

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

20 FEBRUARY 2019

Present: Councillor Walker(Chairperson)
Councillors Berman, Bowen-Thomson, Boyle, Cunnah, Hudson,
Lister and Mackie

61 : APOLOGIES FOR ABSENCE

None

62 : DECLARATIONS OF INTEREST

COUNCILLOR	ITEM	REASON
Mackie	Draft Budget Proposals	Personal

63 : MINUTES

The minutes of the 16 January 2019 were approved as a correct record.

64 : CORPORATE PLAN 2019-22 - FINAL DRAFT

The Chairperson welcomed:

- Councillor Huw Thomas, Leader of the Council;
- Councillor Chris Weaver, Cabinet Member Finance, Modernisation and Performance;
- Paul Orders, Chief Executive;
- Christine Salter, Corporate Director, Resources;
- Gareth Newell, Policy, Partnerships & Citizen Focus Manager
- Dylan Owen, Head of Cabinet Office

The Chairperson reminded the Committee that they had previously had the opportunity to consider an early draft of the 2019/20 Corporate Plan in January 2019 and the Performance Panel was also afforded an opportunity to consider the targets proposed at an informal session. Following both scrutinies the Committee had sent letters to the Cabinet Member outlining the comments and observations, which were attached in the papers.

The Chairperson invited Councillor Huw Thomas to make a statement.

Councillor Thomas explained that since the election in 2017 the Administration set out its policy agenda with commitments towards schools, building new council houses and the expansion on the Corporate Apprentice Programme. The Corporate Plan was the essential document for delivery with a criteria for success. The early intervention from Scrutiny Committee's was welcomed and supported engagement and development. It was also recognised the 12 recommendations from the Performance Panel supported change.

The Officers were invited to give an oversight of changes that has been made as a result of scrutiny engagement.

The Committee received a Briefing Note, which outlined amendments following engagement with the Policy Review and Performance Committee and the Performance Panel.

The Committee drew attention to the suggested changes made to Waste Management and asked what differences had been made. In response, the Officers referred to the KPI target and trend analysis. In the Corporate Plan a new step in that area had been introduced but the KPI remained the same.

Members noted that no further information on the Estyn Assessments could be added.

Committee Members were informed that Housing First was a new service and would be reviewed to ensure that targets were not too high.

The Committee drew attention to health inequalities. The specific measures outlined in the Plan and was this thinking inclusive of all partners not just the Council.

Members were advised that the Public Service Board (PSB) was involved and the overarching Board for drivers of health & equality which related to socio economic issues, directed towards families, housing resources and inclusive communities.

The Committee was referred to page 22 of the Corporate Plan, drawing attention to What Cardiff would do to make the city a great place to grow old. Addressing social isolation and a better quality of life for older people.

Members of the Committee were told of the continuity being built into the plan. A Plan which based itself on political leadership and professional management to refresh and further develop Capital Ambition.

The pace of progress was being realised. Significant issues were being addressed in some directorates, including looking at Waste Management and the wider Sickness Absence issues that faced challenges, but overall the Council was making good progress.

The Committee drew attention to health issues. The Council working alongside communities, especially schools to establish and progress healthy lifestyles, which included focus on the National Obesity Strategy.

Members were informed of the service provided by the Public Service Board (PSB) in relation to the National Obesity Strategy. Healthy food strategies were developed for schools, along with the Active Travel Programme and Cardiff Games. Schools were also being encouraged to develop sports programmes. However, it was recognised there were areas to improve and this was a key driver going forward.

The Committee was advised of the methodology behind good quality design aspects, this related to the Planning process and the pre-application stage subsequent to the application being considered.

Members of the Committee drew attention to Delayed Transfer of Care (DTOC) and were informed that the Council was working with partners to manage demand by joining up social care, health and housing, with the goal of keeping people happy and healthy, living in their own homes and local communities for as long as possible.

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

65 : DRAFT BUDGET PROPOSALS 2019-20

The Chairperson reminded Members that this Committee was unique in its twofold role in scrutinising the budget proposals.

Firstly, the Committee would consider the proposals from a corporate point of view in terms of how they align to the Council's priorities.

Secondly, the Committee would consider specific services' budget proposals within the terms of reference, how they align to the Corporate Plan and their impact on service delivery.

This part would be split into four parts:

- An overview of the 2019/20 budget proposals from Councillor Weaver and Christine Salter;
- Scrutiny of the Capital Strategy;
- Scrutiny of the three Directorates which come under PRAP's remit, with the appropriate Directors in attendance;
- The Governance and Legal Services and Economic Development Directorates together.

The Chairperson welcomed:

- Councillor Chris Weaver, Cabinet Member for Finance, Modernisation and Performance;
- Christine Salter, Corporate Director Resources;
- Ian Allwood, Head of Finance
- Gareth Newell, Partnership and Community Engagement Manager

The Chairperson invited Councillor Weaver to make a statement.

Councillor Weaver made reference to the savings that had to be met across the Council including Children's Services contingency fund. Improvements could be seen across the Council and Officers were thanked for their hard work. There was a budget gap of £ 324M, with savings of £19.1M to be made. An increase of 4.9% in Council Tax was being proposed raising £6.7M.

