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## AGENDA

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

**Dyddiad ac amser y cyfarfod** DYDD MAWRTH, 18 IONAWR 2022, 4.30 PM

**Lleoliad** CYFARFOD O BELL

**Aelodaeth** Cynghorydd Walker (Cadeirydd)  
Y Cynghorwyr Ahmed, Berman, Bowen-Thomson, Cowan, Henshaw, Lister, Mackie a/ac Williams

Tua  
Amser.

### 1 Ymddiheuriadau am Absenoldeb

Derbyn ymddiheuriadau am absenoldeb.

### 2 Datgan Buddiannau

I'w gwneud ar ddechrau'r eitem agenda dan sylw, yn unol â Chod Ymddygiad yr Aelodau.

### 3 Cofnodion *(Tudalennau 5 - 10)*

Cymeradwyo cofnodion y cyfarfod a gynhaliwyd ar 14 Rhagfyr 2021 fel rhai cywir.

### 4 Strategaeth Rheoli Perfformiad a Data - i ddilyn

4.30 pm

*Craffu datblygu polisi ar adroddiad a chyflwyniad swyddog.*

### 5 Ymgynghoriad ar Gyllideb 2022/23 *(Tudalennau 11 - 48)*

5.30 pm

*Adroddiad briffio ar fodelu ac ymgynghori ar y gyllideb.*

### 6 Busnes y Pwyllgor *(Tudalennau 49 - 120)*

6.10 pm

### 7 Eitemau Brys (os oes rhai)

8 Y Ffordd Ymlaen

6.20 pm

9 Dyddiad y cyfarfod nesaf

23 Chwefror 2022, 10.00am

**Davina Fiore**

**Cyfarwyddwr Llywodraethu a Gwasanaethau Cyfreithiol**

Dyddiad: Dydd Mercher, 12 Ionawr 2022

Cyswllt: Andrea Redmond, 02920 872434, a.redmond@caerdydd.gov.uk

## **GWE-DARLLEDU**

Caiff y cyfarfod hwn ei ffilmio i'w ddarlledu'n fyw a/neu yn olynol trwy wefan y Cyngor. Caiff yr holl gyfarfod ei ffilmio, heblaw am eitemau eithriedig neu gyfrinachol, a bydd y ffilm ar gael ar y wefan am 12 mis. Cedwir copi o'r recordiad yn unol â pholisi cadw data'r Cyngor.

Gall aelodau'r cyhoedd hefyd ffilmio neu recordio'r cyfarfod hwn

Ar ddechrau'r cyfarfod, bydd y Cadeirydd yn cadarnhau a gaiff y cyfarfod cyfan neu ran ohono ei ffilmio. Fel rheol, ni chaiff ardaloedd y cyhoedd eu ffilmio. Fodd bynnag, wrth fynd i'r ystafell gyfarfod a defnyddio'r ardal gyhoeddus, mae aelodau'r cyhoedd yn cydsynio i gael eu ffilmio ac y defnyddir y lluniau a recordiadau sain hynny o bosibl at ddibenion gwe-ddarlledu a/neu hyfforddi.

Os oes gennych gwestiynau ynghylch gwe-ddarlledu cyfarfodydd, cysylltwch â'r Gwasanaethau Pwyllgorau ac Aelodau ar 02920 872020 neu e-bost [Gwasanethau Democraidd](#)

Mae'r dudalen hon yn wag yn fwriadol

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

14 DECEMBER 2021

Present: Councillor Walker(Chairperson)  
Councillors Ahmed, Berman, Cowan, Henshaw, Lister, Mackie  
and Williams

46 : APOLOGIES FOR ABSENCE

Cllr Berman had advised that he would join the meeting from his phone for part of the meeting, but due to a work commitment would not be able to attend for the full meeting.

Cllr Lister advised that he would be late joining the meeting due to work commitments.

47 : DECLARATIONS OF INTEREST

Cllr Mackie declared a personal interest as a family member is Head of Integrated Care.

Cllr Henshaw declared a personal interest as 2 family members work for Cardiff Council.

48 : MINUTES

The minutes of the meeting held on 17 November 2021 were agreed as a correct record.

49 : SICKNESS ABSENCE UPDATE

Members were advised that the context for this scrutiny is that central to the Committee's Terms of Reference is the scrutiny and review of the effectiveness of the Council's use of human resources policies and procedures. As the organisational recovery progresses the Committee is seeking to monitor more closely issues that have been a continued interest and are listed as ongoing challenges for the Council in performance assessments. The Committee had an opportunity to monitor the Council's progress in tackling sickness absence, including interventions that had been put in place and future planned developments. Acknowledging there are particular challenges in some frontline services, the Committee looked more closely at sickness absence in Waste Management.

The Chairperson welcomed Councillor Chris Weaver, Cabinet Member Finance, Modernisation & Performance, with portfolio responsibility for human resources; Councillor Michael Michael, Cabinet Member for Clean Streets, Recycling and Environment, with portfolio responsibility for Waste Management; Paul Orders, Chief Executive; Chris Lee, Corporate Director, Resources; Neil Hanratty, Director of Economic Development; Tracey Thomas, Chief Human Resources Officer; Graham Harries, Head of Recycling & Neighbourhood Services and Donna Jones, Assistant Director County Estates.

The Chairperson invited the Cabinet Member and Chief Executive to make statements, after which Members received a presentation and were invited to make comments, observations and ask questions.

Members welcomed all the plans in place to tackle sickness absence but considered there was a need to look more closely at non-work related stress, noting the crossover to work related stress. Members were advised that the categories are set by the Welsh Government but agreed that these areas needed more focus. Members reiterated the importance of Stress Risk Assessments, that could be anonymous. Officers advised Members that there would be new Mental Health guidance coming forward in the new year.

Members wished to thank staff for all their efforts over the past 18 months which had been extremely challenging.

Members considered there could be more focus on preventative work in relation to sickness absence. Officers explained that there had been an increase in the Wellbeing offer for Staff and there had been an enhanced counselling service introduced for staff in Children's Services.

Members welcomed all that was underway but considered there was nothing new and wondered whether there was more to be done. Officers explained that all the plans needed to be embedded, however their focus was on tackling long term absences and what could be offered, such as phased returns, homeworking, revised roles etc.

Members asked if benchmarking and comparisons were still being undertaken with other Authorities, such as Merthyr. Officers made reference to the APSE review that had been conducted a few years ago. Officers considered that Merthyr was a very different Authority to Cardiff, but they could explore looking at private sector organisations for comparisons/best practice. Members were advised however that there needed to be a sustained managerial effort on tackling long term absences. Members made reference to Shared Regulatory Services and their low sickness absence rates and suggested an internal benchmarking exercise with the Service could be useful.

Members noted that the non-covid related sickness absences were high in Waste Management, Officers referred to the number of long-term absences and ill health retirement cases in the service. A discussion took place around the impact of shielding at the beginning of the pandemic.

Members discussed the importance of understanding Mental Health and were pleased to hear that officers were being upskilled in this area. Members understood that this was a difficult area to identify genuine cases but also that it was a sensitive subject for the Service Area. Members congratulated the Service Area on their Mental Health Initiatives and considered that quarterly reports on sickness absence with more details, separating out agency staff, would be welcomed as sickness absence is still problematic in the Service.

Members discussed the potential increase in Covid cases with the Omicron variant and Officers assured Members that they would be kept informed if any changes were needed to the service due to the number of staff absences.

Members referred to Muscular Skeletal accidents/issues and asked about incident investigation. Officers assured Members that all accidents were investigated, there was a rota in place for staff to move around roles, there was a bespoke in-house training team in place and an in-house physiotherapist in place. There are also very regular meetings between supervisors and management teams.

RESOLVED: The Committee AGREED that the Chairperson writes to the Cabinet Members on behalf of the Committee to convey their comments and observations.

## 50 : CORPORATE PROPERTY STRATEGY 2021/26

The Chairperson reminded Members that the Committee has responsibility for scrutiny of the Council's property estate. The Corporate Property Strategy is central to how the Council's estate is managed. As Committee heard last month the Council has updated its Corporate Property Strategy for the next 5 years and is now in a position to take the draft strategy to Cabinet on Thursday this week. Therefore, the Committee had an opportunity for pre-decision scrutiny of the Strategy.

The Chairperson drew Members' attention to the confidential papers. Appendices 3 & 4 which form part of this report contain exempt information of the kind described in paragraph 14 of Part 4 and paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972. If Members wished to refer to these Appendices specifically, then Committee would need to go into closed session.

The Chairperson welcomed Cllr Russell Goodway, Cabinet Member, Investment & Development; Neil Hanratty, Director of Economic Development; Donna Jones, Assistant Director County Estates; Matthew Seymour, Asset Management Officer and Chris Barnet, Project Manager for this item.

The Chairperson invited the Cabinet Member to make a statement after which Members were asked for any comments, observations or questions.

Members asked when the business case would be available and were advised that this was likely to be in the next administration as there was a need to understand the full impact of the pandemic. It was noted that whilst homeworking had been welcomed by many, there would be a need to provide office space for those who wish to/need to work in an office space, therefore an outline case setting out options would be developed but the decision would be taken by the next administration.

Discussing homeworking and Carbon Emissions, Members asked where the Carbon Emission benefits were coming from as people were now needing to heat their homes, use more electricity etc. Officers explained that the main benefits came from commuting as Council buildings still needed to be heated and ventilated during the pandemic.

Members asked where the Strategy fits with the Indoor Arena plans. Officers advised that the Indoor Arena was at a masterplan, conceptual stage but it does identify an

opportunity as a leisure destination with travel options. It was noted however that the Indoor Arena business case was not dependant on County Hall Plans.

Members asked when they would receive an update on the Red Dragon Centre and were advised that a position paper was expected in January.

The Chairperson invited Members to ask question on the confidential appendices and they were reminded that Committee are required to consider these in a closed session to discuss information deemed exempt, in accordance with paragraphs 14 of Part 4 and paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972.

RESOLVED: to exclude the Press and Public from the meeting.

RESOLVED: The Committee AGREED that the Chairperson writes to the Cabinet Members on behalf of the Committee to convey their comments and observations.

## 51 : MID-YEAR PERFORMANCE 2021/22

Members were advised of the following:

- The Committee's Performance Panel has an important remit in light of the new arrangements to address the Local Government (Elections) Wales Act. Members had been invited to participate in the Panel alongside the Chairs of all 5 scrutiny committees in scrutiny of the Mid-year Performance on 6<sup>th</sup> December 2021.
- The Performance Panel was first convened in 2018 as it was recognised that there was considerable merit in considering the Council's overall performance, and collectively discussing corporate policy priorities going forward.
- The Panel is now part of the Performance landscape and has strengthened the Council's governance arrangements.
- On Monday 6<sup>th</sup> December the Panel considered the Council's Mid-Year Assessment of Performance, with the recommendations, observations and suggestions formally shared with the Leader of the Council and Cllr Weaver, as Cabinet Member for Finance, Modernisation and Performance.
- The Panel made 31 comments in total, with 6 direct recommendations and 15 observations with suggested actions.
- All 6 recommendations and all 15 observations with suggested actions were accepted.
- A total of 11 amendments were made to the Mid-Year Performance Assessment itself.
- The recommendations of the Performance Panel, and Cabinet's response, were included as appendices to the formal report being considered by Cabinet on Thursday.



- Colleagues were circulated a copy of the table which outlined how the Panel's recommendations and observations have been addressed.

RESOLVED: To note the report.

52 : COMMITTEE BUSINESS

Members were advised that the Committee's Forward Work Programme for Jan-March 2022 was attached to their papers for approval, prior to publication on the Website.

RESOLVED: To agree the Forward Work Programme for Jan to March 2022, and for publication on the Council's website.

53 : URGENT ITEMS (IF ANY)

None received

54 : DATE OF NEXT MEETING - 18/01/22

The meeting terminated at 7.00 pm

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**CYNGOR CAERDYDD  
CARDIFF COUNCIL**

**POLICY REVIEW & PERFORMANCE  
SCRUTINY COMMITTEE**

**18 January 2022**

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**Budget Consultation 2022/23**

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**Reason for this Report**

1. To brief the Committee on the budget consultation approach for 2022/23 and provide an opportunity for Members to contribute to the consultation.

**Structure of the papers**

2. Attached at **Appendix A** is a Cabinet report titled *2022/23 Budget Modelling Update and Consultation Requirements*, to which there are two appendices:
  - Appendix 1** – Provisional Local Government Financial Settlement 2022/23 – Statement and Key Data Table;
  - Appendix 2** – Budget Consultation 2022/23 details.

**Appendix B** – Presentation to Committee – Budget 2022/23

**Background and Context**

3. The Committee's Terms of Reference confer responsibility for scrutiny of the Council's citizen engagement and consultation activity. Members have regularly expressed an interest in ensuring that the Council's budget consultation to Cardiff residents comprehensively targets all sectors, particularly minority, seldom heard and underrepresented sectors of the population.
4. Delivering the budget consultation in a timely manner to inform budget decision making can be a challenge because of its dependency on the UK Autumn Budget

in late October and the announcement of the Local Government Provisional Settlement by Welsh Government. The Provisional Settlement was received on 21st December 2021. The Provisional Settlement is a critical factor in drafting the budget strategy and can significantly affect the overall position.

5. The Cabinet held an additional meeting on 13th January 2022 to agree the proposed approach to Budget Consultation for 2022/23, with a view to the formal budget consultation commencing on the 13th of January 2022 and running until 4th February 2022. The results of this consultation process will inform Cabinet discussion and debate in preparing their final 2022/23 budget proposals.
6. The Council's five Scrutiny Committees routinely scrutinise budget proposals in February prior to Cabinet agreeing the final budget and consideration by Full Council. Scrutiny Committee's also regularly monitor the Council's financial performance throughout the year. Each year in February the analysis of the results of the annual budget consultation is presented to Members alongside the budget proposals to inform the internal challenge.

## **Issues**

7. The report attached at **Appendix A** provides:
  - an update on the Council's budget preparations for 2022/23, including the impact of the Provisional Settlement and;
  - details of the public consultation that will take place to inform Cabinet's preparation for the Council setting its 2022/23 budget in February 2022, allowing Cabinet to lay before March Council, proposals, which if approved, would result in the adoption of a balanced budget for 2022/23. The public consultation proposed by this report will inform the preparation of Cabinet's final draft budget.
8. Cardiff Council will receive a +10.7% increase in Aggregate External Finance (AEF) in 2022/23, which equates to £52.6m in cash terms. Included within the settlement is funding for additional pressures such as support for the payment of the Real Living Wage in the care sector, allowances for increased pay and

national insurance contributions from April 2022, and, 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. This is significantly higher than the 1% planning assumption reflected in the Council's September MTFP 2022/23.

9. With the announcement of the Provisional Settlement the Cabinet report updates the Council's budget modelling (*paragraphs 26-31*), clarifying that at this point there is a budget gap between *resources available* and *resources required* of £8.999m. It also states that whilst the position for 2022/23 is more positive than initially assumed, additional sums may be required to fully deliver on initiatives announced as part of the settlement, and to protect the Council's financial resilience.
10. Members are specifically referred to the section of the report headlined ***Consultation and Engagement*** (*points 47 to 53*).
11. With Cabinet approval the Budget Consultation will be launched promptly on 13 January 2022 and will run until 4 February 2022.
12. Current Omicron variant Covid-19 restrictions will have an impact on methodology used for the budget consultation. There will be no face-to-face engagement, and the focus of promoting the consultation will be done electronically. No paper copies will be available or face to face events targeting underrepresented groups and areas.
13. Important points to note included in the report are that :
  - The consultation document will be available for online completion on the Council's website.
  - A co-ordinated social media and press campaign, and partner involvement will seek to ensure citywide engagement:
  - Links to the consultation will be made available on the Council's corporate social media accounts, with posts targeting localised community groups across the city, and targeted advertising aimed at

groups with a typically lower response rates.

- Links to the survey will also be shared with community groups, such as faith groups, community councils and the Cardiff Youth Council, and partners, including members of the PSB, to be shared with their contacts.
- The consultation will also be promoted to Council staff via the intranet and Staff Information alerts via email and on DigiGov.
- The Council will also work with the Access Forum, and relevant groups including the Deaf Hub and RNIB to make the survey available to those who may have difficulty accessing or completing the online link.
- Findings from the most recent Ask Cardiff survey, with 2,704 responses, will also be used to inform the Council's corporate plan and budget. A list of priorities can be found at point 47.
- Trade unions have been consulted in advance on the budget projections for 2022/23 and the likely impact on employees, particularly where posts are at risk of redundancy.

14. At **Appendix 2** to **Appendix A** Members will find the proposed online budget consultation survey. The narrative outlines the Council's budget challenges for 2022/23 and the top service priorities according to Ask Cardiff:

- Education and Youth Services
- Supporting vulnerable children and families
- Supporting vulnerable adults and older people
- Recycling and Waste Services
- Neighbourhood services such as street cleansing
- Homelessness and housing

15. The consultation approach this year simply invites the respondent, within each of the broad headlines identified above, to tell the Council if there are more specific services in which they would like to see investment.

## **Scope of the Scrutiny**

16. Officers will deliver the presentation at **Appendix B** followed by Members questions, giving Members the opportunity to contribute to the 2022 budget consultation.

17. To facilitate the scrutiny in attendance to answer Members questions will be:

- a. Cabinet Member for Finance, Modernisation & Performance, Councillor Chris Weaver;
- b. Corporate Director Resources, Christopher Lee;
- c. Head of Performance and Partnerships, Gareth Newell; and
- d. Operational Manager, Cohesion and Community Engagement, Sian Sanders.

## **Legal Implications**

18. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

## **Financial Implications**

19. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

## **RECOMMENDATIONS**

20. The Committee is recommended to:

- i. Note the proposed approach to the 2022 budget consultation;
- ii. Consider whether it wishes to relay any comments or observations to inform the consultation findings.

### **DAVINA FIORE**

Director, Governance & Legal Services

12 January 2022



**CARDIFF COUNCIL  
CYNGOR CAERDYDD**



**CABINET MEETING: 13 JANUARY 2022**

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**2022/23 BUDGET MODELLING UPDATE AND CONSULTATION REQUIREMENTS**

**FINANCE, MODERNISATION AND PERFORMANCE  
(COUNCILLOR CHRIS WEAVER)**

**AGENDA ITEM: 1**

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**Reason for this Report**

1. To provide an update on budget preparation for 2022/23, including the impact of the Provisional Local Government Financial Settlement (Provisional Settlement).
2. To provide details of the consultation that will take place to inform Cabinet's final Budget Proposal for 2022/23.

