

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

10 NOVEMBER 2020

Present: County Councillor Walker(Chairperson)
County Councillors Ahmed, Berman, Bowen-Thomson, Cowan,
Henshaw, Lister and Mackie

9 : COMMITTEE MEMBERSHIP

The Chairperson welcomed Councillor Jayne Cowan to the Committee, following nomination by the Conservative group and Council approval. There remains a Welsh Independent party vacancy on the Committee.

10 : APOLOGIES FOR ABSENCE

None received.

11 : DECLARATIONS OF INTEREST

None received.

12 : MINUTES

The minutes of the meeting held on 13 October 2020 were agreed as a correct record.

13 : BUDGET MONITORING - MONTH 6 REPORT 2020/21

The Chairperson advised Members that this item was an update on the Council's financial position at Month 6 of 2020/21, allowing the Committee an opportunity to monitor the position prior to the November 2020 Cabinet meeting.

The Chairperson welcomed Cllr Chris Weaver, Cabinet Member Finance, Modernisation and Performance; Chris Lee, Corporate Director, Resources and Ian Allwood, Head of Finance.

The Chairperson invited Cllr Weaver to make a statement in which he said that the report was in a format familiar to Members and provided an update on the financial position in what is an unusual year. There was a lot of information in the report relating to Covid income loss and additional expenditure and the detailed appendices provide transparency. There was a projection for a slightly lower overspend, but still significant at £1.133million.

Members were provided with a presentation after which the Chairperson invited questions and comments from Members.

Members asked how difficult it was to agree to spend hardship money when there was no certainty that it could be claimed back from Welsh Government and asked how this affects planning for next years' budget. Officers explained that the hardship money was additional expenditure but no different to the rest of this year so far; there was regular communication between directorates and very frequent management

meetings. There was a better understanding of what the WG hardship panel will/will not accept and it was very Covid focussed. If a Local Authority had pressures before Covid it would mean more work to evidence the spend as Covid impact spend. Officers added it was the same for income and additional claims; the Council are claiming on behalf of leisure providers and their lost income and it has been a difficult area to separate out. However it has been relatively successful to date with both additional expenditure and income loss. Planning for next year, there will be several challenges such as trying to understand what next year will look like and how quickly services will bounce back. There was uncertainty around the level of support from WG and it was also likely that the settlement would be put back.

Members asked about the percentage of successful claims and were advised that all but £12k had been reclaimed; all claims were evidenced well. An example was given of St David's Hall, the claim had been made for net income loss and adjusted across the season, rather than a gross income loss. Members asked if the Council was helping GLL and officers advised that they were making advance payments then claiming it back.

Members asked about the possible £30million in claims and whether there were discussions going on with WG about the amounts. Officers stated that there were 22 local authorities with the same challenges; a survey had been done in relation to loss of income and additional expenditure, there had been no detailed conversation but WG certainly have a feel for the potential amounts.

Members asked for clarification on the earmarked reserves and Officers advised that they provided a further level of resilience as the Council cannot assume that WG will be the answer to its financial challenge.

Members referred to the Capital Programme and the projected variance being mostly slippage and asked if this assumes some large expenditure later in the year, what impact will that have. Officers explained that the issue was being able to get on site for certain schemes such as schools in a socially distanced way; so there would likely be an element of slippage. The Cabinet Member added that the 22 local authority Leaders do meet regularly with the First Minister and other WG colleagues. Officers further added that there are a group of senior treasurers who meet with the WG officials in charge of the Covid financial pot; there is a lot of joint working going on around the types of areas to claim and the methodology that can be used. Members considered that the narrative in the report could be improved around this area.

Members asked for more information on the £1million overspend on Corporate Management which was listed as a Covid-19 impact. Members were advised that this related to Cardiff Bus, as it was commercially sensitive it was considered appropriate classification of it, there is more narrative around it in the report. Officers added that they are still expecting this claim to be paid through other transport means and they accepted that this could have been explained more clearly in the report.

Members asked about efficiency savings and how these will impact on the budget outcome at the end of the year. The Cabinet Member explained that there was a £1.33 million overspend projected with the figures as they stand now. Most are on track and hopefully the overspend can be brought down. In relation to savings, if service change does happen, it may be possible to get a part year saving rather than unachievable. It will impact the year end position but a small overspend can be

managed in reserves and there was also the reimbursement issue. The real challenge would be the income driven targets, especially for next year.

