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23rd February 2022

Councillor Chris Weaver, Caro Wild & Michael Michael
County Hall,
Atlantic Wharf,
Cardiff CF10 4UW.

Dear Cllrs Weaver, Wild and Michael,

Environmental Scrutiny Committee – 22 February 2022 – Draft Corporate Plan 2022–2025 and 2022-23 Draft Budget Proposals

On behalf of the Environmental Scrutiny Committee, I would like to thank you as well as Officers from the Economic Development Directorate and the Planning, Transport and Environment Directorate for attending Committee on Tuesday 22nd February and facilitating the Committee's consideration of the Draft Corporate Plan 2022–2025 and 2022-23 Draft Budget Proposals.

The meeting initially considered the Corporate Overview and was followed by scrutiny of the draft budget proposals and sections of the draft Corporate Plan relevant to the terms of reference of the Environmental Scrutiny Committee. At the meeting Members had the opportunity to question the relevant Cabinet portfolio holders and supporting officers on their draft budget and Corporate Plan proposals for the coming year. The comments and observations made by Members following this item are set out in this letter.

Corporate Overview

Consultation

Whilst appreciating that face-to-face meetings were restricted during the budget consultation process due to the Covid Pandemic, the Committee highlighted that there were other methods that could have been used to engage people, particularly those that are deemed hard to reach such as older people, people with disabilities,

people from BAME backgrounds and people less able to access online means. I reiterated comments that Scrutiny have made previously on numerous occasions that consultation needs to engage elected Members who have links to various groups and communities and can assist with getting them involved in the Council's consultation and even with facilitating access to online meetings. Cllr Weaver agreed that these were good points to take forward for the Citizen Engagement Strategy.

In relation to the response to the budget consultation, the Committee commented that given the total population of Cardiff, a response of 1,547 was quite low and needed to be improved for the future. Cllr Weaver disagreed with this view and stated that for a three-week consultation, under strict restrictions due to the pandemic, this figure was fairly good. He explained that there were also further consultations that were taken into account, that had been undertaken throughout the year and were all used to inform the Cabinet's decision-making process. The Committee **requested** clarification on how many of the Citizen Panel had responded to the budget consultation as this was an audience of 5,500.

Contingency Fund

Members questioned the proposed reduction of the General Contingency Fund from £3m to £2m, given the likely financial pressures arising out of the ongoing Covid Pandemic and the removal of Welsh Government funding for this, as well as pressures from increasing energy costs for the Council. The Committee asked for reassurance that the Council would be able to cope with these budget pressures. Cllr Weaver responded stating that the likely increase in energy costs had been taken into account in the overall budget for 2022/23, calculating both the known and expected increases in costs. He confirmed that part of this consideration looks at whether financial pressures will be long term and require a significant budget settlement on a permanent basis, or just temporary that will require funding in the short term and will then fall back down to normal levels. There is still a £2m contingency there available as well as the Financial Resilience Mechanism which could be used in future years should areas need to be funded, It is about understanding the risks and accounting for them which he stated he was confident

this budget does. Officers also commented that in relation to energy costs, they were using modelling and external advice to build these aspects into the budget and all indications were that this was an appropriate budget.

Wages and Recruitment

The Committee raised the subject of wages and recruitment highlighting that there was currently a lot of movement across the job sector. Members questioned how this was being considered and measured to identify any potential need for increased wages and also queried whether the Council had a suitable recruitment strategy in place to maintain the workforce long term. Cllr Weaver confirmed that there was a Workforce Strategy in place and there is planning that each Directorate undertakes which is considered Corporately. He stated that different work sectors were currently being affected in different ways and there were some areas of the Council where there have been challenges recruiting which is then subsequently prioritised for workforce planning. He further highlighted that with Brexit, Covid and the associated changes that were happening over the last 2 years, things were still shifting quite quickly, and the Council needed to be on top of this over the next year or two to see where the post pandemic labour market goes. In terms of budgeting, Members were advised that consideration is given to what the likely pay award will be in the public sector. Cllr Weaver also pointed out that the Welsh Government funding to pay the Real Living Wage as a minimum in the Care Sector will likely have an increasing impact in terms of making that sector more attractive to people.