**Background**

3. The 2022/23 Budget Strategy Report was considered by Cabinet in July 2021 as part of an update to the Council's Medium-Term Financial Plan (MTFP). It set out a potential budget reduction requirement ('budget gap') of £21.3 million for 2022/23 and £80.9 million for the period 2022/23 - 2025/26. The budget gap was a result of anticipated funding failing to keep pace with financial pressures.
4. In the absence of indicative Welsh Government funding figures, the July 2021 position was based on an assumed level of general grant funding for 2022/23. Since then, the Provisional Settlement for 2022/23 has provided clarity on the funding position.
5. The MTFP presented in July 2021 was set against the unprecedented backdrop of the COVID-19 pandemic which has resulted in significant financial challenges for the Authority. As such, it has remained critical that budget modelling, including the impact of all external factors have been kept under continuous review, and updated as appropriate.
6. In light of the issues set out above, and in order to ensure that consultation is based on the most up to date information available, this report updates budget modelling for 2022/23 in order to reflect the Provisional Settlement, other emerging issues and most recent data modelling.

7. This year, the 'Ask Cardiff' survey included budget-themed questions. This report summarises the findings from 'Ask Cardiff' and uses them as the basis for framing the budget consultation that is shortly due to commence.

### **Issues**

8. Cabinet is required, prior to the 11<sup>th</sup> March 2022 to place before the Council, proposals, which if approved, would result in the adoption of a balanced budget for 2022/23. The public consultation proposed by this report will inform the preparation of Cabinet's final draft budget for consideration by Council in early March 2022.

### **Timescales**

9. Due to the timing of the UK Autumn Budget, which took place in late October, the Provisional Settlement was not received until the 21<sup>st</sup> December 2021. The Provisional Settlement is a critical factor in drafting the budget strategy and, as identified later in the report can significantly affect the overall position.
10. The timing of the proposed consultation ensures that the draft budget that underpins the consultation fully reflects the Provisional Settlement, so that the position being consulted upon is as accurate as possible. Subject to Cabinet approval, consultation on the 2022/23 Budget will commence on 13<sup>th</sup> January 2022 and run until 4<sup>th</sup> February 2022.

### **COVID-19 Pandemic**

11. The COVID-19 virus and associated public health measures have had significant financial implications for the Council, both in terms of additional costs and loss of income. During 2020/21, the Welsh Government put in place a COVID-19 Hardship Fund to support Local Authorities in managing additional costs, or income loss, as a direct result of the pandemic. Hardship Fund Support was subsequently extended into 2021/22 and will run until the end of this financial year. However, the Hardship Fund is not expected to be in place during 2022/23, and this represents a significant risk to the Council in terms of budgetary planning and financial resilience. This is illustrated in the paragraphs below, which set out the significant levels of support the Council has required from the Fund to date.
12. For the financial year 2020/21, the Council's hardship fund claims totalled £47.7 million in respect of expenditure, and £38.2 million in respect of income. For the financial year 2021/22, the Council's hardship expenditure claims to date (April to November) total £18.7 million, with income claims for the first two quarters of the financial year totalling £9.9 million.

13. Additional costs incurred and supported from the fund include the procurement of protective equipment and operational changes required to ensure the safe delivery of services. Costs also include the provision of emergency accommodation for homeless people, and the continued provision of food / financial assistance to those entitled to free school meals whilst schools were closed, and to pupils self-isolating. In addition, they reflect the provision of financial support to care providers, and other schemes run on behalf of WG, including self-isolation payments and statutory sick pay enhancement.
14. Income loss directly associated with the pandemic relates to the closure of the Council's cultural and sporting venues, including theatres, Cardiff Castle and Cardiff International White Water. At periods during the last two years, there has also been a reduction in activity in other income generating areas including parking, moving traffic offences, trade waste and school catering.
15. The level of financial support received by the Council from the Hardship Fund during 2020/21 and 2021/22 emphasises the extent of the impact that the pandemic has had on Local Authority finances. It should also be noted that whilst the figures quoted above represent the immediate impact Covid has had, there are significant longer tail challenges, both akin to the issues outlined above, but also with regards to significant demand increases now being seen in some areas, including Social Care. Whilst vaccination programmes had supported the easing of restrictions for part of 2021, the situation remains uncertain, with the Omicron variant now presenting significant challenges. This is the critical contextual backdrop against which the 2022/23 Budget is being set. The Budget will need to be sufficiently robust to ensure that the Council can continue to cope with these financial pressures in the absence of future year Hardship Fund Support.

### **Provisional Local Government Settlement**

16. On the 21<sup>st</sup> December 2021, the Minister for Housing and Local Government announced the Provisional Settlement for 2022/23. The Minister's statement and key data table is attached at **Appendix 1**.
17. The headlines of the settlement are included below:
  - On average, Welsh Local Authorities will receive a 9.4% increase in general revenue funding next financial year.
  - Individual Authority Settlements range from +8.4% to 11.2%.
  - Grants totalling £18.6 million at an All Wales level will transfer into Revenue Support Grant (RSG) in 2022/23. The most significant of these are Gate Fees and an element of the Social Care Workforce Grant.
  - There will be no 'floor' protection in 2022/23.

- Individual Local Authority allocations are for one year only. However, indicative All Wales allocations of 3.5% and 2.4% are set out for the years 2023/24 and 2024/25 respectively.
18. Cardiff will receive a 10.7% increase in Aggregate External Finance (AEF) in 2022/23 (£52.6 million in cash terms after adjusting for transfers). Included within the settlement is funding for additional pressures, for example agreed support for the payment of the Real Living Wage in the care sector as announced by the Deputy Minister for Social Services on 21<sup>st</sup> December 2021. ([Statement linked here](#)) It also includes allowances for increased pay and national insurance contributions from April 2022. From a financial resilience and risk perspective, as noted earlier in the report, 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.
19. In addition to AEF, the Provisional Settlement provides some details on specific revenue grant streams, with the majority continuing at existing levels, although information on specific individual local authority allocations is still awaited. Notable changes (at an all Wales level) include:
- A new £40 million grant associated with Welsh Government's recently announced plan to extend Free School Meal provision
  - A £22.8 million increase to the Childcare grant, also associated with recent Welsh Government announcements.
  - A £12.0 million increase to Pupil Development Grant
  - A £14.6 million decrease to the Regional Consortia Improvement Grant
  - A £31.3 million decrease to the Recruit Recover Raise Standards Grant
20. As indicated above, specific grant announcements include significant new allocations linked to recent WG policy announcements, including Free School Meals and Childcare. It is difficult to comment on the quantum of these sums at present. As further detail emerges on the implementation of these policies in 2022/23, the associated cost implications will need to be carefully worked through in the context of these funding allocations.
21. Cardiff's Capital Settlement is a £0.480 million increase in General Capital Funding for 2022/23 (2.7%). Indicative increases are £3.9 million in each of 2023/24 and 2024/25. At present, it is unclear whether these increases will be sustained in baseline GCF allocations beyond 2024/25. There is little detail in terms of specific grant awards for Cardiff. As in previous years, these would need to be on a bid basis which can make long term financial planning difficult. This applies to the £20 million decarbonisation sum announced at an All-Wales level. Whilst the additional GCF allocation is welcome in future years, there are significant cost pressures inherent in the existing programme due to supply chain

cost increases, demand for investment to maintain condition, and capital receipt assumptions. Cabinet's final budget proposal will include an update on the programme and major projects.

## **Comparison to Planning Assumptions**

22. In the absence previously of any indicative figures, it has been very difficult to gauge future funding allocations. The position is linked to economic uncertainties at a UK level, what these may ultimately mean for the Welsh Block Grant, and in turn the Local Government Settlement. Wales Fiscal Analysis (WFA), a research unit within Cardiff University's Wales Governance Centre, does however regularly undertake useful modelling in this area.
23. The UK Government's pre-COVID spending plans were significantly dampened in both November 2020 and March 2021 as a result of the pandemic. Taking those into account, WFA modelling suggested 0.9% to be a realistic assessment of 2022/23 AEF increases in the earlier part of the year. However, the position turned around significantly in recent months, following the UK's Autumn Budget, which was set against an improved economic outlook that included a favourable reassessment of the extent to which the pandemic has done lasting damage to the economy, lower forecasts of borrowing and improved projections for unemployment.
24. Locally in response to these national forecasts, the planning assumption reflected in the Council's September MTFP was a potential 1% funding increase for 2022/23 which was significantly lower than the actual Provisional Settlement received and now reflected in this update report.
25. This shows the difficulties in projecting funding settlements, and the speed with which things can change. Consequently, whilst projected allocations for 2023/24 and 2024/25 are a welcome step forward, it is important to recognise that these are just indicative at this stage. It must also be emphasised once again, that whilst the 2022/23 settlement is more favourable than expected, it comes with the expectation that additional pressures will need to be funded and most significantly, that COVID-19 related pressures will be managed without recourse to additional external funding support.

## **Budget Modelling Update**

26. The Council's MTFP undergoes regular review to ensure it reflects the most up to date and robust information. Updates since the last MTFP report in September include the impact of:
  - The Provisional Settlement, announced on 21<sup>st</sup> December 2021.
  - The Voluntary Living Wage rate announced in November 2021.
  - Announcements and updates associated with the October 2021 UK Budget, including NLW rates for 2022/23 and updated inflation forecasts.
  - Review of pay award assumptions in light of updated inflation forecasts.

- Most recent pricing information in relation to key commissioned services.
  - Pupil numbers on role in September 2021
  - The need to address base pressures, evident through in year monitoring in some areas.
27. In addition to the areas of update noted above, careful consideration has also been given to the ongoing impact of the pandemic on the Council's finances in 2022/23. As set out in paragraphs 11-15, the pandemic has had a significant financial impact on the Council in terms of both additional costs and lost income. In the absence of a 2022/23 Hardship Fund, these pressures will need to be factored into the Council's 2022/23 Budget Plans. Modelling undertaken during the Autumn suggested potential significant ongoing income losses during 2022/23 as facilities continue to build back to pre-pandemic levels of receipts. In recent weeks, the emergence of the Omicron variant has added to the risk, where again it has been necessary to close some Council facilities. In terms of expenditure, we are likely to still require significant levels of PPE, testing supplies etc, there is still the likelihood of high staff absence necessitating cover in critical areas and the full-service impact of changes post pandemic are not yet known. At this stage, a sum has been set aside in the base to cover both the expenditure and income impact in 2022/23 of £10M. The adequacy of this sum will need to be regularly reviewed and may need to be supplemented by one off resources if necessary. The financial impact of the pandemic is a key area of financial risk for the Council next year that will require careful management
28. Taking account of the above updates, the current resource requirements modelled for 2022/23 are set out in the table below:

<b>Resources Required</b>	<b>£000</b>	
<b>Base Budget B/F</b>	<b>687,358</b>	<b>Adjusted for transfers</b>
Pay Award and NI changes	6,034	• Assumed 3% NJC award & NI changes
Price Inflation	5,773	• Includes: £4.4m Adult Social Care
Financial Pressures	20,497	• Covid Recovery (£10m) • Real Living Wage (care) sum to be finalised • Social Services staffing pressures
Commitments	3,117	• £1.4m CTRS associated with Ctax increase • £0.550m levies & contributions
Realignments	5,100	• £4.687m Children's Services • Renewable energy, waste, EOTAS, legal
Capital Financing	2,972	• Associated with existing capital programme
Demographic Pressures	8,425	• £5.9m Adults, £1.8m Children's, £0.7m other
Schools Growth	8,685	• Assumed pay awards of (3%) for 22/23 • Pupil Number Growth and LDP implications • Net of Schools contribution to Band B
Savings	(9,123)	• See further below
<b>Resources Required</b>	<b>738,838</b>	

29. At Provisional Settlement, resources available are as shown in the table below:

	£000	
Aggregate External Finance	544,715	• Per Provisional Settlement
Council Tax	203,122	• With 2022/23 tax base & modelled 4% uplift
<b>Resources Available</b>	<b>747,837</b>	

30. Based on the modelling above, available resources currently exceed resource requirements by £8.999 million. However, at this stage, the draft nature of the modelling must be emphasised. The purpose of this report is not to present Cabinet's final draft budget for 2022/23. In arriving at that position, many details are yet to be finalised. Some of these areas of work / ongoing risk and uncertainty are set out below:

- The expenditure and income assumptions underlying the budget are continually being reviewed as part of normal budget preparation work.
- There is uncertainty on specific grant levels in some area next year, notably Integrated Care Fund (ICF) funding streams, which are a core area of support for Social Services.
- Work is required to fully quantify the financial impact of supporting the Real Living Wage in commissioned care rates.
- Assumptions regarding pay awards in light of inflation levels, and in the absence of an agreed award for the current financial year.
- Further clarity is required regarding new specific grants announced in support of specific initiatives (Free School Meals for foundation phase pupils and childcare) in order to determine the adequacy of the streams to deliver the required change
- The continually changing picture in relation to COVID19 needs to be further reviewed
- Any areas of targeted investment following feedback from the consultation exercise

31. In finalising work in relation to the above, additional sums may be required to fully deliver on initiatives announced as part of the settlement, and to protect the Council's financial resilience. Alongside that work, Cabinet will continue to carefully consider all aspects of the Budget Strategy in building their draft budget for next year. This will include proposed levels of Council Tax, savings and use of reserves, all of which are detailed further below. In addition, careful consideration will be given to the feedback from consultation, and targeted investment opportunities.

## Aspects of Financial Strategy for Ongoing Review

### Use of Reserves

32. The updated draft budget modelling does not include use of reserves. Over-reliance on reserves as budget funding should be avoided, as they are a finite resource. Reserves form an important part of financial

resilience, and this is more important than ever in light of the Covid-19 related risks set out earlier in the report.

### Council Tax

33. The Council will have due regard to the level of the increase in council tax in 2022/23 but must balance this against the need to fund key services. The modelled increase assumed within the MTFP at July 2021 was 4%. At present, this assumption has been retained for illustrative purposes, but the final level of Council Tax will only be decided following the consultation process, as part of the final budget proposal.
34. A 4% increase would generate net additional income of £6.369 million after associated increases in the Council Tax Reduction Scheme (CTRS). As council tax represents just over a quarter of the Council's overall funding, an increase of 4% is approximately equivalent to a 1% increase in the Council's overall budget.
35. The CTRS will continue to be funded on all Wales basis at the same level provided within the Revenue Support Grant in 2014/15 (£244 million nationally). This means that costs associated with Council Tax uplifts and changing caseloads must be funded by the Council. Whilst a 1% council tax increase generates additional income of £1.953 million for the Council, it also costs £361,000 in additional CTRS requirements, thus reducing net additional income to £1.592 million. In other words, 18% of any Council Tax increase is required to support costs associated with the CTRS.

### Budget Savings

36. The Council has identified over £200 million in savings over the past decade.
37. In the context of a more positive funding settlement, target savings for 2022/23 have been reviewed in order to ensure that they minimise impact on service delivery, especially given the pressures from external factors such as COVID-19 and Brexit, and that they are deliverable and appropriate in the context of the Council's financial resilience, both next year and over the medium term.
38. Savings currently reflected in the modelled position total £9.123 million. These include efficiency savings in Schools and across directorates together with targeted measures on other corporate budget heads.
39. Efficiency savings are defined as achieving the same output (or more) for less resource, with no significant impact on the resident / customer. Significant work has already progressed to identify efficiency savings across services that can deliver against target requirements.
40. In line with the Council's July 2021 Budget Strategy Report, in order to improve the deliverability of savings and maximise the chances of securing full year savings in 2022/23, efficiency proposals that do not



require a policy decision will be implemented in the current year wherever possible.

41. In terms of the split between Individual School Budgets (ISB) and other Council services, it is proposed at this stage to restrict the schools efficiency target to 1%. This would contribute £2.566M to the overall target.
42. The remaining £6.557 million is targeted at other Council services Corporate budget heads, and would include actions such as:
  - Review of staffing arrangements
  - Reductions in premises costs
  - Reductions in external spend
  - Budget review / alignment
  - Income opportunities
  - Re-design and changes in the operating model for services
43. There has been a continued focus on exploring income opportunities however, given the impact of the COVID-19 pandemic on income funded areas, such opportunities are more limited than in previous years.

### **Allocation of Resources**

44. It is important to allocate scarce resources in line with the Council's priorities and with regard to their impact on future generations. Any proposals for savings or opportunities for investment will continue to be framed by the priorities and objectives set out in Capital Ambition and the Council's Corporate Plan, which is being updated alongside the budget.

### **Medium Term Planning Implications**

45. Whilst the funding position for 2022/23 is more positive than initially assumed, the overall position both next year and beyond are layered with uncertainty. The Council must therefore continue to strengthen financial resilience and build a robust position from which to move forward. This must include ensuring that all savings newly proposed for 2022/23 are at a realistic and manageable level and that base budgets adequately reflect rising demand, inescapable pressure and further potential impact of COVID 19. There will also be a need to adequately resource service growth and modernisation, in order to help the Council approach the uncertainties of the medium term.
46. Whilst the focus of this report is the annual budget proposals for 2022/23, work is ongoing to revisit the assumptions within the MTFP and the detail of this will be reported along with the Council's other financial strategy documents, as part of the final 2022/23 Budget Report.

### **Consultation and Engagement**

47. Budget consultation is an opportunity to understand what is important to our stakeholders and to encourage their involvement in shaping Council

services. Consultation on the 2022/23 budget commenced with the 'Ask Cardiff' survey which asked citizens to indicate their budgetary priorities both in the short and long term. 'Ask Cardiff' generated 2,704 responses across the city. Findings from the budget questions that focussed on the short term are set out below. These did not differ significantly to long term priorities.

