

My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

Date: 24 February 2021



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Councillors Huw Thomas
Leader, and Chris Weaver, Cabinet Member
Finance, Modernisation and Performance,
City of Cardiff Council
County Hall
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Dear Huw and Chris,

Policy Review & Performance Scrutiny Committee: 24 February 2021.

Thankyou both for joining the remote meeting of the Policy Review and Performance Scrutiny Committee yesterday to facilitate consideration of the draft Corporate Plan 2021-24 and the draft Budget Proposals 2021-22. As Chair I wish to convey the Committee's gratitude for the co-operation of the Chief Executive, Corporate Directors and senior officers in attendance to answer Members' questions. Members acknowledge that the development of both the Corporate Plan and the Budget has been challenging this year set against the backdrop of the Covid-19 pandemic, however we wish to pass on the following observations and concerns. Firstly, comments on the Corporate Plan; secondly on the Corporate Revenue Budget and Resources Budget Proposals; followed by our comments on the Capital Programme.

Corporate Plan 2021-24

The Committee continues to welcome policy development engagement between Scrutiny and Cabinet in respect of the Corporate Plan, prior to pre-decision scrutiny, recognising the benefit of informal engagement with the Cabinet during its development. Members have asked me to pass on the following observations, which are listed by Well-being Objective:

- **WBO1** – Members were keen to establish how the Plan will address children's learning needs following the pandemic and potential longer term mental health issues. We note the commitment to schools opening safely, a quality approach to blended learning, illustrated by the schools recovery programme

and multi-agency group working to deliver targeted support. We support the commitment to digital device provision to ensure equity of access to learning.

- **WBO1** - Members were advised that data for deprived communities and extra support for learners is now available and there are some challenges to address. The Committee feels it is important that the Council manages support for disadvantaged older pupils and those known to the Youth Justice Service. This is a vulnerable cohort of young people and the Council can play a major part in linking the cohort with employment support. We note there are financial adjustments in the budget to support mentoring and the intention to link with the Cardiff Commitment. We note the aspiration in S1.22 to implement the action plans arising from the Social Care Commissioning Strategy by December 2022.
- **WBO1** – The Committee considers support for parents is also important. Our concern is that there should be at least one device to support home learning available in every household and we urge you to seize the opportunity of improving the support for blended learning. Looking ahead we endorse that the 20,000 devices distributed should be retained by schools for temporary ownership by the child whilst remaining part of the Cardiff education service.
- **WBO2** - We feel the target for Dementia Friends officer training (KPI2.9) is achievable, however we urge all political parties to support such training.
- **WBO3** – Members note that the Plan aims to narrow the inequality gap across Cardiff and wish to suggest that there is logic in developing a Southern Arc Strategy that links education and employment opportunities. We acknowledge the improvement already delivered via the Education 2030 strategy however feel there is a step change required which takes such schools from ‘improving’ to ‘excellent’. There are London school models the Council can learn from which demonstrate the very high outcomes which can be expected from students from deprived areas and the impact of excellent education on employment prospects. We recommend that research is carried out this year to compare achievements and methods of schools in deprived areas of Cardiff with those highlighted as excellent in comparable London boroughs.
- **WBO5** - The Committee is concerned that on the matter of regeneration, whilst the Plan sets out a clear objective and steps to lead a recovery programme for the City Centre and Bay, there is also an opportunity to focus more support on local district centres. We feel that not all office workers are

likely to return to City Centre work places and, rather than cling to a past model, the Council needs to accommodate changing work and work place patterns. Members consider the Plan would benefit from a rewritten emphasis on supporting local communities and recommend that this be included.

- **WBO7** - The Committee highlighted that over the past year a body of data has built up in respect of non IT-literate households that must be captured to inform service development. We note the proposal to develop a new citizen engagement strategy by December 2021, and the development of a new App, and we look forward to you sharing this with the Committee for policy development scrutiny in the summer.
- **WBO7** – Members note the Corporate Plan step to *develop a comprehensive programme of organisational recovery and renewal (S7.1)* and the Chief Executive's commitment to urgently progress this work, including a fundamental review of agile working and other efficiency opportunities with proposals due in May 2021. We look forward to seeing references to potential productivity improvements in the Plan and to policy development scrutiny as the organisation implements change.
- On a more general note, whilst we consider that the Corporate Plan and the budget are integrated, we consider that the absence of any financial, staff productivity or value for money targets represents a gap in the Corporate Plan.