Members asked if the £1.33 million overspend could increase? The Cabinet Member said it would depend on WG support continuing, he was confident but noted that it was very significant sums of money in the coming months. The figure could also be impacted between service areas savings proposals/overspends. Officers explained that these could also go up or down, there had been changes in directorates and some projections have been built in to manage. There were still elements of uncertainty such as furlough being extended and that would have to be looked at.

Members asked if the New Theatre was still on track. Officers explained that the transition was supposed to happen at the end of the last financial year and the fact it did not was disappointing in terms of financial savings but the intention was to move forward, the Council was still in conversation with the entity and it has not been abandoned. Members asked that they are kept up to date on this and look at it again in a few months' time.

Members stated they had considered that Council Tax collections may have dropped due the pandemic but the report shows a balanced position. Officers stated that they compare year on year and there was a less than 1% fall compared to last year so there was no concern at the moment. Officers added that it was important to distinguish between income loss and income delayed, comparisons have been made with other local authorities and Cardiff's performance stacks up well. The Cabinet Member added that this area seemed an obvious risk and was closely monitored but there remains a positive position. Officers added that the collection rate was stable and needed to keep up with the CTRS numbers; a tax base report would be taken to Cabinet in December.

Members asked for an update on contingency budgets. The Cabinet Member explained that to reach the overspend figure of £1.33 million it was projected to use the contingency budget, this includes the Children's Services contingency budget being utilised to keep to that figure.

Members asked how this informs preparations for next years' budget. The Cabinet Member stated that looking at this year there is the realisation that it's going to be difficult to find savings and income next year. There would a need to separate out impact and Covid-impact and there were still challenges in service areas that need focus. Officers added that one key issue for next year is the timeline of the settlement; conversations were already happening with WG around the pandemic running into 2021/22 and one-off payments to Covid-costs; work would be undertaken with service areas to plan for next year, but any gap level would not be known until the settlement was received.

Members asked about the impact on the budget consultation. The Cabinet Member explained the focus had previously been on any service changes that affect the citizens of Cardiff and this would probably still be the case for next year. They try and put a context in the consultation so that would include the Covid-impact and there would be a need to be clarity about one-off or ongoing costs.

Members asked if Brexit would impact on the budget and the consultation. The Cabinet Member stated it could potentially form part of the context in how it is shaped but it depends on how Brexit goes, there could be an impact for years to come.

AGREED: that the Chairperson, on behalf of the Committee, writes to the Cabinet Member conveying the observations of the Committee when discussing the way forward.

14 : WILLCOX HOUSE RELOCATION

The Chairperson welcomed Councillor Russell Goodway, Cabinet Member Investment and Development; Neil Hanratty, Director of Economic Development; Donna Jones, Assistant Director, Corporate Landlord; Chris Barnett, Operational Manager Economic Development; and Giles Parker, Head of Property, to the remote Microsoft Teams meeting.

Members were reminded that this item contains confidential information. Appendices 1-9 of this report are not for publication as they contain exempt information of the description contained in paragraphs 14 of part 4 and paragraphs 21 of part 5 of Schedule 12A of the Local Government Act 1972.

Accordingly, the Chairperson moved that Committee resolve to exclude the Public from the meeting at this point.

RESOLVED: to exclude the press and public from the meeting to consider to confidential information.

AGREED: that the Chairperson, on behalf of the Committee, writes to the Cabinet Member conveying the observations of the Committee when discussing the way forward.

15 : COMMITTEE BUSINESS

Members were advised that this item was to seek Committee's agreement to the commencement of an inquiry into Homeworking, and for the Terms of Reference that will form the focus of its work.

Members were reminded that at the last meeting it was agreed that this was an important area of work going forward. The formalised Terms of Reference were outlined in Appendix 1 to the report. It was proposed that a representative sample of staff and representatives from the public and private sector, who were exemplars in their approach to homeworking, be invited to inform the inquiry.

It was noted that Cllrs Bowen-Thomson, Mackie and Walker had agreed to be part of the Task Group and all Members were offered the opportunity to join. Cllr Henshaw expressed an interest in joining and the Chairperson asked the Principal Scrutiny Officer to provide some information on the Task Group to Cllr Cowan as a new returning Member of the Committee.

16 : URGENT ITEMS (IF ANY)

17 : DATE OF NEXT MEETING - 4.30PM 8TH DECEMBER 2020

The meeting terminated at 6.35 pm

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