1. Schools and Education including Youth Services.
2. Supporting vulnerable children and families.
3. Supporting vulnerable adults and older people.
4. Recycling & Waste Services incl. collections, disposal & Recycling Centres.
5. Neighbourhood Services (street cleansing & improvements to public realm).
6. Housing & Homelessness Services including the delivery of high quality sustainable low carbon housing.
7. Highways and Transport including delivery of the Transport White Paper and One Planet Cardiff Strategy
8. Parks and Sport including investment in new and existing green spaces and the city's waterfront.
9. Major projects including infrastructure to support businesses, local economy, city centre and local community centres.
10. Libraries and Community Hubs.
11. Culture, Venues & Events - showcasing and celebrating the diversity, culture and history of our city.
12. Digital Services - accelerating the Council's Digitalisation programme to facilitate Online Services and Hybrid Working throughout the city.

*(Order is based on a score out of 12 (each vote for 1<sup>st</sup> place gets a score of 12, 2<sup>nd</sup> place gets a score of 11 etc. Scores are combined, and divided by the total number of votes for each option).*

48. Building on the findings from Ask Cardiff, consultation in respect of the 2022/23 Budget, subject to Cabinet approval will begin immediately following Cabinet consideration on the 13<sup>th</sup> January 2022 and run until 4<sup>th</sup> February 2022. The results of the consultation will be key in supporting Cabinet as they prepare their final 2022/23 Budget Proposal for consideration by Council in March 2022.
49. Due to the current circumstances regarding the Omicron variant, face-to face engagement on the consultation will not be possible. As such, similar to last year, the focus of promoting the consultation will have to be done electronically. Key points to note for this year's consultation are:
  - The consultation document will be available for online completion on the Council's website.
  - A co-ordinated social media and press campaign, and partner involvement will seek to ensure citywide engagement.

- Links to the consultation will be made available on the Council's corporate social media accounts, with posts targeting localised community groups across the city, and targeted advertising aimed at groups with a typically lower response rates.
  - Links to the survey will also be shared with community groups, such as faith groups and community councils, and partners, including members of the PSB, to be shared with their contacts.
  - The consultation will also be promoted to Council staff via the intranet and Staff Information alerts via email and on DigiGov.
  - The Council will also work with the Access Forum, and relevant groups including the Deaf Hub and RNIB to make the survey available to those who may have difficulty accessing or completing the online link.
50. As a child-friendly City, the Council is keen to hear the thoughts of the younger members of the population to help frame their budget plans. To support this the survey will be shared with Cardiff Youth Council and will be promoted to schools to encourage pupil engagement.
51. Further opportunities for engagement, including with the Schools Budget Forum and Scrutiny Committees will also take place during the coming months. The need to engage effectively with the Council's own staff, both directly and through their trade unions will remain a high priority throughout the budget setting process. Stakeholder engagement opportunities are a valuable way of informing the budget process and Cabinet's final budget proposal.
52. The Budget consultation details are attached at **Appendix 2**.
53. In addition to public consultation where there are ongoing requirements for internal staff and trade union consultation, specifically in relation to ongoing delivery of efficiency savings, these will continue to be included as part of the ongoing employee engagement process.

### **Employee Engagement**

54. Through the Council's Trade Union Partnership meeting, trade unions have been consulted in advance on the budget projections for 2022/23 and the likely impact on employees, particularly where posts are at risk of redundancy. Under the law relating to unfair dismissal, all proposals to make redundancies must involve reasonable consultation with the affected employees and their trade unions. Even with a better than anticipated settlement, it remains likely that there will be redundancies within the Council's workforce during the financial year commencing April 2022. This is mainly as a result of delivering efficiency savings in-year, through proactive workforce planning and potentially service changes linked to the ongoing impact of Covid-19 into 2022/23.
55. During the period of the consultation, trade unions and employees will have the opportunity to comment on proposals that may affect them. Once the final budget is approved by Council, any employees affected

will be supported. At that point, eligible employees will be given the opportunity to take voluntary redundancy or to access the redeployment process, which provide employees with a period of twelve weeks to look for alternative employment.

56. Whilst the exact number of proposed redundancies is not known at this stage, some as indicated above are likely to occur. The number is likely to be limited but as part of the budget process this year it is prudent to instigate formal consultation processes. This will mean that following Cabinet on 13 January 2022 and in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992, a Section 188 Notice will be formally issued to the trade unions, related to the budget and potential redundancies. The proposed redundancies and the issue of the Section 188 notice is related to the overall reduction in staff numbers required.
57. Formal consultation with employees and trade unions will take place as part of the budget preparation work and views and comments about ways of avoiding, reducing and mitigating the consequences of the numbers of staff being made redundant e.g. by redeployment, will be considered.

### **Reason for Recommendations**

58. To issue the 2022/23 Budget Consultation and to provide stakeholders with the opportunity, through a range of mechanisms, to provide feedback to Cabinet. In addition, to note that the consultation will commence on the 13<sup>th</sup> January 2022 and run until the 4<sup>th</sup> February 2022.

### **Financial Implications**

59. The financial implications are as described in the detail of the Report.

### **Legal Implications**

60. Specific legal obligations relating to the setting of the budget and consultation are set out within the body of this report.
61. The obligation to consult can arise in some cases from express statutory provisions and in other cases from common law. In all cases, the consultation must be undertaken in such a way as to be meaningful and genuine. The results of the consultation must feed into the process for consideration and finalisation of budget decisions.
62. The Council has public sector duties under the Equality Act 2010 which require it, in exercising its functions, to have due regard to the need to (1) eliminate unlawful discrimination (2) advance equality of opportunity and (3) foster good relations between persons with and without protected characteristics. For example, protected characteristics include race, sex, gender, age, religion.
63. The Council also has a statutory duty to have due regard to the need to reduce inequalities of outcome resulting from socio-economic

disadvantage ('the Socio-Economic Duty' imposed under section 1 of the Equality Act 2010).

64. In order to be sure that the Council complies with its public sector equality duties, it is essential that Equality Impact Assessments are undertaken where appropriate in relation to specific budget proposals, that these are informed by the results of the consultation, and that any impact is taken into account in the decision-making on the budget.
65. The Well-being of Future Generations (Wales) Act 2015 requires the Council to consider how the proposals will contribute towards meeting its well-being objectives (set out in the Corporate Plan). Members must also be satisfied that the proposals comply with the sustainable development principle, which requires that the needs of the present are met without compromising the ability of future generations to meet their own needs.

### **HR Implications**

64. The Human Resource implications are as described in the detail of the Report.

### **Property Implications**

65. There are no property implications arising directly from this report.

## **RECOMMENDATIONS**

Cabinet is recommended to

- (1) Note the updated Budget Position for 2022/23 at Provisional Settlement Stage.
- (2) Agree the proposed approach to Budget Consultation for 2022/23 and subject to that agreement note that the formal budget consultation will commence on the 13<sup>th</sup> January 2022 and run until 4<sup>th</sup> February 2022. The results of the consultation process will then be considered by Cabinet in preparing their final 2022/23 budget proposal.
- (3) Note that the Chief Executive as Head of Paid Service will be issuing all necessary statutory and non-statutory employment consultation in respect of the staffing implications of the proposals.

<b>SENIOR RESPONSIBLE OFFICER</b>	Chris Lee Corporate Director Resources and Section 151 Officer
	7 January 2022

*The following appendices are attached:*

Appendix 1 – Provisional Local Government Financial Settlement 2022/23 –  
Statement and Key Data Table

Appendix 2 – Budget Consultation 2022/23 Details

*The following background papers have been taken into account*

- Budget Strategy Report 2022/23 and the Medium Term
- Equality Impact Assessments (EIAs) of Cardiff Councils 2022/23 Budget Savings Proposals
- WG Provisional Local Government Financial Settlement 2022/23

Rebecca Evans AS/MS  
Y Gweinidog Cyllid a Llywodraeth Leol  
Minister for Finance and Local Government



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref: MA/RE/4399/21

To:  
Leaders of County and County Borough Councils in Wales

Copied to:  
Chief Executives and Directors of Finance, County and County Borough Councils in Wales  
Chief Executive and Director of Finance, Welsh Local Government Association

21 December 2021

Dear Colleagues

Today I am announcing details of the Provisional Local Government Revenue and Capital Settlements for 2022-23 (the Settlement) for county and county borough councils (authorities) in Wales through a Cabinet Written Statement. This is attached for your information. I am also publishing Wales-level indicative core funding allocations for 2023-24 and 2024-25.

As in recent years, this Government's priorities continue to be health and local government services. My announcement outlines my intention to set local government core revenue funding for 2022-23 at £5.1 billion. This means, after adjusting for transfers, overall core funding for local government in 2022-23 will increase by 9.4% on a like-for-like basis compared to the current year. No authority will receive less than an 8.4% increase.

The indicative Wales-level core revenue funding allocations for 2023-24 and 2024-25 are £5.3 billion and £5.4 billion respectively – equating to an uplift in the first year of £177 million (3.5%) and, in the second year, of £128 million (2.4%). These figures are indicative and dependent on both our current estimates of NDR income over the multi-year settlement period, and the funding provided to us by the UK Government through the 2021 comprehensive spending review.

While I know local government has been facing significant pressures, I hope that this significantly increased Settlement enables you to continue to deliver the services your communities want and need as well as supporting national and local ambitions for the future, including responding to the climate and nature emergency and contributing to our Net Zero Wales plan.

In making decisions about the level of funding for local government I have responded to the need to ensure that hardworking staff receive well deserved pay-rises in the future. In particular I have included funding to enable authorities to meet the additional costs of introducing the Real Living Wage for care workers as set out by the Deputy Minister for Social Services today. This allocation includes a transfer of £5 million, for which the base of the Settlement has been adjusted, from the Social Care Workforce and Sustainability grant.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

The funding provided through this Settlement also recognises the decision made around the 2021/22 teachers' pay deal and includes funding for the costs arising from the 2022/23 pay deal that fall within this Settlement year. Accordingly, I will not be making any further funding available in-year in recognition of the 2022/23 teachers' pay deal, and authorities' budget planning must accommodate these costs in the light of this Settlement.

More widely on public sector pay, this Settlement includes funding to cover the increased costs authorities will face arising from the UK Government's announcement to increase National Insurance Contributions for employers.

Alongside the Settlement we are continuing to provide funding to support local government to waive fees for child burials. This shared commitment ensures a fair and consistent approach across Wales.

In line with our focus on countering the effects of poverty, we remain committed to protecting vulnerable and low-income households from any reduction in support under the Council Tax Reduction Schemes, despite the shortfall in the funding transferred by the UK Government following its abolition of Council Tax Benefit. We will continue to maintain full entitlements under our Council Tax Reduction Scheme (CTRS) for 2022-23 and are again providing £244 million for CTRS in the Settlement in recognition of this.

As I announced yesterday, I am maintaining the approach taken in 2021-22 and am continuing to freeze the NDR multiplier for 2022-23. I have provided an additional £35 million in RSG in 2022-23 to offset the reduced income and a further £1m for the following two years. Through this Settlement, I am also continuing to provide £4.8 million for authorities to deliver additional discretionary rates relief for local businesses and other ratepayers to respond to specific local issues.

In order to facilitate a smoother transition towards partial NDR retention for City and Growth Deal Regions, a technical adjustment has been made to the distribution of NDR between authorities and police forces. This amendment sees the proportion of distributed NDR that authorities receive increasing from 95% to 99.9%. This has been met by an equivalent reduction in the percentage amount received from RSG. This is purely a technical change, which will not result in any impact to the funding received by any authority: the cumulative total of NDR and RSG provided has not been affected.

The Local Government and Elections (Wales) Act 2021 (the Act) provides for the creation and ongoing development of corporate joint committees to allow authorities to work together on specific functions such as transport, economic development and planning. Following one-off specific grant funding this financial year to support preparatory work I am delivering ongoing additional funding to support the core operation of these committees through the Local Government Settlement.

A robust democracy is an essential feature of local government. In determining the overall Settlement I have also sought to recognise the need to build the capacity of electoral services to deal with Welsh electoral reform, following our reforms in the Act and to support our future work.

Given the significant increase in this Settlement, I am not proposing to include a floor this year and have allocated all the available funding in this Settlement.



The progress of the pandemic and its ongoing impact on our lives and on public services continues to be highly uncertain. The comprehensive spending review did not provide additional financial support, which is a concern, especially following the emergence of the new Omicron variant. I have carefully considered how to manage pandemic support for authorities and concluded the balance lies in providing funding in the first year through the Settlement. But in determining the overall Settlement, I have recognised the ongoing impact of the pandemic on services which authorities will need to manage. I should also like to again place on record my thanks, and those of my colleagues for the efforts of local government teams over the past eighteen months in responding to the pandemic's impact on our communities, families and businesses.

I will continue to engage closely with local government through the WLGA.

I set out the position on capital funding for the Welsh Government as part of my budget statement on Monday. The settlement we received from the UK Government was disappointing and is not sufficient to meet our ambitions to invest in Wales' future.

Following a review of our capital budgets, general capital funding for local government for 2022-23 will be set at £150 million. This will increase to £200 million for the following two years, including £20 million in each year to enable authorities to respond to our joint priority of decarbonisation. I should like to consider, through the Partnership Council and the Decarbonisation Strategy Panel how this funding might be best used.

The draft *Local Government Finance Report* and additional tables containing details of the Settlement by individual authority are also being published on the Welsh Government website. These tables include the individual authority allocations of Aggregate External Finance (AEF), comprising RSG and redistributed NDR. We are also providing information on revenue and capital grants which are planned for 2022-23, 2023-24 and 2024-25. This information will be further updated for the final settlement.

The publication of the Settlement in late December has enabled us to draw on the latest tax-base figures for 2022-23, meaning that there should be no change between provisional and final settlements as a result of updates to the tax base. While I cannot guarantee that there will be no other changes between the provisional and final settlements, due to the financial uncertainty that we currently face, I do not intend making any significant changes to the methodology or the data underpinning the distribution of this Settlement.

This is a good Settlement for local government and provides you with a stable platform for planning your budgets for the forthcoming financial year and beyond.

I and my colleagues have engaged closely with local government in the lead up to this Settlement. While this is a good Settlement, building on improved allocations in recent years, I recognise that this does not reverse the years of constraint as a result of overall austerity in public finances. You will still need to make some difficult decisions in setting your budgets and it is important you engage meaningfully with your local communities as you consider your priorities for the forthcoming year.

The setting of budgets, and in turn council tax, is of course the responsibility of each authority. You will need to take account of the full range of funding sources available to you, as well as the pressures you face, in setting your budgets for the coming year.

My announcement today launches a 7-week period of formal consultation on the Settlement for 2022-23. I would be grateful if you could ensure your response arrives no later than **Tuesday, 8 February 2022**. All responses to this consultation should be sent to:

Simon Edwards: [LGFPSettlement@gov.wales](mailto:LGFPSettlement@gov.wales)

Comments are invited about the effects (whether positive or adverse) the proposed Settlement would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language. In addition, we invite comments on whether the proposed Settlement could be formulated or revised to have positive effects, or decrease adverse effects, on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

The Welsh Government intends to publish a summary of the responses. Normally, the name and address (or part of the address) of each respondent are published along with the response. If you do not wish to be identified as the author of your response, please ensure you state this explicitly in your response.

Copies of responses may be placed in the Welsh Government's library. If you wish your comments to remain confidential, please make this clear in your reply. This will be considered in light of our obligations under the Freedom of Information Act. The Welsh Government will consider all responses received by the due date before the final determination is made and published.

Authorities are reminded of the requirement to comply with the general equality duties set out in the Equality Act 2010, and also the specific equality duties where applicable. The equality impacts of budgetary options should be assessed and inform any final decisions.

Authorities also need to take account of their duties under the Well-being of Future Generations (Wales) Act 2015 and the Welsh language standards in preparing plans for 2022-23.

Yours sincerely



**Rebecca Evans AS/MS**

Y Gweinidog Cyllid a Llywodraeth Leol  
Minister for Finance and Local Government

**Table 1a: Change in Aggregate External Finance (AEF), adjusted for transfers, by Unitary Authority (£'000s)**

This worksheet contains one table. Some cells refer to notes which can be found on the notes worksheet.

<b>Unitary Authority</b>	<b>2021-22 Final Aggregate External Finance [Note 1]</b>	<b>2022-23 Provisional Aggregate External Finance</b>	<b>Percentage difference</b>	<b>Rank</b>
Isle of Anglesey	104,872	114,549	9.2%	12
Gwynedd	195,905	213,210	8.8%	17
Conwy	167,356	183,308	9.5%	5
Denbighshire	159,060	173,637	9.2%	15
Flintshire	212,608	232,174	9.2%	14
Wrexham	189,233	207,060	9.4%	7
Powys	192,088	210,257	9.5%	6
Ceredigion	110,006	119,419	8.6%	19
Pembrokeshire	179,422	196,253	9.4%	8
Carmarthenshire	285,262	311,597	9.2%	11
Swansea	353,571	386,585	9.3%	9
Neath Port Talbot	237,289	258,068	8.8%	18
Bridgend	212,755	232,364	9.2%	13
The Vale of Glamorgan	168,128	186,011	10.6%	3
Rhondda Cynon Taf	407,050	441,433	8.4%	21
Merthyr Tydfil	101,493	110,616	9.0%	16
Caerphilly	292,712	317,453	8.5%	20
Blaenau Gwent	120,657	130,795	8.4%	22
Torfaen	146,560	160,117	9.3%	10
Monmouthshire	101,003	112,275	11.2%	1
Newport	240,957	265,612	10.2%	4
Cardiff	492,095	544,715	10.7%	2
<b>Total unitary authorities</b>	<b>4,670,080</b>	<b>5,107,507</b>	<b>9.4%</b>	

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**Context for Web Page:****Background**

At the beginning of each year, the Council sets a budget for the next financial year that details how much money we will be able to spend on each of the services that the council provides. These include schools, street lighting, road maintenance, waste and recycling collections and providing care to vulnerable people of all ages, through Social Services. Across our service delivery, there will be continued commitment to climate change and decarbonisation in line with “One Planet Cardiff.” In the current financial year, the Council’s budget is £682 million. Almost two thirds of this, is spent on schools (£257 million) and Social Services (£189 million). Most of the money to fund these services comes from a Welsh Government grant (72%). The remainder (28%) comes from Council tax, without which, many important services valued by residents would be lost.

**2022/23 Budget Challenges**

To set the budget the Council must make sure the estimated cost of providing services next year matches the funding available. The cost of delivering services usually rises each year. This is because demand for services increases as the city’s population grows, and people’s circumstances change. The cost of delivering services is also affected by inflation.