Corporate overview of Budget Proposals 2021-22

- We note that the budget contains an estimate for a 2% staff pay increase in 2021/22, but that the outcome will not be known until much later in the year with teaching salaries being in a separate and potentially different group.
- Members were pleased to hear that the Council has continued to budget for payment of the 20% salary bill to all furloughed staff. We note your success in securing Welsh Government Covid-19 grant monies given the rigorous process for demonstrating the losses due to the pandemic.
- Continuing on the issue of staff we note that secondments to the TTP service will continue beyond the vaccine programme roll out.
- The Committee heard your statement that the proposed Council Tax rise is one of the lowest when compared with some other Welsh Authorities but note that with inflation at 0.9% it is likely be set at over three times that level. You

also stated that, as yet, there is no indication that council tax collection rates will be dramatically lower for 2020/21.

- The Committee observed that the Council is proposing to maintain a £3m contingency fund and to make use of Council reserves. We note that the section 151 officer is comfortable with the level of earmarked and general reserves relative to the size of the Council's budget.
- Members noted the month 9 improvement in the overspend in respect of Adult and Children's services, despite ongoing pressures in both areas. This continues to be a high risk area for budget overspend and needs to be closely monitored this financial year.
- This Committee endorses your ambition in seeking Directorate savings for the 2021/22 budget. We concur that it is appropriate to apply differential savings requirements depending on the challenges faced and the level of efficiency assessed, rather than apply an across-the-board request for savings which would treat all departments as performing equally.
- Members noted significant falls in income generation this year given the pandemic. You clearly understand that those service areas which rely on income will suffer additional pressures in the forthcoming year and may require further central government and Council support. We note also that in setting the budget you have placed less reliance on income from public attractions and more on services unaffected by the external environment, such as commercial waste services.
- In respect of homelessness, we note that Welsh Government funding is secure for 2022/23. However the Committee is keen to support affordable capital investment to ensure the Council is prepared for future years and is able to consolidate the success achieved in tackling this issue during the pandemic.
- The Committee urges you to continue efforts to show separately the Covid-19 costs in future budget monitoring reports. We acknowledge the table as set out in the month 9 report is a starting point and whilst it is challenging to look ahead it should be easier in 2021/22 as all savings proposed have been set within the context of Covid-19.

Resources Budget Proposals 2021-22

- The Committee notes that officers consider a review of staffing resources in Accountancy (line 82) is achievable. As the Council transitions to new project work areas it will be key to ensure the right skills mix in the team and we note the intention to develop the Council's own CIPFA trainees.

Capital Programme 2021-22

- The Committee considers that the Capital Programme contains a wide range of projects, and we note that, at £1.3billion, it represents a larger 5 year programme than previous years.
- Comparing the levels of expenditure proposed for each of the next 5 years, we note substantial differences. You explained the difference is directly related to the level of certainty of Welsh Government grants. Whilst the Council is advised of grants 1-2 years ahead, it is rarely given notice 4-5 years ahead.
- Members requested more information on line 68 of the Capital Programme, Roath Park Dam. We are seeking clarification as to whether the work proposed is aligned to the Natural Resources Wales flood relief work.
- The Committee recommends that you consider using a RAG rating to indicate the risk level for each Capital Programme project. The risk level allocated would be based on the financial risk to the Council and the achievability of the project. We note that the Treasury Management Strategy requires the Council to have constant oversight of the Capital Programme, given that Council borrowing covers the whole Capital Programme and not individual projects.

Requests following this scrutiny:

- The Committee urges you to refine the presentation of Covid-19 costs in future budget monitoring reports to make clear where savings are not achieved due to the impact of Covid-19.
- Additional information on line 68 of the Capital Programme, Roath Park Dam, providing clarification that the work proposed is aligned to the Natural Resources Wales flood relief work.

Recommendations to be monitored following this scrutiny:

- Consider a RAG rating to indicate the risk level for each Capital Programme project

- Strengthen the Corporate Plan to focus more on local district centres and supporting local communities. Specifically strengthen the link between the allocation of £2m of Capital budget for regeneration over 4 years and the Corporate Plan priorities within WBO5.
- Consider developing a Southern Arc Strategy that links education and employment opportunities to narrow the inequality gap across Cardiff.
- That all Members who have not yet undertaken Dementia Friends training are encouraged to do so.

On behalf of the Committee and the Scrutiny service as a whole, I wish to acknowledge your commitment to engaging with the five Scrutiny Committees, both in respect of the Corporate Plan 2021-24 and of the Budget Proposals 2021-22. I look forward to an ongoing positive working relationship between Cabinet and Scrutiny for the benefit of Cardiff citizens.

Yours sincerely,



COUNCILLOR DAVID WALKER

CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Members of the Policy Review & Performance Scrutiny Committee
Paul Orders, Chief Executive
Chris Lee, Corporate Director Resources
Sarah McGill, Corporate Director, People & Communities
Ian Allwood, Head of Finance
Anil Hirani, OM Capital, Corporate & Treasury
Gareth Newell, Partnership and Community Engagement Manager
Dylan Owen, Head of Cabinet Office
Gary Jones, Head of Democratic Services
Joanne Watkins, Cabinet Support Office
Debi Said, PA to Leader