

Fy Nghyf / My Ref: CM44022

Eich Cyf / Your Ref: T: Scrutiny/Committees/Covid-19 Panel/20-07-14

Dyddiad / Date: 4 September 2020

Councillor David Walker  
Chair  
Covid-19 Scrutiny Panel & Policy Review and Performance Scrutiny Committee  
Cardiff Council  
County Hall  
Cardiff  
CF10 4UW

Annwyl / Dear David,

Thank you for your letter dated 15 July 2020 following the meeting of the Covid-19 Scrutiny Panel that was held on 14 July 2020.

The Scrutiny Panel discussed the following four reports in advance of consideration by the Cabinet on 16 July 2020 and made a number of recommendations and requests in relation to various aspects of these reports to which I would respond as follows:

### **1) Establishment of Racial Equality Taskforce**

I originally proposed the establishment of the Race Equality Taskforce in Cardiff given the importance of the need to take action on racial injustice in the city, particularly within the context of the brutal murder of George Floyd in America, which sparked large-scale protests around the world. This initiative has therefore been treated with the urgency that it deserves but, at the same time, it has also been subject to thoughtful consideration, including engagement with a number of individuals within the community who have acted as a sounding board for our proposals.

Having approved the mobilisation, remit and governance of the Taskforce, we are now in a position to progress to the appointment of the Taskforce's membership and public consultation on its priorities. This will include widespread engagement with Cardiff's Black, Asian and Minority Ethnic (BAME) communities. A variety of methods will be used, within the context of social distancing, to engage with under-represented groups in the city to ensure that a wide blend of voices and experience both apply to join the Taskforce and also participate in the public consultation process.

#### **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.



With regard to the membership of the Taskforce, we want to attract insightful individuals with the ability, experience and influence to make change in their sector, and welcome applications from all parts of the community. We will be actively seeking the support of elected members to help raise the profile of the membership call within their communities; indeed, we would encourage elected members who meet the membership requirements to apply themselves. However, I do not believe that it would be appropriate for any Vice Chair position to also be filled by an elected member of the Council. All applicants will be considered against an agreed scoring matrix, reflecting the person specification provided in the published application guidance.

Terms of Reference are currently being developed to support the Taskforce, which are expected to be agreed at the inaugural meeting of the Taskforce. These will be drawn up from the parameters set out within the Cabinet report, with guidance from the Council's Legal Services team. Members will have the opportunity to input into the development of the Taskforce through one-to-one meetings with the Chair and through a member engagement session on the Taskforce in early September, which will be held as part of the public engagement exercise on the Taskforce priorities.

Legal advice has already been obtained regarding the creation of the Race Equality Taskforce. This confirmed that the proposal does not represent a change or reduction in service or a financial decision and, therefore, its creation does not require an Equality Impact Assessment. Any recommendations emerging from the Race Equality Taskforce that could result in subsequent changes to service provision will be subject to the appropriate statutory assessments.

All evidence suggests that the creation of the Taskforce will have a positive impact on race equality in the city. There is a wealth of data which demonstrates clear disproportionality in terms of deprivation and a lack of opportunity experienced by some BAME communities in Cardiff: the Cabinet is committed to changing this. Furthermore, promoting race equality is beneficial to all residents; it reinforces our ambition to create a fairer and strong capital city, where every citizen is provided with the opportunity to make an important contribution to life in our city.

The initial convening of the Taskforce in the autumn will be an opportunity for its members to review the available evidence, alongside the findings of the public consultation, and to set their work plan for the year ahead. I would welcome the future insight of the Policy Review and Performance Scrutiny Committee in supporting the Taskforce's effectiveness; however, I believe that it would be more valuable and appropriate for this to happen next year once the Taskforce has had the time and opportunity to mobilise some of its work and set the direction for what it wants to achieve. The Chair of the Taskforce has already invited all elected members to provide feedback and ideas regarding the Taskforce in advance of its first meeting.

Finally, the disproportionate impact of Covid-19 on deprived and BAME communities is of great concern, with the Welsh Government having already responded by convening a BAME Covid-19 Advisory Group to advise the First Minister and his Cabinet on this critical matter. As part of this work, a Socio-Economic Sub Group was set up specifically to identify the range of socio-economic factors influencing adverse Covid-19 health and social care outcomes for individuals from BAME backgrounds. The Sub Group's report was published on 22 June 2020 and can be found [here](#).