As you might expect, a key factor to consider in setting the 2022/23 Budget is the ongoing impact of COVID 19. During the past two years, the Council received significant levels of support from the Welsh Government’s Covid 19 Hardship Fund to help cope with additional costs and lost income. This Fund will not continue next financial year, and so the cost of COVID-19 related pressures will need to be reflected in the Council’s 2022/23 Budget Plans. This is a major financial risk to the Council, with the Omicron variant presenting further challenges in recent weeks.

**2022/23 Budget Funding**

The funding the Council will receive in Welsh Government Grant next year is higher than we originally expected. However, the additional funding comes with extra cost pressures. These include increased pay and national insurance contributions, rising costs, and increased care costs linked to supporting the Real Living Wage in the Care Sector (in line with the Deputy Minister for Social Service’s December announcement). The Council must also be confident that it can continue to cope with COVID 19 pressures in 2022/23 without a separate fund to access for support.

**Draft 2022/23 Budget**

Further detail on the 2022/23 Budget is available in the Budget Update Report that can be accessed from this webpage. However, it’s important to emphasise that this position is still a work in progress. There are a lot of things to consider in finalising the 2022/23 Budget, including the continually changing picture in relation to COVID19, the level of budget savings to be delivered across our services and Council Tax requirements. The feedback you give us as part of this consultation will also play a key part in finalising the budget and we are keen to understand your priorities for investment. We know from the 2021 Ask Cardiff survey which services residents consider to be a priority for investment, and so this Budget Consultation will now look at these areas in more detail.

**Survey:**

**2022/23 Budget Consultation**

In response to Ask Cardiff, you told us that your top service priorities were:

- Education and Youth Services
- Supporting vulnerable children and families
- Supporting vulnerable adults and older people
- Recycling and Waste Services
- Neighbourhood services such as street cleansing
- Homelessness and housing

We are already looking to allocate around £30 million of new funding to these areas as we know they are areas that are experiencing high demand and cost pressures.

1. Within each of the broad headlines identified above, we would like you to tell us if there are more specific services in which you would like to see investment? We have given some examples below, but please feel free to include any other related services you feel may not be listed. Please rank these services in order of importance with 1 being the most important.

Service	Rank
Schools (Teaching)	
Youth Service	
Schools (Building)	
Vulnerable Children and Families	
Vulnerable Adults and Older People	
Refuse Collection	
Recycling	
Street Cleansing	
Enforcement on littering & fly-tipping	
Homelessness	
Housing	
Other (Please Specify)	

2. Do you have any other comments?

# Budget 2022/23

## Update At Provisional Settlement

PRAP 18<sup>th</sup> January 2022



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# Contents

- Provisional Settlement Headlines
- COVID-19 Pandemic
- Budget Modelling Update
- Aspects of the Financial Strategy for Ongoing Review
- Consultation
- Next Steps

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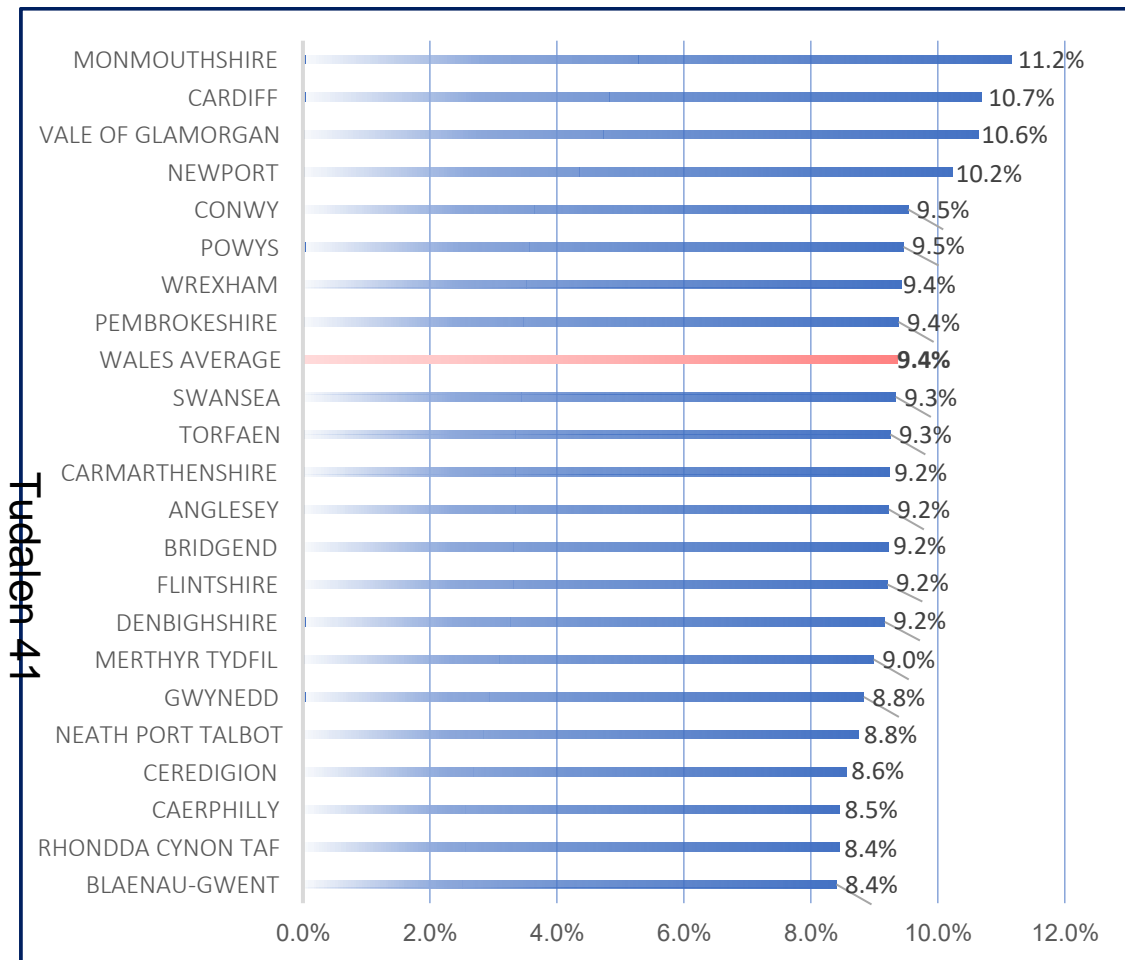


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# Provisional Settlement Headlines



## Overview of Non-hypothecated Funding

### Wales

- Welsh average increase: 9.4%
- Range: 8.4% - 11.2%
- Indicative settlements for future years: 3.5% (2023/24) and 2.4% (2024/25)
- No floor funding mechanism
- Transfers - Gate Fees & £5m of Social Care Workforce and Sustainability Grant

### Cardiff

- Cardiff: 10.7% - second highest in Wales (Cash £52.6m)
- Favourable but comes with some additional costs to consider
- Real Living Wage for Care Sector, clear emphasis in settlement letter that no 22/23 Hardship Fund, and no further grant allocations for pay award next year

## Overview of Specific Grants

- Need further clarity on specific grants including individual LA allocations
- Notable increases are linked to specific policy announcements
  - Free School Meals (+£40m in 2022/23, further allocations in years 2&3)
  - Childcare (+£22.8m in 2022/23, further allocation in years 2&3)
- All figures above are All Wales
- Listing does not yet include a figure for Sustainable Waste Grant



# Covid-19 Pandemic

- Significant financial impact and ongoing
  - 20/21 Expenditure £47.7M, Income £38.2M
  - 21/22 to November Expenditure £18.7M, Income £9.9M
- Likely to be significant costs and income losses into 22/23
  - PPE, Testing, Social Care Services
  - Income recovery
  - Impact of new variants
- No Welsh Government Covid Hardship Fund from 1<sup>st</sup> April 2022 – all costs / income losses have to be built into the Council's Budget from 2022/23



# Budget Modelling Update

Resources Required	£000	
Base Budget B/F	687,358	Adjusted for transfers
Pay Award and NI changes	6,034	• Assumed 3% NJC award & NI changes
Price Inflation	5,773	• Includes: £4.4m Adult Social Care
Financial Pressures	20,497	• Covid Recovery (£10m) • Real Living Wage (care) sum to be finalised • Social Services staffing pressures
Commitments	3,117	• £1.4m CTRS associated with Ctax increase • £0.550m levies & contributions
Realignments	5,100	• £4.687m Children's Services • Renewable energy, waste, EOTAS, legal
Capital Financing	2,972	• Associated with existing capital programme
Demographic Pressures	8,425	• £5.9m Adults, £1.8m Children's, £0.7m other
Schools Growth	8,685	• Assumed pay awards of (3%) for 22/23 • Pupil Number Growth and LDP implications • Net of Schools contribution to Band B
Savings	(9,123)	
<b>Resources Required</b>	<b>738,838</b>	

	£000	
Aggregate External Finance	544,715	• Per Provisional Settlement
Council Tax	203,122	• With 2022/23 tax base & modelled 4% uplift
<b>Resources Available</b>	<b>747,837</b>	

Based on the modelling, available resources currently exceed resource requirements by £8.999 million

However .....

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# Budget Modelling Update

- Ongoing areas of review / risk include:

- The expenditure and income assumptions underlying the budget are continually being reviewed as part of normal budget preparation work.
- There is uncertainty on specific grant levels in some area next year, notably Integrated Care Fund (ICF) funding streams, which are a core area of support for Social Services.
- Work is required to fully quantify the financial impact of supporting the Real Living Wage in commissioned care rates.
- Assumptions regarding pay awards in light of inflation levels, and in the absence of an agreed award for the current financial year.
- Further clarity is required regarding new specific grants announced in support of specific initiatives (Free School Meals for foundation phase pupils and childcare) in order to determine the adequacy of the streams to deliver the required change
- The continually changing picture in relation to COVID19 needs to be further reviewed
- Any areas of targeted investment following feedback from the consultation exercise

# Aspects of the Financial Strategy for Ongoing Review

- Use of Reserves
  - Currently assumes nil used
- Council Tax
  - Modelled increase remains at 4% currently
  - Same as MTFP currently but will be reviewed following the consultation process
- Budget Savings
  - Modelled currently at £9.123M
    - Schools £2.566M
    - Non Schools £6.557M



# Consultation

- Consultation will run 14<sup>th</sup> January to 6<sup>th</sup> February
- Will build on the 2021 'Ask Cardiff' survey, which asked residents to identify their budget priorities for the next financial year, and the longer term
- The priorities identified in Ask Cardiff for 2022/23 were
  - Education and Youth Services
  - Supporting vulnerable children and families
  - Supporting vulnerable adults and older people
  - Recycling and Waste Services
  - Neighbourhood services such as street cleansing
  - Homelessness and housing



# Consultation

- COVID restrictions mean consultation will be done electronically:
  - Available via website and links through social media
  - Shared with the Citizen's Panel, and community groups & the PSB for distribution across networks
  - Work with the Access Forum to ensure all can participate even if not able to electronically
- Youth and school input to be targeted this year, with a separate survey (developed using appropriate language and a shortened demographic section) sent to all head teachers in Cardiff



# Next Steps

- Ongoing refinement and analysis of base requirements, savings proposals and modelling
- Cabinet considered report on 13<sup>th</sup> that set out the position at Provisional Settlement and instigated a period of consultation
- Consultation - focus on priorities identified in Ask Cardiff to help inform strategy

**The report on the 13<sup>th</sup> January was not the Cabinet's Final Budget for 2022/23 ... this will be considered further over coming weeks and will not be finalised until proposals are put to Council on the 3<sup>rd</sup> March 2022**





**CYNGOR CAERDYDD  
CARDIFF COUNCIL**

**POLICY REVIEW & PERFORMANCE  
SCRUTINY COMMITTEE**

**18 January 2022**

**Committee Business Report**

Correspondence

**Reasons for this Report**

1. To update Members on correspondence arising from recent scrutiny meetings.

**Correspondence**

2. Following each Scrutiny Committee meeting, the Chair writes on behalf of all Members, to the relevant Cabinet Member and senior officer, summing up the Committee's comments, concerns and recommendations regarding the issues considered during that meeting. The Committee is routinely copied into the letters when they are forwarded to the Cabinet Member. Depending on the issues highlighted, the letter may request a response from the Cabinet Member to any recommendations made, and sometimes requests further information.
3. For Members information attached to this report are copies of correspondence following the October -December meetings of this Committee, both letters sent, and Cabinet responses received.
4. Where responses are *outstanding* the support officer continues to follow up on the Committee's behalf, particularly where the Committee has made a formal recommendation for monitoring as part of the new model and database in place to capture the impact of scrutiny. There are occasions, however, that the Committee does not formally request a response.

<b>Committee</b>	<b>Scrutiny</b>	<b>Appendix</b>
11 October 2021	Cardiff Public Services Board – Annual Report	1a
	<i>Response of the Board</i>	1b
11 October 2021	Recovery and Renewal Programme - update	2a
	<i>Cabinet response to PRAP recommendations</i>	2b (i)&(ii)
17 November 2021	Budget Monitoring 2021/22 - Month 6	3a
	<i>Response not required</i>	
17 November 2021	Governance & Legal Services Budget challenges	4a
	<i>Response not requested</i>	
17 November 2021	Corporate Property Strategy	5a
	<i>Response not required</i>	
6 December 2021	Mid-year Performance Assessment PRAP Performance Panel	6a
	<i>Cabinet response to Performance Panel observations</i>	6b (i)&(ii)
14 December 2021	Mid-year Performance Assessment – to note PRAP Committee	7a
	<i>Response not required</i>	
14 December 2021	Corporate Property Strategy	8a
	<i>Response not required</i>	
14 December 2021	Sickness Absence	9a
	<i>Response outstanding</i>	9b

## **Legal Implications**

5. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct legal implications. However, legal implications may arise when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any

legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

### **Financial Implications**

6. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

### **RECOMMENDATIONS**

Members are recommended to:

- a. Note correspondence between the Committee and the Cabinet.

**Davina Fiore**

Director Governance & Legal

12 January 2022

Mae'r dudalen hon yn wag yn fwriadol

Date: 15 October 2021

Councillor Huw Thomas,  
Chair, Cardiff Public Services Board  
Cardiff Council,  
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Dear Huw,

### **Policy Review & Performance Scrutiny Committee: 11 October 2021**

As Chair of the Policy Review and Performance Scrutiny Committee Members have asked that I pass on their thanks for your attendance at Committee for consideration of the Cardiff Public Services Board (PSB) Annual Report 2020/21. Please also pass on our appreciation to Charles Janczewski, Alun Michael, Paul Orders, Fiona Kinghorn, Abigail Harries and Gareth Newell, for their comprehensive presentation of progress and response to our questions and comments. We offer the following observations for the Boards consideration and response.

#### **Teamworking culture**

The Committee acknowledges that all statutory partners recognise the value of having a successful PSB in place, and we concur that, had it not existed at the onset of the pandemic, such a partnership of key frontline public service organisations would need to have been created. We particularly note the Chair of Cardiff & Vale UHB's observation that the PSB has facilitated a high level of trust and a spirit of co-operation that results in agility in the speed of decision-making. We are also happy to record the Police & Crime Commissioner's view that content and culture rather than frequency of meetings can unlock the power of partnership working. Clearly partners agree with the Committee's observation that, faced with the urgency and complexity of the pandemic, the committee format quickly merged into teamworking. To maintain that positive team culture change we encourage the PSB to discuss this transformation and how new and improved ways of operating can be maintained as further challenges, already in evidence, present themselves.

## **Maintaining the momentum**

Clearly, your main focus now is on maintaining the momentum of the past 18 months, and we note the Board's stated four priorities going forward, *Climate Emergency*, *Tackling Inequalities*, *Young People & a Child Friendly City* and *Prevention (understanding and responding to the common drivers of demand on public services)*.

In acknowledging the stronger partner relationships Members are keen that you capture the energy of all PSB partner organisations, in addition to those at the forefront of dealing with the pandemic. We note that the PSB provides the platform and mechanism for applying a shared public service response to long term challenges such as climate change. We were also pleased to hear that coordinated work on matters such as sustainability, childhood obesity, childhood immunisation rates, and substance misuse is underway.

## **Re-offending indicators**

The Committee expressed some concern about increasing re-offending rates listed under Well-being Objective 4, *Safe, Confident and Empowered Communities* (now 40.6% compared with 38.4% when last recorded in 2019). We note that this is partly due to the time lag between the range of steps put in place. A variety of diversionary activity programmes introduced to tackle youth crime and aimed at the most vulnerable were reported. We also note the Police and Crime Commissioners view that first time offending rates are showing significant decline and therefore higher re-offending rates do not necessarily mean higher crime levels. Further work is ongoing to understand the nature and seriousness of the types of re-offending crimes now being reported.

## **Population needs assessment**

In respect of the Boards measurement of progress Members acknowledge there are some gaps in the data reporting due to the recent crisis of the past 18 months. We note that there will be an opportunity to look at the trend analysis report merging PSB data with the population needs assessment data currently being compiled by the health board in November 2021. We will consider this for our work programme.

## **Community perception of safe neighbourhoods**

The Committee was keen to establish what partners could collectively do to create safer neighbourhoods. We consider it necessary to understand that people's perception of safety is important, even when reported offending levels appear to be reassuring. We heard that Cardiff compares well with most core cities, particularly on levels of violent crime. We note also that the work of the Community Safety Partnership feeds into the PSB and, for some time, there has been concern at the resourcing of frontline policing in the city. We were pleased to hear of new police initiatives on issues such as domestic violence and abuse. Above all we consider it important that PSB partners continue working closely together on neighbourhood safety issues, and the Council ensures the public realm of the city is family and age friendly.

## **Asset sharing strategy**

Members highlighted the value of asset sharing across partner organisations. We note there are ongoing conversations between partners' estate managers and that there have already been some agreements to share publicly owned space. We note also that partners have started to share space within hubs and are talking about further shared touchdown points. However, these are examples of shared working rather than a result of a fully formed city-wide asset sharing strategy. Sharing assets is clearly still at an early stage and we **recommend** further coordinated progress in this area and the formulation of a PSB strategic plan.

