noted the 4 posts created for delivery of the One Planet Cardiff agenda. Members requested further details. The Director advised that the additional staff would be used to enhance the existing One Planet Cardiff team and will work across directorates. One post is at OM2 level and will be the lead officer for programme delivery. The other posts are project management posts which will support corporate initiatives.
- Members noted proposals to increase income at the Bessmer Road HWRC site by approximately £172,000. Members asked whether this could confidently be achieved. The Cabinet Member stated that since the introduction of the appointment system there has been an increase in commercial income and he was reasonably confident that this figure could be achieved. The Director of Economic Development stated that the figure was based on the improvement seen over the past year. Fees and charges have also been reset.
- Responding to a question from the Committee, officers stated that the target for income from landfill gas at Lamby Way has not been adjusted for 4 years. The amount of gas produced has fallen during that period and the budget line now reflects the adjusted position.

RESOLVED – That the Chairperson writes to the Cabinet Member on behalf of the Committee to convey any comments, observations and recommendations made during the way forward.

58 : URGENT ITEMS (IF ANY)

No urgent items were received.

59 : WAY FORWARD

60 : DATE OF NEXT MEETING

Members were advised that the next Environment Scrutiny Committee is scheduled for 7 March 2022.

61 : CORRESPONDENCE FOLLOWING THE COMMITTEE MEETING

The meeting terminated at 5.15 pm

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Chairperson