The Council is currently preparing a report that brings together the available evidence on the impact of Covid-19 on Cardiff, including the impact on BAME communities in the city. As you will be aware, the data available at the national level (England and Wales) shows, unambiguously, that people from a BAME background are at greater risk from Covid-19. However, the Council currently lacks both local and Wales-specific data on the ethnicity of Covid-19 cases and deaths, as the ONS has only released combined data for England and Wales. In addition to this, ethnicity is poorly recorded in healthcare across the board. The report from the BAME Covid-19 Advisory Group Socio-Economic Sub Group in June 2020 provides more context on the weaknesses in data collection (in particular, the section on Quality of Ethnicity Data on page 7).

The Council has undertaken an analysis of fatalities from Covid-19 in Cardiff by postcode and this does not show a greater level of risk in communities that have a higher percentage of BAME residents in the city. However, we do not believe that the numbers are sufficiently large for us to draw any conclusions from this. To help inform our local analysis, I have written to Judge Ray Singh and Dr Heather Payne, co-chairs of the Covid-19 BAME Advisory Group, to request that, if the group has access to further data concerning Covid-19 infections and fatalities amongst Cardiff's BAME communities, this be shared with the Council.

## **2) Mutual Investment Model (MIM) Strategic Partnering Agreement**

I can clarify that the Council will enter into the Project Agreement, which covers both the building and 25-year term of the contract. It is a fixed priced (not partnering) form of contract that is back-to-back with the building and facilities management contracts. Fixed priced contracts pass on all reasonable risks to the contractor; however, like all other forms of contract, there are certain instances where compensation may need to be considered (i.e. a change in law), as the risks cannot be reasonably priced. In the Project Agreement, Compensation Events are fewer and more tightly defined than other forms of contract. WEPCo will not accept any changes against the risk profile in the Project Agreement when tendering the project.

The Scrutiny Panel's recommendation that the Council put in place additional monitoring of all elements of the future projects is welcomed and was noted previously within the Band B update paper that was considered by the Cabinet in March 2020. The Council is currently in the process of appointing a full multi-disciplinary team for the Band B programme that will provide a full suite of technical support, including facilities management, which is an essential part of the MIM projects. The Council is also intending to appoint internally to a MIM Contract Manager post, which will support the development of facilities management proposals and then manage the MIM contract for the duration.

I can confirm that any projects that proceed through the MIM route will have to follow the full school organisation process and, therefore, will be made available for pre-decision scrutiny by the Children & Young People (CYP) Scrutiny Committee.

### **3) Homelessness – The response to the Covid-19 crisis and delivering the future service model**

The Cabinet Member for Housing & Communities would be happy to report back to the Community and Adult Services Scrutiny Committee (CASSC) on the outcome of the funding bids.

The Scrutiny Panel's recommendation that the development of the schemes, including any proposed mitigation measures, should benefit from the input and guidance of ward members is supported. Clearly, their local knowledge will be very useful and officers will make contact with them as each scheme develops to provide them with the opportunity to inform the site development and management arrangements.

The 'Real Change' campaign has been well received so far. Further publicity has been planned with adverts on bus stops and other sites across city centre and local shopping centres; however, it is agreed that this needs to be built on and the reach of the campaign extended to ensure that the message is disseminated more widely.

It is recognised that mitigating the impact on the local community of any anti-social behaviour is key to the success of the schemes. Therefore, a community impact assessment process has been developed for use on the new homelessness sites and this involves input from a wide range of partners, including the police, probation, health, local social landlords, ward members, social services and other organisations as appropriate. This impact assessment will be used to inform a community impact management plan. It is accepted that there is the need to learn and innovate in addressing these issues and officers will continue to review best practice examples from elsewhere and discuss new approaches with partners in addressing anti-social behaviour and reducing community impact of the schemes. All sites will have security personnel on site that are trained and qualified to Security Industry Authority (SIA) standards. The approach to be taken to security will be discussed with the police to ensure that these are appropriate and to ensure that there are good joint working procedures in place.

The Housing Development team will engage with Beattie Passive to review the level of sound insulation provided to establish if this is sufficient. Officers are also currently working on finalising the layout for the Gasworks site with the architects for Beattie Passive. As was stated at the Scrutiny Panel meeting, the overarching aim is to agree a layout for the modular units that provides a long-term and sustainable development which enables the modular units to be integrated into the new housing development at the Gasworks site. It is important that this is achieved so that the Council's immediate scheme does not have an adverse impact on the overall development and that we achieve our aims of creating a sustainable, attractive and well-designed new housing development promoting a high quality urban design and placemaking.