## **Leading on tackling big issues**

Finally, beyond 2021 the PSB must maintain its strategic view and provide leadership in tackling the major challenges ahead. Members heard that health inequalities remain an important focus of partnership work, underlying PSB work already in progress. We note the importance of maintaining the momentum and that the focus in forthcoming meetings will be on the Director of Public Health's Annual Report. We also note your reference to other players who are not statutory partners that can work alongside the PSB in helping to tackle health inequalities.

Once again, on behalf of the PRAP Scrutiny Committee the attendance of yourself and key partners to assist us in our consideration of the Cardiff PSB Annual Report 2020/21 is much appreciated.

Yours sincerely,



**COUNCILLOR DAVID WALKER**

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

cc Members of the Policy Review & Performance Scrutiny Committee,  
Charles Janczewski, Vice Chair of Cardiff PSB, C&V UHB,  
Alun Michael, South Wales Police & Crime Commissioner,  
Paul Orders, Chief Executive, Cardiff Council,  
Sarah McGill, Corporate Director Communities  
Fiona Kinghorn, Executive Director of Public Health, C&V UHB,  
Abigail Harries, Executive Director of Strategic Planning, C&V UHB,  
Gareth Newell, Head of Partnerships and Performance, Cardiff Council,  
Minister for Housing and Local Government,  
Future Generations Commissioner for Wales,  
Auditor General for Wales,  
Andrea Redmond, Committee Support Officer,  
Debi Said, Cabinet Support Officer  
Joanne Watkins, Cabinet Office Manager



**SWYDDFA'R ARWEINYDD  
OFFICE OF THE LEADER**



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Fy Nghyf / My Ref: CM46594

Dyddiad / Date: 10 November 2021

Councillor David Walker  
Chair, Policy Review and Performance  
Scrutiny Committee

Via email: n.newton@cardiff.gov.uk

Annwyl / Dear David,

Thank you for your letter dated 15<sup>th</sup> October 2021 and for inviting me as chair of Cardiff's Public Services Board (PSB) to present the PSB's Annual Report 2020/21 alongside Charles Janczewski (PSB Vice Chair), the Police and Crime Commissioner for South Wales and colleagues from Cardiff & Vale University Health Board. I wish to extend my thanks to the Committee on a very constructive session discussing the work and future of Cardiff's PSB.

Having worked closely with partners across the public sector throughout the pandemic, at times on a daily basis, to address the various challenges facing the city, I was pleased to see that the Committee recognises the excellent work that has been undertaken over the past 18 months. In particular, I wholeheartedly agree with the observation that the PSB had operated less as a committee and more as a team. As a collective we are committed to maintaining the momentum in partnership working that has been developed in the past 18 months. Our response to the pandemic has demonstrated that decisions and actions can be taken swiftly, backed by appropriate resources, and we are working to identify priorities, such as those raised during the meeting, that we will aim to address, together, as Cardiff emerges from the pandemic.

As outlined during the presentation, Cardiff PSB has commissioned a review of partnership priorities to support the recovery and renewal of the city, and a review of the governance arrangements – and culture – that will be needed to support their delivery. The PSB is scheduled to consider the initial findings of this review in November 2021.

In relation to the specific recommendation that the Committee makes around partnership asset planning and management, the PSB agrees that there is clear value in sharing assets across PSB partner organisations, with benefits to be gained in terms of service provision and resource allocation, particularly as organisations across the city move toward more hybrid and different ways of working. I expect this area to be identified as a priority for partnership action in the review outlined above, and while I agree that a strategic approach to asset management is required, reporting to the PSB, it is not clear to me whether a formal strategy is also required at this stage and would not wish to pre-empt the outcome of work underway at the moment. I will ensure that progress is reported back to the Committee in due course.

**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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In closing, it is clear that there are major challenges facing the city as we move toward a period of recovery and renewal following the Covid-19 pandemic. I am confident that the leadership, direction and cooperation facilitated through Cardiff PSB and its wider delivery arrangements will allow us to tackle these issues together and in the most effective manner possible.

Committee Recommendation	Response	Detail
<p>We recommend further coordinated progress in this area [sharing assets] and the formulation of a PSB strategic plan.</p>	<p>Partially Accept</p>	<p>The PSB agrees that a strategic approach to the management of assets is required, particularly as member organisations transition to different ways of working, and work is already underway to progress this. The PSB will not yet commit to the production of a fully formed partnership asset management strategy, as recommended by the committee. The PSB commits to report progress on this matter back to the committee in due course.</p>

Yn gywir,  
Yours sincerely,



**CYNGHORYDD / COUNCILLOR HUW THOMAS**  
**ARWEINYDD / LEADER**  
**CYNGOR CAERDYDD / CARDIFF COUNCIL**

Date: 18 October 2021

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



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Dear Chris,

### **PRAP: 11 October 2021 – Recovery and Renewal Programme Progress Update**

Thank you for attending the Policy Review and Performance Scrutiny Committee to update us on progress with the Recovery and Renewal Programme. Please also relay our thanks to Corporate Resources Director, Chris Lee, for facilitating this update, and to Gareth Newell and Donna Jones who attended the online meeting in support of the scrutiny. Members agreed that I pass on the following observations. You will find our recommendations for monitoring and requests for further information listed at the end of the letter.

This scrutiny was the Committee's first opportunity to consider progress on the post pandemic Recovery and Renewal Programme for the Council and we will now aim to monitor the Programme on a regular basis. The Committee notes that your update focussed specifically on two of the four priorities, People and Accommodation, and we look forward to an update on the Technology and Customers priorities in coming months. We also note the three core elements on which the Programme is founded are Culture, Technology and Environment.

Members note the Programme has at its core a move to management by results/outcomes and activity-based accommodation will need to support this aim. This signals a significant culture change, and we note you are currently at the *change management exercise* stage on the journey to Hybrid Working. We note also you will be shaping office accommodation to facilitate four types of work, focusing, collaborating, learning and networking.

#### **Leadership role – Culture Shift**

Members consider the move to Hybrid Working will be a significant culture shift for the Council and will require new processes, trust and management skills to ensure its

success. We note you concur this is a leadership challenge, but it provides the Council with the opportunity to increase productivity through a changing culture. You consider the perception of success of the past 18 months of homeworking is a reassuring basis for the change and we note that you will support those managers who need it. Officers referred to the forthcoming project in November-December that will introduce the change of management approach, and we note that you will make this a central theme of discussion at the managers focus groups.

### **Management support**

The Committee asked how you will identify that a manager is struggling to manage by results and needs support. We note you consider it is essential that people are encouraged to speak up if they are having difficulties to ensure they are supported in maintaining effective service delivery. We note also that training will be a key part of the change, feedback from focus groups will inform the training and engagement with managers will be an ongoing process. There will be managers who adapt quickly and effectively to new expectations but also some who will find the change process difficult. They will need to be identified and helped to adapt through coaching and mentoring by those they report to. There will be scope to develop more frequent reviews with all staff on a more informal basis, particularly home workers, so that any issues and concerns are identified and promptly addressed.

Where the formal PPDR process fits within the new performance framework is worthy of review as it is a key element which may need to be integrated into the new performance management process.

### **Survey results - measuring outcomes**

We note that, whilst full detail of the staff survey is not yet available, indications are that responses on the subject of productivity have been encouraging, with many staff members feeling their own productivity has increased during the past 18 months. Moving to a culture of management by results will require aligning all performance data available in the organisation and giving further consideration to the alignment of performance and financial information, particularly in respect of managers delivering their agreed budgets and savings targets. Members acknowledge the opportunities and potential gains to be made in moving towards a Hybrid Model, and we note that you consider further work is required around core office hours.

## Technology

We look forward to hearing more of the analysis of survey responses as to the nature of IT issues staff face in working from home when you update the Committee on the Technology and Environment elements of the programme later in the year.

### Requests following this scrutiny:

That you update the PRAP Scrutiny Committee on the progress of this programme on a regular basis.

### Recommendations to be monitored following this scrutiny:

To summarise, the Committee makes 3 formal recommendations which are 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 in December 2020.

Recommendation	Accepted, Partially Accepted or Not Accepted	Cabinet Response	Responsible Officer	Implementation Date
1. That you support a culture of management by results by aligning all performance data available in the organisation. This would include the further alignment of performance and financial information, including individual financial target setting within the performance management process.				
2. That you review where the PPDR process fits within the new performance management framework and make any necessary adjustments.				
3. That regular and less formal reviews of an employee's progress are introduced. These reviews can address work as well as wellbeing issues resulting in jointly agreed action plans which can be followed up and monitored.				

Once again thank you for your ongoing commitment to the value of scrutiny in monitoring strategic programmes. We look forward to hearing how the Recovery and Renewal Programme progresses over the coming year.

Yours sincerely,



**COUNCILLOR DAVID WALKER**

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

cc Members of the PRAP Committee  
Paul Orders, Chief Executive  
Chris Lee, Corporate Director, Resources  
Gareth Newell, Head of Performance and Partnerships  
Donna Jones, Assistant Director County Estates  
Tim Gordon, Head of Communications & External Relations  
Jeremy Rhys, Assistant Head of Communications and External Affairs  
Alison Taylor, Cabinet Support Officer  
Joanne Watkins, Cabinet Office Manager

**SWYDDFA CYMORTH Y CABINET  
CABINET SUPPORT OFFICE**

Fy Nghyf / My Ref: CM46617  
Eich Cyf/ Your Ref:  
Dyddiad / Date: 17th November 2021



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Councillor David Walker  
Chairperson  
Policy, Review & Performance Scrutiny Committee  
Cardiff Council  
Atlantic Wharf  
Cardiff  
CF10 4UW

Annwyl/Dear David,

**Policy, Review & Performance Scrutiny Committee - 11 October 2021 -  
Recovery & Renewal Programme Progress Update**

Thank you for your letter dated 18 October 2021.

I was pleased to provide the Committee with an update on progress with the Recovery and Renewal Programme on 11 October 2021. My thanks to you and to Members of the Committee for a constructive discussion and for positive engagement as the Council develops its work in this area.

Each of the Committee's recommendations is addressed in the attached appendix.

You also requested that the Committee receives updates on the progress of this programme on a regular basis and I would be happy to ask officers to ensure that this happens over coming months.

Yn gywir/Yours sincerely,

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

cc: Appendix

**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.

Tudalen 63



Mae'r dudalen hon yn wag yn fwriadol



## RECOMMENDATIONS

Recommendation	Accepted, Partially Accepted or Not Accepted	Cabinet Response	Responsible Officer	Implementation Date
<p>1. That you support a culture of management by results by aligning all performance data available in the organisation. This would include the further alignment of performance and financial information, including individual financial target setting within the performance management process.</p>	<p>Partially Accepted</p>	<p>The arrangements under development to strengthen the Council's Performance Management Framework aim to ensure greater alignment between performance and financial information and the Council's internal control environment. In doing so, this responds to the requirements of the Local Government and Elections (Wales) Act 2021, which defines performance in term of service performance, resources and governance. Specific changes include:</p> <ul style="list-style-type: none"> <li>• The inclusion of financial performance indicators alongside service performance and other corporately agreed KPIs in all departmental delivery plans.</li> <li>• An enhanced self-assessment process, which includes budget challenge and performance &amp; assurance sessions with individual Directors, has been put in place by the Chief Executive.</li> <li>• The Corporate Director (Resources) has also commenced</li> </ul>	<p>Gareth Newell – Head of Performance &amp; Partnerships</p>	<p>31 January 2022</p>

Recommendation	Accepted, Partially Accepted or Not Accepted	Cabinet Response	Responsible Officer	Implementation Date
		<p>a new process to ensure stronger accountability arrangements as part of the annual budget setting and monitoring cycle, which requires formal acknowledgement and agreement from individual Directors about their respective revenue cash limits and efficiency savings requirements. This process is undertaken in accordance with the Council's Financial Procedure Rules, which set out clear accountability requirements for the management of budgets by responsible Directors.</p>		
<p>2. That you review where the PPDR process fits within the new performance management framework and make any necessary adjustments.</p>	<p>Accepted</p>	<p>This recommendation will be addressed through the Performance Management Framework, with Personal Reviews taking place a) after setting the Corporate Plan &amp; Directorate Delivery Plans; b) as part of the mid-year self-assessment; and c) as part of year end self-assessment. The Performance Management Framework has been reviewed to ensure alignment with the self-assessment methodology now in place at a Corporate and Directorate level.</p>	<p>Gareth Newell – Head of Performance &amp; Partnerships</p>	<p>31 January 2022</p>

Recommendation	Accepted, Partially Accepted or Not Accepted	Cabinet Response	Responsible Officer	Implementation Date
<p>3. That regular and less formal reviews of an employee's progress are introduced. These reviews can address work as well as wellbeing issues resulting in jointly agreed action plans which can be followed up and monitored.</p>	<p>Partially Accepted</p>	<p>It is accepted that regular reviews should be undertaken with all staff and especially those employees who are working remotely from their line management. The need for regular contact with staff who are working from home was included in the Council's Guide to Successful Agile and Homeworking, which provides guidance on related good practice and etiquette, and is also discussed as part of the training on remote working that is provided to managers. This will be reinforced moving forward in any relevant policies and guides.</p> <p>It is agreed that these contacts should take place on an informal basis in order to identify and address any ongoing issues and concerns, particularly in terms of staff well-being. However, any requirement to record, monitor and complete agreed actions using any related documentation (e.g. action plans) in support of this process would only assist in making it more formal and, therefore, such an approach may not be appropriate.</p>	<p>Tracey Thomas – Chief HR Officer</p>	<p>31 January 2022</p>

Mae'r dudalen hon yn wag yn fwriadol

Date: 17 November 2021



County Hall  
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Caerdydd,  
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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  
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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,  
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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

Mae'r dudalen hon yn wag yn fwriadol



Date: 7 December 2021

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Dear Huw,

**PRAP Performance Panel - Mid-year Performance Assessment 2021/22:  
6 December 2021**

Further to the recent online scrutiny session to consider the Council's Mid-year Performance Assessment 2021/22, on behalf of all Scrutiny Chairs and Members of the Policy Review and Performance Scrutiny Committee's Performance Panel, a sincere thank you for collaborating with scrutiny to inform the assessment.

Attached to this letter is a table capturing all the points raised by Chairs and Panel Members. Where we are making recommendations and requests, they are indicated in bold in the table. The Mid-year Assessment, together with the Panel's observations, will be noted at PRAP on 14 December 2021.

Thank you for your ongoing commitment to ensuring scrutiny engagement in performance monitoring and forward corporate planning. On behalf of the Scrutiny Chairs and Panel Members please pass my sincere thanks to all Members and senior officers who attended.

Compliments of the Season,

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

**cc** Members of the PRAP Performance Panel

Councillor Chris Weaver, Cabinet Member, Finance, Modernisation and Performance

Councillor Lee Bridgeman, Chair, Children & Young People Scrutiny Committee

Councillor Shaun Jenkins, Chair, Community & Adult Services Scrutiny Committee

Councillor Ramesh Patel, Chair, Environmental Scrutiny Committee

Councillor Nigel Howells, Chair, Economy & Culture Scrutiny Committee

Paul Orders, Chief Executive

Chris Lee, Corporate Director, Resources

Sarah McGill, Corporate Director, People & Communities

Gareth Newell, Head of Performance and Partnerships

Dylan Owen, OM Performance and Policy

Gary Jones, Head of Democratic Services

Principal Scrutiny Officers

Mr David Hugh Thomas, Chair, Governance & Audit Committee

Chris Pyke, OM Governance & Audit

Debi Said, Cabinet Support Officer

Joanne Watkins, Cabinet Office Manager

## Scrutiny comments and observations for further consideration

## Mid-Year 2021-22 Performance Observations

PAGE	Observation/for further reflection
WBO1	<i>Cardiff is a great place to grow up</i>
	<p><b>Increased demand on services and the capacity to deal with them</b> – The Panel sought assurance from Cabinet of their intention to tackle the challenge of increasing demand for services and capacity to deliver. Members heard that the Council would do everything in its power to meet increased demand, and its commitment was demonstrated by a good track record of providing additional funding year on year to Education, Children’s Services and the wider social services of, particularly schools, where there has been growth over and above council budgets.</p> <p>The Panel noted there are significant challenges in recruitment, but that a market supplement had been offered to social workers and was paying dividends. We note the Cabinet will continue to look at innovative ways to meet demand pressures, as reflected in the call to action.</p>
	<p><b>Measuring educational achievement and school improvement locally and nationally, and the role of the Central South Consortia</b> – The Panel raised the issue of measuring educational achievement and school improvement, what the Council is doing to address this, and what role the Central South Consortium plays in addressing the need.</p> <p>Cabinet indicated this will be an area of continued focus to ensure that the challenge via <i>the Central South Consortia</i> in schools is appropriate to each school. The School Improvement Team and the Consortia work “hand in glove” and the Council is satisfied with the work done between the two. Cabinet is also putting in place a local approach which has a comprehensive view of individual schools across a range of factors (e.g., attainment, health and well-being, governance and leadership) and will target resources accordingly whilst working alongside the Consortia.</p> <p>The Cardiff Schools Report by the Consortia confirms schools are meeting the improvement priorities identified. Twice termly meetings take place between the LEA and Consortia “All Schools Risk Meeting” to monitor and track the performance of schools.</p> <p><b>National Assessment Framework</b> – The sector would benefit from clarity around the National Framework. This is very important, and the Council would like to see the publication of the Framework, as there is some uncertainty for schools around comparative performance and data sets nationally. Qualifications for next year – currently being told that the exam process for 2022 will go ahead but will be adapted should there be any need to do so arising from the Pandemic.</p>