The Committee received a presentation which outlined the following:

- Final Settlement Overview, Aggregate External Funding
- Final Settlement – Specific Grants
- Consultation

- Overview of the Revenue Budget
- Revenue Budget 2019/20
- Risk Assessment of Savings Proposals - £19.157M
- Employee Implications of 2019/20 Revenue Budget
- Delegated Schools
- Use of Financial Resilience Mechanism in 2019/20
- Reserves and Balances
- Medium Term Financial Plan 2020/21 – 2023/24
- Capital Programme Development 2019/20 – 2023/24
- Welsh Government (WG) Settlement – Capital 2019/20
- Capital Programme 2019/20 – 23/24 Affordability of Borrowing to Fund Capital 1.
- Capital Programme 2019/20 – 2023/24 Affordability of Borrowing to Fund Capital 2.
- General Fund Capital Programme – Summary
- Public Housing (HRA) Capital Programme – Summary
- Capital Programme Expenditure 5 years = £843.2M

The Chairperson thanked Christine Salter for the presentation and invited the Committee to ask questions:

The Committee drew attention to the Medium Term Financial Plan (MTFP), totalling £104M over the next 4 years and asked if that was higher than in previous years.

The Committee was advised the MTFP was around that level and the individual years did vary. The gap this year was 32 and annual gaps were similar to that previously.

Members of the Committee referred to employee implications of posts lost and created and what was the current percentage of staff turnover.

Members were advised that Directors would decide whether to replace an employee or delete that respective post. Workforce Planning played a major role in supporting employees going forward and to ensure that services were being provided.

The Committee was provided with information on School pressures and were advised there was a total of £12.5M amount of pressures for schools. This included the Teachers Pay Award of £2.4M, Pupil Support for Associated Pupil Needs was £ 2.4M and £4.3M for Teachers Pensions. This was seen across Wales and local authorities didn't have the funding, which was being made available in England. This was a cost that would be incurred by schools.

Members of the Committee were provided with information on the impact of agency work in Social Services, how this was being addressed. The budget was built from current year requirements for costs of agency workers and it was recognised this was spend was too high. The directorate were keen to develop their own in-house Social Workers and projects were on-going with Universities to create this. Once the Council could develop and increase its own in-house Social Workers the cost of agency staff would decrease.

The Committee was informed of the financial resilience mechanisms in place to deal with the bus subsidy. The information was outlined in Appendix 12, Transport Initiatives, To create a fund to support the Council's approach to providing a social subsidy to bus routes where deemed necessary. The resource to be used over a two-year period following an assessment of route priorities.

The Committee was advised of the employee implications on posts with the possibility of functions changing and posts being delated. It was recognised the Resources Directorate was employee heavy, when considering savings of 17% and this was an opportunity to take advantage of vacant posts and realign duties.

Members were informed the current Revenue was £35M, for Capital Financing. External borrowing, pay back, known as Minimum Revenue Provision to align with the useful life of asset borrowed in relation to a 45-50 year loan.

The Committee was provided with information on the Affordability Envelope for Council to consider in relation to the potential investment in respect of an indoor arena. Currently Cabinet were exploring feasibility of the Indoor Arena, Cabinet were not yet in a position to take forward a fully formed business case. This proposal was not in the Capital Programme during 2019/20.

Members of the Committee drew attention to the robust savings being proposed in Social Services and Waste Management, which may not be achieved.

The Committee was advised that savings had been made, but higher costs were realised through the rise in demand. All savings were achievable and directorates had detailed plans to deliver.

The Committee drew attention to the disparity between the savings required in Governance & Legal Services and Recycling & Waste Collection, which was a larger directorate with a higher number of employees.

The Committee was advised that every directorate was required to find 17% savings apart from Social Services. This was the process being followed, with proposals then put to Cabinet for review and refinement, following this exercise some directorates would save less.

The Committee were advised that the vacancy for the Head of Performance & Partnerships would that be replaced. This was part of a restructure, which had not been determined as yet.

Capital Strategy 2019/20

The Chairperson welcomed;

- Councillor Chris Weaver, Cabinet Member Finance, Modernisation and Performance;
- Christine salter, Corporate Director Resources;
- Ian Allwood, Head of Finance
- Anil Hirani, Operational Manager, Capital, Corporate & Treasury

The Committee received a presentation from Ian Allwood, which outlined the following:

- Background and refresh of requirements
- Why have statutory codes changed
- Approval and governance
- Key aims of the Capital Strategy
- Consideration in the capital strategy
- Future years strategy development

Members asked about the strategic review, asset disposal & criteria, asset acquisition as to date nothing had emerged.

The Committee was informed that over the last 2-3 years building reviews had improved and had developed a clear understanding of the assets. Planning & Transport had a plan and understanding of their assets, which contributed towards the programme. Currently the assets were in an acceptable state, with the greatest asset being land and infrastructure, with the potential to make the most as disposals and fund new builds.

Members were advised that Property had clear plans in place with no formalised reviews and work was still on-going to look at the longer term strategic plans.