The clients to be housed on the Gasworks site will be mainly homeless families and pregnant women. It is intended that this will be short stay accommodation and that these families will move quickly on to permanent accommodation. It is anticipated that support will be available on site and that services such as Flying Start will be available on site, with parenting and other advice being made available as needed. The vast majority of homeless families are fully able to live successfully in a community setting. A small number will need more intensive support and the needs of these families will

be fully considered during the overall review of services. The aim will always be to place the family in the most appropriate setting for their needs and a range of provision will be available to ensure that this can take place.

#### 4) Budget Outturn 2019/2020

The Council's Finance team will continue to work with managers within the Social Services directorate on the preparation of the 2021/22 Budget Strategy to ensure that all services are appropriately costed and appropriate saving proposals are delivered within the parameters of uncertainty within which the Council operates. As reported previously, work has been – and will continue to be – undertaken in partnership with the directorate to understand planned activity and anticipated results.

In terms of budget shortfalls, the Cabinet is due to receive a report on this in the autumn and this will be available for pre-decision scrutiny by the Policy Review and Performance Scrutiny Committee. The challenges in respect of performance against savings in 2019/20 was acknowledged in the preparation of the 2020/21 Budget, which included a focus on delivering more savings in advance of the financial year. The report to Cabinet will provide an insight into the success of those efficiency savings; however, income proposals in particular will have been affected significantly by the onset of the Covid-19 pandemic after the 2020/21 Budget had been agreed by the Council in February 2020. Forecasting continues to rely on engagement with directorates and applying lessons learned from previous periods.

The month of March 2020 was shaped by the uncertainty generated by the impending arrival of the Covid-19 pandemic both in terms of scale and shape. The table below shows the level of income generated by the venues and functions operated by the Economic Development directorate in March 2018, 2019 and 2020 respectively:

<b>Venues and Functions Income</b>	<b>March 2018 £000s</b>	<b>March 2019 £000s</b>	<b>March 2020 £000s</b>
Functions Catering	199	167	74
City Hall / County Hall Functions	62	102	85
Catering	21	25	9
St David's Hall / New Theatre Bar / Restaurant	71	118	42
Caravan Park	25	29	9
Cardiff Castle	272	320	163
<b>Total</b>	<b>650</b>	<b>761</b>	<b>382</b>

The table shows that, for services and venues including Cardiff Castle, the impact on income was not simply from the point of the UK-wide lockdown being implemented on 23<sup>rd</sup> March 2020, but included the weeks immediately prior to this and contributing factors such as the cancellation of the Wales v Scotland Six Nations rugby match that was due to be held on 14<sup>th</sup> March 2020. To exemplify this, in March 2020, Cardiff Castle received 50% of the income received in March 2019.

With reference to the Indoor Arena project, I can confirm that pre-decision scrutiny will be factored into the planned decision making timetable in the autumn.

## School Balances

As was noted during the discussion at the Scrutiny Panel meeting on 14 July 2020, the total level of school balances increased between 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2020. Within that total figure, there are a number of schools who have increased their individual balances, but also a number that have reduced their balances. In addition, there are some schools that have improved significantly upon their historic deficit position, which has contributed towards the overall increase reported.

Schools hold surplus balances for a number of reasons. In some cases, it is because of prudence and the desire to hold a certain level of balances in order to mitigate against any unforeseen financial issues that may arise in future years. Other schools are aware of medium term pressures on the horizon, potentially because of falling pupil numbers, and carry forward balances in order to provide funding for some of those pressures. In other scenarios, schools may be accumulating balances in order to provide funding for certain initiatives or projects.

In terms of the Council managing school balances, an annual review of balances takes place for any school that exceeds both the Welsh Government thresholds (£50,000 for primary schools and £100,000 for secondary/special schools) and those that are agreed locally (4% of annual formula allocation). Schools are required to provide an explanation as to why they hold an excess balance and their plans for using it. For those schools that have held excess balances for three consecutive years, the Council will direct them to use their excess balance in accordance with the Welsh Government guidance. For schools that continue to hold an excess balance beyond three consecutive years, officers will meet with the school to understand the position further, before potentially implementing a clawback of the excess balance if agreed thresholds continue to be exceeded.

Whilst the Council has never previously undertaken a clawback of excess balances from schools, officers are currently in the process of considering, and potentially implementing, a clawback of balances from those schools that were first directed to spend their balances during 2018/19. I note that the CYP Scrutiny Committee may choose to consider this matter further at a future meeting.

I hope that this response addresses each of the recommendations and other requests that were made by the Scrutiny Panel.

Yn gywir,  
Yours sincerely,



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