## Scrutiny comments and observations for further consideration

<b>WBO2</b>	<i>Cardiff is a great place to grow older</i>
	<p><b>Quality of Care</b> - The Panel noted the significant pressure and increased demand on adult services and questioned which KPI provides insight into the quality of care being delivered. Advised the service area captures a range of data which provides this insight, which is reported quarterly to CASSC.</p> <p>The Panel suggested consideration be given to including the data on quality of care within the KPIs.</p>
	<p><b>Social Care Workforce</b> - Panel suggested more emphasis is placed in the Mid-Year Performance Report on the demands and challenges facing the social care workforce. Panel was advised this is a theme captured throughout the report and specifically detailed on <i>page 15</i> of the draft report.</p>
KPI2.5	<p><b>First Point of Contact</b> - Given the results for number of cases dealt directly at First Point of Contact the Panel asked the Cabinet's thoughts on raising the target. Panel was advised Cabinet would be cautious of taking this approach, due to the importance of ensuring inappropriate decisions are not made.</p>
	<p><b>Joint Equipment Service – Lack of Aids.</b> Due to the challenge facing the Joint Equipment Services (shortage of equipment and aids), the Panel <b>recommends</b> this challenge is better reflected in the Mid-Year Performance Report.</p>
<b>WBO3</b>	<i>Supporting people out of poverty</i>
Challenges & Risks	<p><b>Removal of EU funding for Into Work posts</b> – Members note that the Leader has a high expectation that the UK Government will provide central monies to meet the gap left by removal of EU funding following Brexit. Members note the Chief Executive's comment that the Council has been working with colleagues in the Cardiff Capital Region City Deal area on a regional approach as it is believed monies may come to the City Deal via the Shared Prosperity Fund as part of the Levelling-Up process, although there is no certainty on this yet. Members are concerned at the lack of certainty, as £1million is a big gap to fill without additional monies and this service is vital to the wellbeing of citizens, both in terms of gaining employment and in terms of encouraging employment in critical areas such as social care roles and other roles important to Cardiff's economy, such as leisure and hospitality. The Panel concurs that this is a risk that needs spotlighting in the mid-year assessment.</p>
Challenges & Risks	<p><b>Impact of covid pandemic on volunteering</b> – Members were interested to understand what the Council is doing to encourage and support people back into volunteering, following suspension during earlier covid pandemic</p>

## Scrutiny comments and observations for further consideration

	lockdowns. Members note the Council is promoting volunteering this week, as part of Volunteering Week, particularly in areas such as social care where there are current staff shortages and increasing demand. Members also note that the role of volunteer coordinators within specific service areas is crucial in terms of identifying bespoke support needs to encourage volunteers to return and that these staff are best placed to manage concerns and put in place mitigations.
KPI3.7	<b>Universal Credit</b> – The Panel was advised the spike in demand of applicants for Universal Credit is a result of the pandemic and the expectation is that the trend should go downwards. Given the possibility of long-term impact from the pandemic, the Panel feels consideration should be given to raising the target for this KPI in line with demand.
KPI3.15	<b>Homelessness</b> - The Panel explored why roughly 38% of rough sleepers housed are not maintaining their accommodation. The Panel was advised there are a range of reasons such as the individual having a high level of complex needs, not wishing to engage, and not wishing to remain in accommodation provided. The Panel was advised the service area will continue to work with and support such individuals.
<b>WBO4</b>	<i>Safe, confident and empowered communities</i>
Challenges & Risks	<b>Libraries and Hubs attendance visits</b> – Members were interested to understand what the Council is doing to encourage usage of libraries and hubs, to encourage people to feel safe to use these and other community facilities, for the good of residents’ health and wellbeing and to assist the Council in generating income. Members note the Leader’s comments that the Council faces a balancing act of wanting to encourage usage and build the public’s trust in the safety of these services but also needing to adhere to and wanting to reinforce the pandemic messaging regarding safety in the middle of a pandemic – this was the case given the high case rates in Cardiff and has been brought into sharper focus by the arrival of the Omicron variant. Members further note the Leader’s points regarding working differently to assist residents’ health and wellbeing, for example via digital, schools, Youth Service, Summer of Smiles and the ‘Move More: Eat Well’ strategy that Public Service Board partners are signed up to implement. Members agree that the challenge of boosting usage for libraries and hubs should be flagged as a challenge & risk in the mid-year assessment.
Areas of Focus	<b>Work with GLL</b> – Members highlighted that the work with GLL is referenced in earlier sections but is not listed as an Area of Focus in this report. Members are surprised by this, given the importance of the work in reviewing the contract and determining its sustainability. Members note the Leader’s point that not all work is listed in the Areas of Focus sections but believe the work with GLL is of sufficient significance to warrant inclusion.

## Scrutiny comments and observations for further consideration

	The Panel also stressed due to the changing and competitive nature of the market it is important Council expertise informs our liaison with GLL - particularly around staff wellbeing, including hours worked and rates of pay, to attract the right staff and encourage gym membership.
Areas of Focus	<b>Regional Sports Partnerships</b> – Members are undertaking an inquiry into Community Sport in Cardiff and are aware that Sport Wales is proposing a regional sports partnership to cover the following local authority areas – Cardiff, Vale of Glamorgan, Bridgend, Merthyr, and Rhondda Cynon Taff. Members wondered why this is not reflected in the mid-year performance assessment report given its significance for Cardiff and why it is not included in the Areas of Focus list. Members note the response from the Leader that the Administration will work to ensure community sport proposals are fit and right for Cardiff.
Areas of Focus	<b>Shared Regulatory Services</b> – Members note the challenges and risks flagged for Shared Regulatory Services. Given the importance of this service area, particularly but not solely in being at the forefront of pandemic management, Members are surprised this is not included in the Areas of Focus list, a view which is strengthened by the Chief Executive’s comments that there is work going on at a national level regarding the future role of Environmental Health Officers. Members believe the Areas of Focus list should include work re Shared Regulatory Services.
<b>KPI4.1</b>	<b>New Build Council Homes</b> - Panel sought assurance that the target to deliver 1,000 new council homes by December 2022 will be complete. The Panel note it has been impacted by inflation and workforce pressures however the target is on track.
<b>KPI4.14</b>	<b>ASB</b> – Panel stated it is pleasing to note that following the panel’s recommendation, a KPI on ASB will be included from year-end. The Panel <b>requests</b> information on how this data will be collected. The Panel <b>recommends</b> a KPI detailing the instances of ASB across the city is also developed.
<b>WB05</b>	<i>A capital city that works for Wales</i>
Challenges & Risks	<b>Labour Shortages – leisure and hospitality</b> – Members noted these and linked this to the earlier comments made regarding the removal of EU funding for Into Work services. Members note the Leader’s agreement with this and that this reinforces the importance of the Into Work services.
Challenges & Risks	<b>Cost inflation and materials shortages</b> – Members note the risks of these to some major projects and that these are being monitored.
Challenges & Risks	<b>St David’s Hall</b> – Members highlighted the report references a report will be taken in Quarter 3 on St David’s Hall but that this has not happened.

## Scrutiny comments and observations for further consideration

	Members note the Chief Executive clarified the report was the Corporate Property Strategy, which included reference to a condition survey of St David's Hall that showed significant issues and costs re asset management and renewal. Members note discussions are ongoing to maximise the usage of St David's Hall going forward.
Challenges & Risks	<b>Furlough Scheme</b> – Members highlighted that the wording in this section does not make clear the relevance of this to the work of the Council. Members note the Corporate Director, Resources response that the end of the furlough scheme will deprive the Council of an income stream to offset the loss of income from income-earning service areas particularly hit by the pandemic lockdowns where staff have been furloughed. Members also note the Operational Manager – Performance and Policy comments that the end of furlough will affect other service provision, such as Into Work and Universal Credit advice services. The Panel <b>recommends</b> that the wording be amended to clarify the relevance to the Council of the end of the furlough scheme.
<b>WBO6</b>	<i>Cardiff grows in a resilient way</i>
<b>KP16.4</b>	<b>Electric Vehicles</b> – It was confirmed to the Panel work has commenced with Pod Point for the fleet infrastructure project, and the 59 charging units scheduled to be completed by Christmas are broadly on target.
<b>KPI6.5</b>	<b>Electric Vehicles</b> – The Panel welcomed the planned approach to delivering on-street public electric charging points and noted the comments made regarding limited intervention at this point ahead of further developments in technology. The Panel advised feedback they have received from some residents is that public pavement charging is not viable due to differing tariffs. The Panel <b>recommends</b> a careful and cautious approach. Recognition of developments in technology highlighted at the meeting should be better reflected in the KPI and a rewording of the KPI title is required.
<b>KPI6.6</b>	<b>Commuting</b> – The Panel questioned whether the increase in commuters indicates a real increase in people travelling to work by sustainable transport or is because there is a reduced number due to more people working from home. Panel was advised a survey was last conducted in 2019, is historical and further work is required to ensure it now reflects people's movements post pandemic. The Panel <b>recommends</b> that as the KPI is reported in %, the baseline (i.e., number of respondents to the survey) is included in the notes at the bottom of the KPI.

## Scrutiny comments and observations for further consideration

<b>KPI8.3</b>	<p><b>PPE</b> – Panel questioned the cost implications of increases in PPE and how the council is managing the disposal of PPE.</p> <p>Panel was informed to date all costs have been recovered from WG Hardship Fund however it has been indicated to the council this fund will end from 1 April. The Panel were informed sensitivity analysis around the length of time PPE is required is currently ongoing.</p>
<b>KPI6.16</b>	<p><b>Recycling</b> – The Panel sought assurance that the Council will reach its recycling target by 2024 and 2025 and questioned the risk of not achieving this target. The Panel was informed movement is in the right direction and the new recycling strategy due to be considered by the Environment Scrutiny Committee at their December meeting.</p>
<b>WBO7</b>	<i>Modernising &amp; integrating our public services</i>
<b>KPI 7.8</b>	<p><b>Reduce the total running cost of occupied operational buildings -</b></p> <p>The Panel highlighted the potential for a large budget saving in the cost of running occupied operational buildings, however the current year target is £400k.</p> <p>Members note that the core office estate has undergone a period of rationalisation over the past 5 years totalling a 15% reduction in running costs between 2015-2020. We also note that ending the Wilcox house lease was a large element of reducing running costs. However, despite a limited return to core offices there are other variables to consider and the requirement to heat offices applies irrespective of the number of staff present. The Corporate Director (Resources) offered to provide a breakdown of running costs by core office.</p> <p>Cabinet confirmed there has been no change in policy with regard to the Council estate and within the forthcoming Property Strategy there will be new targets for running costs and reducing the maintenance backlog. When looking at property disposals over time it will very much depend on how the Disposals Programme is running.</p>
<b>KPI 7.10</b>	<p><b>Capital income generated</b> - The Panel highlighted a substantial difference between the target of £10m and the actual result (£1.2m) at the end of 20-21.</p> <p>We note this KPI is a cumulative 5-year target and over the past 5 years the profile has been lumpy. We look forward to the forthcoming new Corporate Property Strategy and sight of new targets.</p>
<b>KPI 7.12</b>	<p><b>Sickness absence.</b> Given sickness absence levels improved last year the Panel considers (2019/20) it is disappointing that the outturn forecast for 2021/22 is 10.76 against a target of 9.5. We note your confidence that some</p>



## Scrutiny comments and observations for further consideration

	<p>Council systems are working to contain sickness, however a combination of Covid-19 absence, increased mixing, restricted access to hospital treatment for other illnesses, increases in other communicable diseases and staff wear and tear following the pandemic, has resulted in the increase. We also note the 3 areas that have concerning long term sickness, Schools, Adult Services, and Waste Management.</p> <p>As short-term sickness absence continues to fall, we <b>recommend</b> you consider separating out the short and long-term sickness results, introducing a new KPI for long-term sickness absence.</p>
<b>WB08</b>	<i>Managing the Pandemic</i>
	<p><b>Commendation</b> - the Chair of the Children and Young People's Scrutiny Committee considers the Committee has been instrumental in monitoring the impact of the pandemic and recovery for Children &amp; Young People for the past 18 months. We receive bi-monthly reports from Education and Lifelong Learning, updating us on progress in this area, bi-monthly updates from the Youth Justice Service, and we have received further briefings and quarterly performance reports from Children's Services on the pressures they face, with the latest update being brought to CYPSC this week. The Chair commends the Cabinet and Service Areas for their response and proactive approach to dealing with this and would echo the comments from Estyn, as set out in Appendix A to the papers. CYPSC will continue to closely monitor progress going forward</p>
	<p><b>Ongoing Cost of PPE</b> - The Panel stressed the importance of analysing the ongoing cost of providing PPE and the urgency of using this information to adequately inform the budget setting process.</p> <p>Panel was advised for the forthcoming budget setting the cost is likely to be taken as a one off due to unknown in length of time PPE will be required, rather than adding it to the base budget.</p>
<b>General</b>	
<b>Cllr Howells</b>	<p>Mid-year performance report shows there has been a lot of good work undertaken across service areas, coping with the pandemic, and delivering services for citizens. It is pleasing to see so many Indicators with a green status.</p>
<b>Cllr Howells</b>	<p>Very pleased to see previous recommendation of this panel has been taken on board and that this report now includes the number of employees who have benefited from Living Wage work and the value of this to the economy.</p>

Mae'r dudalen hon yn wag yn fwriadol

The observations and recommendations of the Performance Panel have been welcomed. The responses have been grouped into five categories (below), depending on the nature of the Panel’s comments, with a response or explanatory note included as necessary.

- Recommendation Accepted: Six direct recommendations have all been accepted.
- Recommendation Partially Accepted
- Recommendation Not Accepted
- Observation Noted
- Observation Accepted

**Mid-Year 2021/22 Performance Observations**

Tudalen 91

PAGE	Observation/for further reflection	Response	Status
WBO1	<i>Cardiff is a great place to grow up</i>		
	<p><b>Increased demand on services and the capacity to deal with them</b> – The Panel sought assurance from Cabinet of their intention to tackle the challenge of increasing demand for services and capacity to deliver. Members heard that the Council would do everything in its power to meet increased demand, and its commitment was demonstrated by a good track record of providing additional funding year on year to Education, Children’s Services and the wider social services of, particularly schools, where there has been growth over and above council budgets.</p> <p>The Panel noted there are significant challenges in recruitment, but that a market supplement had been offered to social workers and was paying dividends. We note the Cabinet will continue to</p>	<p>An evaluative assessment of the strategic challenges and risks within this area are included within the chapter. The strategic response and policy interventions are also outlined in the areas of forward look.</p> <p>This issue was considered at the <a href="#">Children and Young People Scrutiny Committee</a> of the 9<sup>th</sup> December (agenda item 7).</p> <p><u>Relevant page of the Mid-Year Assessment:</u> Page 9</p>	<b>Observation Noted</b>

	<p>look at innovative ways to meet demand pressures, as reflected in the call to action.</p>		
	<p><b>Measuring educational achievement and school improvement locally and nationally, and the role of the Central South Consortia</b> – The Panel raised the issue of measuring educational achievement and school improvement, what the Council is doing to address this, and what role the Central South Consortium plays in addressing the need.</p> <p>Cabinet indicated this will be an area of continued focus to ensure that the challenge via <b>the Central South Consortia</b> in schools is appropriate to each school. The School Improvement Team and the Consortia work “hand in glove” and the Council is satisfied with the work done between the two. Cabinet is also putting in place a local approach which has a comprehensive view of individual schools across a range of factors (e.g., attainment, health and well-being, governance and leadership) and will target resources accordingly whilst working alongside the Consortia.</p> <p>The Cardiff Schools Report by the Consortia confirms schools are meeting the improvement priorities identified. Twice termly meetings take place between the LEA and Consortia “All Schools Risk Meeting” to monitor and track the performance of schools.</p>	<p>In the New Year, further work will be progressed with the Consortium to consider, challenge and support the latest suite of School Improvement Plans produced by schools during the Autumn of 2021 for the academic year 2021/22. The Director of Education will ensure that Consortium Improvement Partners play a pivotal and consistent role in maintaining the continuity of learning in schools, and in securing positive outcomes for learners, and will further strengthen arrangements for the Consortium to report pupil progress and school performance to the local authority whilst the new national accountability and assessment framework emerges.</p> <p><u>Relevant pages of the Mid-Year Assessment:</u> Page 3, 4, 7 and 8</p>	<p><b>Observation Noted</b></p>

	<p><b>National Assessment Framework</b> – The sector would benefit from clarity around the National Framework. This is very important, and the Council would like to see the publication of the Framework, as there is some uncertainty for schools around comparative performance and data sets nationally. Qualifications for next year – currently being told that the exam process for 2022 will go ahead but will be adapted should there be any need to do so arising from the Pandemic.</p>		
<b>WBO2</b>	<i>Cardiff is a great place to grow older</i>		
	<p><b>Quality of Care</b> - The Panel noted the significant pressure and increased demand on adult services and questioned which KPI provides insight into the quality of care being delivered. Advised the service area captures a range of data which provides this insight, which is reported quarterly to CASSC.</p> <p>The Panel suggested consideration be given to including the data on quality of care within the KPIs.</p>	<p>A single indicator is unlikely to provide meaningful insight into the quality of care provided, however it is recognised that a suite of indicators could provide useful information about the quality of service being provided. A basket of indicators is collected at a service level and consideration will be given to the appropriate corporate indicators in the development of the Corporate Plan 2022-25.</p> <p>Customer satisfaction indicators, such as <i>“the percentage of clients who felt able to live independently in their homes following support independent living services”</i>, are included within the current Corporate Plan.</p>	<p><b>Observation Accepted</b></p>

	<p><b>Social Care Workforce</b> - Panel suggested more emphasis is placed in the Mid-Year Performance Report on the demands and challenges facing the social care workforce. Panel was advised this is a theme captured throughout the report and specifically detailed on <i>page 15</i> of the draft report.</p>	<p>An evaluative assessment of the strategic challenge is included, with a substantive update provided in relation to the nature of the pressures, the materiality of the risk and the policy interventions being progressed in response.</p> <p><u>Relevant page of the Mid-Year Assessment:</u> Page 15</p>	<p><b>Observation Noted</b></p>
KPI2.5	<p><b>First Point of Contact</b> - Given the results for number of cases dealt directly at First Point of Contact the Panel asked the Cabinet’s thoughts on raising the target. Panel was advised Cabinet would be cautious of taking this approach, due to the importance of ensuring inappropriate decisions are not made.</p>	<p>Given that each referral must be considered on its merit, and based on an understanding of appropriate activity given the level of referrals and types of issues being dealt with, a “range target” is considered most appropriate, with the range being between 70%-80%. The key performance indicator dashboard will be amended to make this range target clear.</p> <p>This discussion can be revisited when selecting KPIs and agreeing indicators for the Corporate Plan 2022/23.</p>	<p><b>Observation Noted</b></p> <p>Key Performance Indicator dashboard will be amended.</p>
	<p><b>Joint Equipment Service – Lack of Aids.</b> Due to the challenge facing the Joint Equipment Services (shortage of equipment and aids), the Panel <b>recommends</b> this challenge is better reflected in the Mid-Year Performance Report.</p>	<p>The shortage of equipment is a national issue and mitigating actions have been adopted. For instance, the service is seeking opportunities, beyond the all-Wales contract, to secure the necessary equipment and are systematically collecting equipment no longer required which can then be re-used in the community.</p>	<p><b>Recommendation Accepted</b></p> <p>Mid-Year Assessment amended (page 16)</p>