The Committee was concerned that in 2017 the borrowing figure was £112M, it was now £255M paying back dependent on Capital Receipts. The variation was not clear and therefore how does the Council assess the financial robustness of Capital Resourcing.

The Housing Revenue Account was referred to as an example previously the opportunity to build houses was constrained as a result of the cap. Since removal of the cap, the Council could develop its housing strategy further. Band B was the same with the impact on the level of borrowing.

Members were informed of estimated contribution, 5 year plan with 5 year anticipation as, the Council could not start a project without a budget in place.

The Committee was concerned there was no assurance the Council would receive Capital Receipts for disposals of land and asked what safeguards were in place and was this a risk to the Capital Programme.

Members were assured that the economic forecast had been taken into account. The plans were set and achievable with acceptable target but a Re-visit to plans if need be was not going to be ruled out.

Resources Directorate Budget Proposals

The Chairperson welcomed:

- Christine Salter, Corporate Director Resources
- Ian Allwood, Head of Finance
- Philip Lenz, Chief Human Resources Officer

Christine Salter outlined the following:

Support Services now included Customer Services and contact centre which formed part of the Digital Agenda going forward. Savings of £2.9M had to be made along with a Net Revenue £16.4M next year. The savings amounted to 18% of controllable budget.

The Income streams included Health & Safety training for asbestos, Information Governance support for schools, Bilingual Cardiff income and income from Procurement Trading Company.

Employee reduction of 57.7 FTE was proposed, with restructuring and realignment in place to support services going forward. There were significant implications for Accountancy, Council Tax & Revenue and the Capital Ambition Team. There was also a reduction in head counts in Digital Services as channel shifts were being introduced.

The Committee was advised that training included Public Sector Board (PSB) Clients. Meals on Wheels for example was part of the directorate and delivery of the service to residents living in the Vale of Glamorgan was being explored along with neighbouring authorities.

Members of the Committee were concerned with the reduction in Customer Services staff and how the digital channel shift would lessen demand. Further, the risk as a result of the vacancy in Enterprise Architecture and was this service under resourced.

The Committee was advised that customer services interaction was being tracked, analysing how many customers were accessing the service and by what means. Hub networks were located across the city and provided advice on customer services and Cardiff Council App support. The post of Chief Digital Officer had been created along with the Digital Delivery Team and this service would cover the Enterprise Architect support.

Members were informed of the introduction of a Virtual Assistant to support the digital channel shift and how work was on-going with Microsoft to alleviate any concerns.

The Committee was advised that consultants were required for advice across the Council as and when needed.

The Committee was provided with information on the restructuring of Cardiff Works and the Academy and the current training provision provided by Cardiff Academy.

Governance & Legal Services and Economic Development proposals.

The Chairperson welcomed:

- Neil Hanratty, Director of Economic Development
- Helen Thomas
- David Lowe
- Davina Fiore, Director Governance & Legal Services

The Chairperson reminded Members that this Committee's remit covered only Property Matters and Facilities Management within the Economic Development Directorate.

Helen Thomas advised the Committee of the 2020 Property Strategy and reducing the size of the Estate and Maintenance backlog.

The Committee was updated on the current position with Cleaning Staff at schools. Schools were now in a position to procure their own respective cleaning sources and not rely on the in-house Council provision.

Members were provided with information on the reduction in security services at Brindley Road, with the introduction of new technology.

The Committee welcomed Davina Fiore, Director Governance & Legal Services.

The Committee was advised that the savings proposals for Democratic Services were seen as unacceptable and therefore smaller proposals had been suggested with a reduction in election reserves, reduction in the training budget for Members and to cease printing agendas and reports for members, unless required under the Equalities Act. There were £42k off savings being put forward to sustain the current Scrutiny Support Service and the Members Services Team that would still remain.

The Committee was provided with an update on the current position within Legal Services. Income generation was key including external clients and involvement with City Deal. The service was actively recruiting and also people were leaving very quickly. A growth bid had been submitted from Children Safe Guarding and there was also a restructure as a result of losing posts.

Members of the Committee were advised that Legal Services struggled to recruit agency staff. Recruitment was an issue as the Council's notice period was one month as supposed to three months in the private sector.

The Committee was concerned that removal of the webcast from County Hall, would result in a Council meeting not be able to take place as a result of a booking of the Council Chamber in City Hall. Further, to cease all Members from receiving hard copies of agendas and reports would limit their ability to scrutinise complicated matters.

Members were advised of the saving requirements in the directorate and how £13k had to be found. Members had made previous decisions about not reducing Scrutiny Committee's or Task & Finish Groups and therefore, the saving would have to come from another source.

Committee Members drew attention to the decisions made towards reducing hard copies of agenda and reports. Hard copies should be made available to comply with the Equalities Act and when complicated items were being considered.

The Committee was provided with information on the restructure in Legal Services. The posts being delated were that of higher paid staff, and recruitment was to different posts in the establishment.

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

66 : URGENT ITEM(S)

None

67 : DATE OF NEXT MEETING

13 March 2019 at 4:30pm

The meeting terminated at Time Not Specified

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