		<p>An evaluative assessment of the delivery challenge and future work has been included in the report. A position statement on the Joint Equipment Service and the accessibility issues can be provided to CASSC if required.</p> <p><u>Relevant page of the Mid-Year Assessment:</u> Page 16</p>	
<b>WBO3</b>	<i>Supporting people out of poverty</i>		
Challenges & Risks	<p><b>Removal of EU funding for Into Work posts –</b> Members note that the Leader has a high expectation that the UK Government will provide central monies to meet the gap left by removal of EU funding following Brexit. Members note the Chief Executive’s comment that the Council has been working with colleagues in the Cardiff Capital Region City Deal area on a regional approach as it is believed monies may come to the City Deal via the Shared Prosperity Fund as part of the Levelling-Up process, although there is no certainty on this yet. Members are concerned at the lack of certainty, as £1million is a big gap to fill without additional monies and this service is vital to the wellbeing of citizens, both in terms of gaining employment and in terms of encouraging employment in critical areas such as social care roles and other roles important to Cardiff’s economy, such as leisure and hospitality. The Panel concurs that this is a risk that needs spotlighting in the mid-year assessment.</p>	<p>The removal of EU funding for into work and employment services has been identified as a key challenge and risk in the report and the work with the Capital Region highlighted as an area of focus for the period ahead. This issue is fully recognised within the Directorate Risk Register and Business Continuity Plans have been updated to set out the service’s response should the funding be removed.</p> <p>An Employability Framework is being established by the Cardiff City Region’s Regional Skills Partnership Group, in order to bid for future funds, including Central Government’s Shared Prosperity Fund. A decision on this funding is not due to be made until late December by Central Government.</p> <p>Other sources of funding are also being explored, including two successful bids to the Community</p>	<b>Observation Noted</b>

		<p>Renewal Fund, Department of Work &amp; Pensions and WLGA.</p> <p>The service will also be allowed to retain income generated through Cardiff Works, to sustain essential provision for priority groups i.e. care experienced, disabled, southern arc residents etc. though this does not meet all the funding requirements.</p> <p>Direct representations on this issue have also been made to the Secretary of State for Levelling Up, Housing and Communities by the Leader of Cardiff Council and the WLGA.</p> <p><u>Relevant pages of the Mid-Year Assessment:</u> Pages 20 and 21</p>	
<p>Challenges &amp; Risks</p>	<p><b>Impact of Covid pandemic on volunteering –</b> Members were interested to understand what the Council is doing to encourage and support people back into volunteering, following suspension during earlier Covid pandemic lockdowns. Members note the Council is promoting volunteering this week, as part of Volunteering Week, particularly in areas such as social care where there are current staff shortages and increasing demand. Members also note that the role of volunteer coordinators within specific service areas is crucial in terms of identifying</p>	<p>Despite a number of volunteering placements being impacted by the imposition of social distancing restrictions, volunteering continues to play an important role in supporting service delivery and, in certain circumstances, supporting the transition into work. Where volunteering places are available, the Council has robust health and safety measures in place to ensure the wellbeing of volunteers, staff and service users.</p> <p>In terms of promoting volunteering placements, the Council must strike an appropriate balance</p>	<p><b>Observation Accepted</b></p> <p>Mid-Year Assessment amended (page 21)</p>



	<p>bespoke support needs to encourage volunteers to return and that these staff are best placed to manage concerns and put in place mitigations.</p>	<p>between preventing the spread of the virus and promoting safe opportunities. The call for support within the adult social care sector is a particular case in point with targeted communication work being undertaken in this area.</p> <p><u>Relevant page of the Mid-Year Assessment:</u> Page 21</p>	
KPI3.7	<p><b>Universal Credit</b> – The Panel was advised the spike in demand of applicants for Universal Credit is a result of the pandemic and the expectation is that the trend should go downwards.</p> <p>Given the possibility of long-term impact from the pandemic, the Panel feels consideration should be given to raising the target for this KPI in line with demand.</p>	<p>The proposed target for this KPI will be presented to the Performance Panel as part of the next session on the new Corporate Plan 2022-25.</p>	<b>Observation Noted</b>
KPI3.15	<p><b>Homelessness</b>- The Panel explored why roughly 38% of rough sleepers housed are not maintaining their accommodation. The Panel was advised there are a range of reasons such as the individual having a high level of complex needs, not wishing to engage, and not wishing to remain in accommodation provided. The Panel was advised the service area will continue to work with and support such individuals.</p>	<p>This KPI was introduced for the first time in 2021/22 and a benchmark target was set. At the end of Quarter 2, 62% of rough sleepers had maintained their accommodation after one month. This is considered a good result, given the difficulties associated with supporting individuals who have chaotic lifestyles and complex needs.</p> <p>The offer of accommodation is there for all; no individual needs to sleep on the city’s street and</p>	<b>Observation Noted</b>

		the Outreach Team continues to engage with and support all rough sleepers.	
<b>WBO4</b>	<i>Safe, confident and empowered communities</i>		
Challenges & Risks	<p><b>Libraries and Hubs attendance visits</b> – Members were interested to understand what the Council is doing to encourage usage of libraries and hubs, to encourage people to feel safe to use these and other community facilities, for the good of residents’ health and wellbeing and to assist the Council in generating income. Members note the Leader’s comments that the Council faces a balancing act of wanting to encourage usage and build the public’s trust in the safety of these services but also needing to adhere to and wanting to reinforce the pandemic messaging regarding safety in the middle of a pandemic – this was the case given the high case rates in Cardiff and has been brought into sharper focus by the arrival of the Omicron variant. Members further note the Leader’s points regarding working differently to assist residents’ health and wellbeing, for example via digital, schools, Youth Service, Summer of Smiles and the ‘Move More: Eat Well’ strategy that Public Service Board partners are signed up to implement. Members agree that the challenge of boosting usage for libraries and hubs should be flagged as a challenge &amp; risk in the mid-year assessment.</p>	<p>Since libraries and hubs re-opened in June they have seen a rise in footfall. Libraries and hubs continue to develop and build face-to-face activities (within social distancing guidelines) which will see an increase in number of people using the facilities. The Council also has robust health and safety measures in place to ensure the wellbeing of volunteers, staff and service users whilst using libraries and hubs.</p> <p>Digital activities are still ongoing, with month on month increases in the number of hits on the hubs website. Blended activities are also being delivered where suitable.</p> <p>The importance of volunteering, the impact of Covid on volunteering numbers and the need to ensure a pipeline of volunteers has been included in the Mid-Year Assessment.</p> <p><u>Relevant page of the Mid-Year Assessment:</u> Page 21</p>	<p><b>Observation Accepted</b></p> <p>Mid-Year Assessment amended (page 21)</p>

<p>Areas of Focus</p>	<p><b>Work with GLL</b> – Members highlighted that the work with GLL is referenced in earlier sections but is not listed as an Area of Focus in this report. Members are surprised by this, given the importance of the work in reviewing the contract and determining its sustainability. Members note the Leader’s point that not all work is listed in the Areas of Focus sections but believe the work with GLL is of sufficient significance to warrant inclusion.</p> <p>The Panel also stressed due to the changing and competitive nature of the market it is important Council expertise informs our liaison with GLL - particularly around staff wellbeing, including hours worked and rates of pay, to attract the right staff and encourage gym membership.</p>	<p>The review of the contract with GLL has been included as an Area of Focus.</p> <p><u>Relevant page of the Mid-Year Assessment:</u> Page 28</p>	<p><b>Observation Accepted</b></p> <p>Mid-Year Assessment amended (page 28)</p>
<p>Areas of Focus</p>	<p><b>Regional Sports Partnerships</b> – Members are undertaking an inquiry into Community Sport in Cardiff and are aware that Sport Wales is proposing a regional sports partnership to cover the following local authority areas – Cardiff, Vale of Glamorgan, Bridgend, Merthyr, and Rhondda Cynon Taff. Members wondered why this is not reflected in the mid-year performance assessment report given its significance for Cardiff and why it is not included in the Areas of Focus list. Members note the response from the Leader that the Administration will work to ensure</p>	<p>The Task &amp; Finish inquiry into the Sports Wales proposal for a regional sports partnership will be taken to the Economy and Culture Scrutiny Committee in January and will subsequently be considered by Cabinet.</p> <p><u>Relevant page of the Mid-Year Assessment:</u> Page 29</p>	<p><b>Observation Accepted</b></p> <p>Mid-Year Assessment amended (page 29)</p>

	community sport proposals are fit and right for Cardiff.		
Areas of Focus	<b>Shared Regulatory Services</b> – Members note the challenges and risks flagged for Shared Regulatory Services. Given the importance of this service area, particularly but not solely in being at the forefront of pandemic management, Members are surprised this is not included in the Areas of Focus list, a view which is strengthened by the Chief Executive’s comments that there is work going on at a national level regarding the future role of Environmental Health Officers. Members believe the Areas of Focus list should include work re Shared Regulatory Services.	The challenges faced by Shared Regulatory Services have been further articulated in the Mid-Year Assessment and included in the area of focus.  <u>Relevant pages of the Mid-Year Assessment:</u> Pages 27, 52 and 54	<b>Observation Accepted</b>  Mid-Year Assessment amended (pages 52 and 54)
<b>KPI4.1</b>	<b>New Build Council Homes</b> - Panel sought assurance that the target to deliver 1,000 new council homes by December 2022 will be complete. The Panel note it has been impacted by inflation and workforce pressures however the target is on track.	To date, 591 Council homes have been delivered over the course of the administration, including 38 homes this financial year. Delays to delivery have been experienced due to Covid-19 and the availability of building materials has caused disruption to delivery.  Delivery of large construction programmes is often back-ended with projects of this nature and the Council remains on target to reach an overall total of 720 new homes by 31 <sup>st</sup> March 2022.  <u>Relevant pages of the Mid-Year Assessment:</u> Pages 23 and 27	<b>Observation Noted</b>
<b>KPI4.14</b>	<b>ASB</b> – Panel stated it is pleasing to note that following the panel’s recommendation, a KPI on	A proposal for measuring ASB will be presented to the Performance Panel as part of the	<b>Recommendation Accepted</b>

	ASB will be included from year-end. The Panel <b>requests</b> information on how this data will be collected. The Panel <b>recommends</b> a KPI detailing the instances of ASB across the city is also developed.	Corporate Plan discussion on KPIs and Targets for 2022-25.	
<b>WB05</b>	<i>A capital city that works for Wales</i>		
Challenges & Risks	<b>Labour Shortages – leisure and hospitality –</b> Members noted these and linked this to the earlier comments made regarding the removal of EU funding for Into Work services. Members note the Leader’s agreement with this and that this reinforces the importance of the Into Work services.	700 people have been assisted into secure employment by the Into Work Service since April. Many of the roles secured have been in high-demand sectors such as leisure and hospitality.  The team have continued to support the sector and partnered with FOR Cardiff in November on a hospitality recruitment fair at the Motorpoint Arena attended by over 20 top employers.  <u>Relevant pages of the Mid-Year Assessment:</u> Pages 30 and 32	<b>Observation Noted</b>
Challenges & Risks	<b>Cost inflation and materials shortages –</b> Members note the risks of these to some major projects and that these are being monitored.	All affected projects are being reviewed. These risks are noted in the Mid-year Assessment.  <u>Relevant page of the Mid-Year Assessment:</u> Page 32	<b>Observation Noted</b>
Challenges & Risks	<b>St David’s Hall –</b> Members highlighted the report references a report will be taken in Quarter 3 on St David’s Hall but that this has not happened. Members note the Chief Executive clarified the	The Corporate Property Strategy, which includes the condition survey of St David’s Hall, will be brought to both PRAP and Cabinet for consideration in December.	<b>Observation Accepted</b>

	<p>report was the Corporate Property Strategy, which included reference to a condition survey of St David’s Hall that showed significant issues and costs re asset management and renewal. Members note discussions are ongoing to maximise the usage of St David’s Hall going forward.</p>	<p><u>Relevant page of the Mid-Year Assessment:</u> Page 34</p>	<p>Mid-Year Assessment amended (page 34)</p>
<p>Challenges &amp; Risks</p>	<p><b>Furlough Scheme</b> – Members highlighted that the wording in this section does not make clear the relevance of this to the work of the Council. Members note the Corporate Director, Resources response that the end of the furlough scheme will deprive the Council of an income stream to offset the loss of income from income-earning service areas particularly hit by the pandemic lockdowns where staff have been furloughed. Members also note the Operational Manager – Performance and Policy comments that the end of furlough will affect other service provision, such as Into Work and Universal Credit advice services. The Panel <b>recommends</b> that the wording be amended to clarify the relevance to the Council of the end of the furlough scheme.</p>	<p>The wording has been amended to reflect the relevance to the Council. The ongoing impact of the economy will continue to be monitored as any increase in unemployment will place pressure on the Council’s into work services, which have already experienced unprecedented levels of demand.</p> <p><u>Relevant pages of the Mid-Year Assessment:</u> Pages 30 and 33</p>	<p><b>Recommendation Accepted</b></p> <p>Mid-Year Assessment amended (page 33)</p>
<p><b>WBO6</b></p>	<p><i>Cardiff grows in a resilient way</i></p>		
<p><b>KP16.4</b></p>	<p><b>Electric Vehicles</b> – It was confirmed to the Panel work has commenced with Pod Point for the fleet infrastructure project, and the 59 charging units scheduled to be completed by Christmas are broadly on target.</p>	<p><u>Relevant page of the Mid-Year Assessment:</u> Page 39</p>	<p><b>Observation Noted</b></p>

<p><b>KPI6.5</b></p>	<p><b>Electric Vehicles</b> – The Panel welcomed the planned approach to delivering on-street public electric charging points and noted the comments made regarding limited intervention at this point ahead of further developments in technology. The Panel advised feedback they have received from some residents is that public pavement charging is not viable due to differing tariffs. The Panel <b>recommends</b> a careful and cautious approach. Recognition of developments in technology highlighted at the meeting should be better reflected in the KPI and a rewording of the KPI title is required.</p>	<p>The deployment of electric charging infrastructure across the city will be subject to the development of a new roadmap, as set out in the One Planet Cardiff Strategy, to ensure that any future investment is fit for purpose, is future proofed and represents best value.</p> <p>As part of the development of the new Corporate Plan 2022-25, the current Corporate Plan step regarding electric vehicles is being reviewed to ensure that it captures the work being undertaken on the infrastructure. Consideration is being given to a stand-alone EV infrastructure step.</p> <p>A proposal for a revised KPI will also be presented to the Performance Panel as part of the next session on the new Corporate Plan 2022-25.</p> <p><u>Relevant page of the Mid-Year Assessment: Page 39</u></p>	<p><b>Recommendation Accepted</b></p>
<p><b>KPI6.6</b></p>	<p><b>Commuting</b> – The Panel questioned whether the increase in commuters indicates a real increase in people travelling to work by sustainable transport or is because there is a reduced number due to more people working from home. Panel was advised a survey was last conducted in 2019, is historical and further work is required to ensure it now reflects people’s movements post pandemic.</p>	<p>This KPI will be amended going forward to reflect the recommendation of the committee.</p>	<p><b>Recommendation Accepted</b></p>

	The Panel <b>recommends</b> that as the KPI is reported in %, the baseline (i.e., number of respondents to the survey) is included in the notes at the bottom of the KPI.		
<b>KPI6.16</b>	<b>Recycling</b> – The Panel sought assurance that the Council will reach its recycling target by 2024 and 2025 and questioned the risk of not achieving this target. The Panel was informed movement is in the right direction and the new recycling strategy due to be considered by the Environment Scrutiny Committee at their December meeting.	The new Recycling Strategy will be considered by Cabinet in December, and was considered by Environment Scrutiny Committee on 7 <sup>th</sup> December.  <u>Relevant page of the Mid-Year Assessment:</u> Page 43	<b>Observation Noted</b>
<b>WBO7</b>	<i>Modernising &amp; integrating our public services</i>		
<b>KPI 7.8</b>	<b>Reduce the total running cost of occupied operational buildings -</b> The Panel highlighted the potential for a large budget saving in the cost of running occupied operational buildings, however the current year target is £400k.  Members note that the core office estate has undergone a period of rationalisation over the past 5 years totalling a 15% reduction in running costs between 2015 and 2020. We also note that ending the Wilcox house lease was a large element of reducing running costs. However, despite a limited return to core offices there are other variables to consider and the requirement to heat offices applies irrespective of the number of staff present. The Corporate Director	The Council has already achieved a reduction in running cost of over 15% over the last five years, delivering a saving of circa £20.5m. The new Property Strategy for the next five years will set new targets for reducing total running cost, which will be linked to the modernisation of the estate and will support the shift to hybrid working.  <u>Relevant pages of the Mid-Year Assessment:</u> Pages 45, 49 and 50	<b>Observation Accepted</b>  Mid-Year Assessment amended (page 50)



	<p>(Resources) offered to provide a break-down of running costs by core office.</p> <p>Cabinet confirmed there has been no change in policy with regard to the Council estate and within the forthcoming Property Strategy there will be new targets for running costs and reducing the maintenance backlog. When looking at property disposals over time it will very much depend on how the Disposals Programme is running.</p>		
<b>KPI 7.10</b>	<p><b>Capital income generated</b> - The Panel highlighted a substantial difference between the target of £10m and the actual result (£1.2m) at the end of 20-21.</p> <p>We note this KPI is a cumulative 5-year target and over the past 5 years the profile has been lumpy. We look forward to the forthcoming new Corporate Property Strategy and sight of new targets.</p>	<p>All targets within the Corporate Property Strategy 2015-20 were achieved, with capital receipts amounting to over £35.8m and a reduction of over £20.5m in total running costs secured. An interim plan was adopted in 2020/21, given the disruptive impact of Covid-19 on long-term planning, and this will be reported to Cabinet in December. The lockdown period impacted much of the Council's work in relation to asset disposal in 2020/21 which affected the target for capital income generation. New targets have been included within the new five-year Property Strategy, which will be considered by Cabinet in December.</p> <p><u>Relevant pages of the Mid-Year Assessment:</u> Pages 45, 49 and 50</p>	<p><b>Observation Accepted</b></p> <p>Mid-Year Assessment amended (page 50)</p>
<b>KPI 7.12</b>	<p><b>Sickness absence.</b> Given sickness absence levels improved last year the Panel considers (2019/20) it is disappointing that the outturn forecast for</p>	<p>Further work on the feasibility of introducing meaningful KPIs for both short term and long-term sickness is being undertaken and proposed</p>	<p><b>Recommendation Accepted</b></p>

	<p>2021/22 is 10.76 against a target of 9.5. We note your confidence that some Council systems are working to contain sickness, however a combination of Covid-19 absence, increased mixing, restricted access to hospital treatment for other illnesses, increases in other communicable diseases and staff wear and tear following the pandemic, has resulted in the increase. We also note the 3 areas that have concerning long term sickness, Schools, Adult Services, and Waste Management.</p> <p>As short-term sickness absence continues to fall, we <b>recommend</b> you consider separating out the short and long-term sickness results, introducing a new KPI for long-term sickness absence.</p>	<p>KPIS in relation to sickness absence can be rehearsed with the Performance Panel as part of the process for agreeing KPIs and Targets for the 2022/25 Corporate Plan.</p> <p><u>Relevant page of the Mid-Year Assessment:</u> Page 49</p>	
<b>WB08</b>	<i>Managing the Pandemic</i>		
<b>KPI8.3</b>	<p><b>PPE</b> – Panel questioned the cost implications of increases in PPE and how the council is managing the disposal of PPE.</p> <p>Panel was informed to date all costs have been recovered from WG Hardship Fund however it has been indicated to the council this fund will end from 1 April. The Panel were informed sensitivity analysis around the length of time PPE is required is currently ongoing.</p>	<p>Update included on page 53 of the Mid-year Assessment to better reflect the ongoing financial impact of PPE and the work being undertaken to understand to likely demand for, and budgetary impact of, PPE equipment going forward</p> <p>Any PPE issued should be disposed of through general waste with no centralised collection or disposal process. Health and Safety guidance has been issued on the safe disposal of PPE items where there has been direct contact with Covid-19, which is to double-bag the used items, and</p>	<p><b>Observation Accepted</b></p> <p>Mid-Year Assessment amended (page 53 and 54)</p>
	<p><b>Ongoing Cost of PPE</b> - The Panel stressed the importance of analysing the ongoing cost of providing PPE and the urgency of using this</p>		

	<p>information to adequately inform the budget setting process.</p> <p>Panel was advised for the forthcoming budget setting the cost is likely to be taken as a one off due to unknown in length of time PPE will be required, rather than adding it to the base budget.</p>	<p>leave them isolated for 72 hours before adding them to general waste.</p> <p><u>Relevant pages of the Mid-Year Assessment:</u> Pages 53 and 54</p>	
	<p><b>Commendation</b> - the Chair of the Children and Young People’s Scrutiny Committee considers the Committee has been instrumental in monitoring the impact of the pandemic and recovery for Children &amp; Young People for the past 18 months. We receive bi-monthly reports from Education and Lifelong Learning, updating us on progress in this area, bi-monthly updates from the Youth Justice Service, and we have received further briefings and quarterly performance reports from Children’s Services on the pressures they face, with the latest update being brought to CYPSC this week. The Chair commends the Cabinet and Service Areas for their response and proactive approach to dealing with this and would echo the comments from Estyn, as set out in Appendix A to the papers. CYPSC will continue to closely monitor progress going forward.</p>		<b>Observation noted</b>
<b>General</b>			
<b>Cllr Howells</b>	<p>Mid-year performance report shows there has been a lot of good work undertaken across service</p>		<b>Observation noted</b>

	areas, coping with the pandemic, and delivering services for citizens. It is pleasing to see so many Indicators with a green status.		
<b>Cllr Howells</b>	Very pleased to see previous recommendation of this panel has been taken on board and that this report now includes the number of employees who have benefited from Living Wage work and the value of this to the economy.		<b>Observation noted</b>

Date: 15 December 2021

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Dear Huw,

**Mid-year Performance Assessment 2021/22: PRAP 14 December 2021**

I am pleased to report that the Policy Review and Performance Scrutiny Committee formally noted the Council's Mid-year Performance Assessment 2021/22 at its meeting yesterday, endorsing the observations of the Committee's Performance Panel.

The Committee was pleased to hear that all 6 of the Performance Panel's recommendations, and 15 observations with suggested actions, were accepted, resulting in 11 amendments to the Mid-year Performance Assessment you will be presenting to Cabinet on 16<sup>th</sup> December 2021. Members also reflected that the experience of discussing the Assessment as part of the Performance Panel had been a worthwhile experience.

Once again, a sincere thank you for collaborating with scrutiny to inform the Assessment and for your ongoing commitment to ensuring scrutiny engagement in performance monitoring.

Compliments of the Season,

**COUNCILLOR DAVID WALKER**

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

**cc** Members of the PRAP Performance Panel  
Councillor Chris Weaver, Cabinet Member, Finance, Modernisation and Performance  
Paul Orders, Chief Executive  
Gareth Newell, Head of Performance and Partnerships  
Dylan Owen, OM Performance and Policy  
Mr David Hugh Thomas, Chair, Governance & Audit Committee  
Chris Pyke, OM Governance & Audit  
Debi Said, Cabinet Support Officer  
Joanne Watkins, Cabinet Office Manager

Date: 15 December 2021

Councillor Russell Goodway,  
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Dear Russell,

### **Policy Review & Performance Scrutiny Committee: 14 December 2022**

On behalf of the Policy Review and Performance Scrutiny Committee thank you for bringing forward the Corporate Property Strategy 2021-26 for pre-decision scrutiny. Would you also please pass Members thanks to Neil Hanratty, Donna Jones, Matt Seymour, and other officers who attended in support of this item. Members acknowledge this strategy has been delayed due to the Covid pandemic and have asked me to pass on the following observations for Cabinet's consideration.

The Committee notes that, at its core, the Strategy aims to align three key issues, One Planet Cardiff, the modernisation of the non-operational Leased Estate and the proposed move to a Hybrid-working model. We also note your aim is to rationalise the estate, disposing of tired, burdensome property to seek better returns on our investments.

#### **Outline business case**

The Committee is seeking clarity on timescales within which the business case for core accommodation will emerge. We note the outline business case for core office accommodation will set out options and enable the next administration to take a decision shortly after the election, acknowledging the need to understand the longer-term impact of the pandemic. We also note your concerns about homeworking and view that demand for homeworking may be overstated and the importance that the organisation makes provision for staff who would prefer to work from the office. We concur that the novelty of homeworking may well wear thin and there is also a particular need to factor in the requirement for conditions that support creativity and teamwork in the workplace. We therefore note that, whilst the process is underway, space estimates are still unclear, and there are many unknowns. We will advise our

successor scrutiny committee, with responsibility for core office accommodation, to factor your suggested timescales into its future work programme.

### **Carbon emissions**

Members were concerned that homeworking simply transfers carbon emissions from the office to homes, therefore questioned whether the Council can claim that by encouraging homeworking it is offsetting carbon emissions. We acknowledge the importance of offsetting emissions generated by commuting, however carbon generated by heating core offices, particularly energy inefficient heating systems that are unable to be zoned such as at County Hall, is not necessarily saved. We also note the requirement for safe ventilation can be counter-productive in generating energy efficiencies.

### **Core Office strategy and Indoor Arena proposals**

The Committee is keen to clarify your strategy moving forward and timescales for decision-making in respect of the feasibility plan for the indoor Arena plans. Members sought an understanding of how the feasibility plan for the Arena fits with core office requirements and the plans for County Hall. We note the Arena proposal is a conceptual master plan that identifies opportunities available to the Council in maximising Cardiff Bay as a leisure destination, whilst also aligning with public transport plans. You confirmed the Arena business case is not dependent on County Hall redevelopment plans, and the buildings can sit alongside one another. As the Council has purchased the Red Dragon centre, Members are interested in whether the land around it, including County Hall, will be required to deliver the Arena proposals. Whilst you say thinking isn't advanced, and the next administration will come forward with proposals post-election, we note you consider that the business case is stronger if County Hall is redeveloped. We also note there is likely to be a position paper on the Red Dragon centre in January 2022, setting out the business case on own merits and including the cost to the Council of acquiring the site.

### **Space required**

In respect of future core office accommodation needs the Committee enquired as to how much space the Council will need to accommodate staff, noting your comment that the local government workforce has been in decline for a number of years. You consider there is currently surplus capacity and the delay in arriving at a clear



requirement is Covid related, complicated by the impact on design of additional space now required between desks.

Members endorse the Council's responsibility as custodians of historic buildings in the City and we acknowledge that it may not be feasible to adapt City Hall for modern office requirements.

### **St David's Hall**

Members referred to the estimated cost of refurbishment of St. David's Hall. We note that, as the national concert hall of Wales, it is seen as a key component of the City's offer, but that a public/private partnership arrangement to ensure its preservation may need to be considered in the future. We note also that the future level of investment in the building's maintenance, estimated by the Council and presently its responsibility, would depend on negotiations with potential interested parties.

### **Rationalisation of public estates**

The Committee recognises that the sums of public money required to refurbish and maintain the Council's estate requires some difficult decisions. Taking a wider view, we note the active pre-pandemic discussions with other public sector partners on the rationalisation of estates, and we are keen to establish whether there has been further progress. In scrutinising the PSB, the Committee recently recommended the development of a strategy setting out the opportunities for and costs of sharing accommodation.

My sincere thanks once again for taking part in the scrutiny of the Corporate Property Strategy, I would be grateful if you ensure the Committees observations inform Cabinet's consideration. 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  
Neil Hanratty, Director of Economic Development  
Donna Jones, Assistant Director, County Estates  
Matt Seymour, Operational Manager, Asset Management  
Chris Barnett, Project Manager  
Mr David Hugh Thomas, 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  
Alison Taylor, Cabinet Support Officer  
Andrea Redmond, Committees Services Officer

CONFIDENTIAL

Date: 17 December 2021



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

Dear Chris,

### **Policy Review & Performance Scrutiny Committee: 14 December 2021**

On behalf of the Policy Review and Performance Scrutiny Committee, thank you for attending Committee and providing the opportunity for Members to consider the Council's progress in tackling Sickness Absence, with a specific focus on Waste Management. Members have asked me to pass on their appreciation to Cllr Michael, Paul Orders, Neil Hanratty, Tracey Thomas, and Donna Jones for supporting this scrutiny. I need to put on record that the evidence considered and the Committee's responses pre-date the arrival of the Omicron variant of the Covid virus. It is within that context that we offer the following comments and observations for you to reflect on as you continue to review and refine the Cabinet's approach to sickness absence.

The Committee notes your conviction that tackling sickness absence is a priority for all managers, and that the Council needs to develop a tighter operational grip on the position. We note, against a backdrop of intense and exceptional pressures, that you consider that progress has been made on short term absence and overall, that in 2020/21 sickness absence levels fell, however many challenges remain. Long term absence remains the key issue and concern and its level continues to grow. We also note that long-covid and delays in being able to deal with ill health retirement cases are direct drivers of increasing long term absence levels. There are challenges with such cases in Schools, Adult Services and Waste Management which need to be addressed.

### **Stress risk assessment**

The Committee heard about options for dealing with stress related illness as part of the Way Forward outlined in your presentation. However, we consider there is a need

to look further at the causes of work-related stress. We have previously highlighted that work related, and non-work-related stress are inextricably linked and recommended that all service areas undertake a risk assessment into work-related stress. We wish to re-iterate the importance of that assessment and therefore **recommend** that you make it a priority. Members consider it critical that each directorate undertakes a risk assessment as to the *causes* of stress in individual service areas. We note you intend to bring forward a corporate risk assessment in the new year, which will lead on to more focussed service area risk assessments. As stated in the meeting this will be especially important in services such as Children's Services, where bespoke well-being interventions are required. We acknowledge that categories of reporting absence are set by Welsh Government, but these two categories are more linked than ever. We therefore urge that your Way Forward should support both work and non-work-related stress and clearly recognise their interdependency.

### **Preventative measures**

The Committee recognises staff commitment over the last 18 months in very difficult circumstances. We endorse the continuing development of the well-being offer to staff, note the potential long-term effects of Covid and agree that preventative work should be a key priority. We note the example of a 'trauma informed' counselling service introduced for social workers in Children's services.,

### **Breaking the cycle**

Members are keen to establish whether there are other initiatives the Council could be exploring to break out of a downward sickness absence cycle. We note you consider no immediate policy change is required and the focus must remain on fully embedding consistent and early intervention in the case management of long-term absence cases. We also note your recognition that a concentrated effort is required on the services in greatest difficulty. The Committee has heard similar reports over many years but continues to see little improvement. Recently the situation has again deteriorated with non-covid related cases, following some improvement related to hybrid/home working. We therefore have difficulty seeing how the downward cycle will be broken. Looking beyond past practice towards best practice offers one way to break the mould.

## **Best practice**

The Committee has previously referred Cabinet to other local authorities with approximately half the absence levels of Cardiff for comparative learning. Some contact was made but we are unclear what the conclusions or preclusions were. Such authorities have retained their lower absence levels over a number of years, which would suggest that they are doing things Cardiff could learn from. We consider the size of authority should not have a significant bearing on what can be learned. There was acknowledgement, at Chief Executive level, of the need for greater proactivity in approaching other organisations including within the private sector. The Committee therefore **recommends** that specific and urgent research is undertaken in this area and selected organisations visited in the search for best practice which the Council could put in place or try in specific departments with the highest absence levels. We consider there should be flexibility in considering policy as well as practice in such a review.

Members wish to signpost potentially beneficial best practice learning within the Council as well as externally. Over the challenging pandemic period, despite being at the frontline on public health matters, sickness absence rates within the Shared Regulatory Services (Licensing, Trading Standards & Environmental Health) have been running at 3.6FTE. We therefore **recommend** you start making effective comparisons between Council services and internal sharing of focussed strategies to tackle long and short-term absence.

The Committee **recommends** that the HR function should be targeted with carrying out this work within clear timeframes, also working alongside committed managers who are actively seeking solutions to this continuing problem within their functions.

## **Waste Management**

### **High levels of absence**

The Committee highlighted that non-Covid absence levels are high and increasing in Waste Management. This department was starting from an already very high sickness/absence record over many years. We heard that efforts are being made to resolve a number of long-term ill health retirement cases which have impacted on the increasing levels. We also heard that it remains difficult for managers to validate that all absence is genuine, particularly around mental health and commend the upskilling

of waste management supervisors in mental health counselling in efforts to address this growing problem.

We **recommend** that this department takes part in a similar best practice research, led by its senior managers, to that outlined above, but focused on city waste operations which are similar to our own. This could include public, public/private and private operators.

### **Progress reports - Waste management**

Members feel that Cabinet and Scrutiny would benefit from quarterly progress reports on progress in dealing with absence/sickness within Waste Management and are **recommending** arrangements are put in place to achieve this. We note the falling use of agency staff following the early ending of garden waste collections and the risk of higher absence due to increasing infection rates. Members are concerned that this may impact severely on ward waste collections as winter sets in.

### **Musculo-skeletal sickness**

Given its particular relevance to the Waste Management service, the Committee is keen to understand the level of incident investigation undertaken into Musculo-skeletal absence. We note that you investigate every accident, that the rotation of staff is encouraged, workloads are regularly monitored and the processes around the methodology of collection are regularly examined. We also heard of the bespoke in-house training team and physiotherapist services, and we note you consider there is more opportunity to focus on preventative initiatives in Waste Management.

### **Stress related absence**

Members noted that you continue to operate with around thirty long-term absence cases at any one time and hold regular sickness absence meetings to deal with these. On an individual basis we note that stress risk assessments take place between manager and employee, to identify triggers, make adjustments and review over time. As referred to above, we **recommend** that this individual risk assessment is founded on a service area assessment as to the *causes* of stress in Waste Management. Members cannot convey strongly enough the importance of risk assessing the likelihood of absence from the individual employee's perspective, encouraging individuals to come forward and report on the culture within their

team/service area. If the employee is prepared to contribute to this discussion, then they should be encouraged to do so.

**Recommendations to be monitored following this scrutiny:**

To summarise, the Committee makes 5 formal recommendations which are 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 in December 2020.

Recommendation	Accepted, Partially Accepted or Not Accepted	Cabinet Response	Responsible Officer	Implementation Date
1. <b>Corporate</b> -That you prioritise undertaking work-related stress risk assessments within all service areas.				
2. <b>Corporate</b> - That you proactively research the policies and processes of selected public and private organisations in the search for best practice in tackling sickness absence.				
3. <b>Waste Management</b> - The service undertakes best practice research as above, led by its senior managers, focused on city waste operations which are similar to Cardiff’s.				
4. <b>Waste Management</b> - arrangements are put in place for Cabinet and Scrutiny to receive quarterly progress reports on sickness absence within the service.				
5. <b>Waste Management</b> - the service prioritises a risk assessment to establish the <i>causes</i> of stress in Waste Management.				

Once again thank you for attending the PRAP Scrutiny Committee to update us on Sickness Absence. I would be grateful if you would consider our views, I look forward to your response.

Yours sincerely,



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

cc Members of the Policy Review & Performance Scrutiny Committee  
Councillor Michael Michael, Cabinet Member Clean Streets, Recycling & Environment  
Paul Orders, Chief Executive  
Chris Lee, Corporate Director, Resources  
Neil Hanratty, Director of Economic Development  
Tracey Thomas, Chief Human Resources Officer  
Graham Harries Head of Recycling & Neighbourhood Services  
Donna Jones, Assistant Director County Estates  
Mr David Hugh Thomas, Chair, Governance & Audit Committee  
Chris Pyke, OM Governance & Audit  
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Jeremy Rhys, Assistant Head of Communications and External Affairs  
Alison Taylor, Cabinet Support Officer  
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