Officers also commented that over the period of the Medium-Term Financial Plan, the next 5 years, there will be £131m of cost pressures, with £57m of these being employee pressures. Some of these include the Real Living Wage, the Social Care Levy, changes in Teachers pensions and pay awards. It is a key financial implication but more so a key workforce issue and is about having the right people in the right posts with the right skills delivering the services.

Financial Resilience Mechanism

Following a question around the market volatility in respect of recycling materials and why this was, Cllr Weaver and Officers explained that this referred to the variation in the market price for recycled material and key to this was its cleanliness. If it was co-

mingled, it would likely get a lower price whereas if it was segregated, the price would be higher as there would be lesser contamination. There are also a lot of forces that dictate the price and generally this was governed by the Chinese market as they are a heavy consumer of recycled cardboard and plastics. With the current situation in Ukraine for example, this will likely have a negative effect on the price.

Council Tax Increase

Following a question from myself regarding Council Tax increase and how Cardiff compared to other Local Authorities in Wales, Cllr Weaver explained that it was unsure at this time as they hadn't all been decided or published, however there was a good indication that Cardiff was towards the lower end in comparison. The Committee **requested** that they receive detail of how Cardiff compares to other Local Authorities for its Council Tax increase once the relevant information is available.

Strategic Planning and Environment Portfolio

City Recovery and Infrastructure

In terms of regeneration investment in District Centres, Members questioned what this looked like from a Highways perspective in an area such as City Road. Officers responded stating that in terms of local centre regeneration, the core of this work sits with another Cabinet portfolio, however there is collaborative working on this that crosses into the Strategic Planning and Transport portfolio. This work includes identifying locations and making sure that the work that takes place in relation to businesses, buildings, shop fronts and communities also aligns with the funding opportunities in delivering the Public Realm, the highways, footways, cycleways, and the environment. It also aligns with the wider recovery plan in terms of the 15-minute City agenda and work that is taking place to join up the activities around centres. In terms of City Road, Members were advised that there was a pre-covid scheme that was being funded through Section 106, from development that had taken place in the area. Unfortunately, Officers reported that some of the development proposals for City Road hadn't come to fruition, but there had been progress with some measures such as a range of new crossings which will improve pedestrian access, greening of the road and traffic calming measures.

City Road and Parking

The Committee questioned whether, with the growth investment in sustainable transport and the Active Travel Fund, there would be an expectation of a long-term reduction in traffic enforcement and parking revenue and whether this would have been taken into account. Members were advised that in relation to City Road and parking, Officers were mindful of the fact that there had been significant infringements of the parking arrangements, and this was being dealt with through additional enforcement measures to make sure there is compliance. Officers commented that as it is such a busy area there is an issue of making sure there are controls in place.

Regarding income and parking Officers commented that there were changes that took place during the Covid period in terms of shifting in the road network which impacted on moving traffic offences and parking measures. There was subsequently a significant drop-off in terms of parking income from around areas such as Cathays Gardens. According to Officers, however, the service area was trying to bring in the environmental public realm pedestrian active travel benefits while at the same time supporting the demand management measures. Officers reported that they still view parking as playing a key role in terms of managing traffic movements and demand across the network, and were trying to see them working in parallel rather than in opposition.

Churchill Way Canal

During the Committee's discussions, Members asked for clarification on the work that was being undertaken on Churchill Way Canal, when this would be completed and whether local residents and businesses were aware of the work. Officers stated that they believed that Phase One would be completed within 12 months but **agreed to confirm** the timeline. Officers also confirmed that the service area were also commissioning Phase Two work of this and residents on Churchill Way and businesses had been made aware.

Parking Enforcement

On the subject of parking enforcement Members queried whether this income was being reinvested in traffic related schemes. The Committee were advised that

historically there were some elements of the parking reserve that were used to fund some revenue elements around staffing for transport. However broadly there was a commitment that additional income as a result of moving traffic offences and parking charges is ringfenced to the development and delivery of transport projects and also supporting additional staff where they are implementing and delivering projects. Members appreciate the response from Officers that in terms of delivering some of the transport environmental projects across the city, the issue is sometime not the funding for the project, but rather having the staff to deliver it, so sometimes supporting staff to deliver projects is a very valid reason to seek funding. However, I highlighted that whilst one-off funding for temporary members of staff to achieve a project seems reasonable, supporting long term ongoing salaries through this funding essentially takes away from further traffic related projects.

Public Transport

Members highlighted the modal split target of 57% contained within the Corporate Plan with 22% targeted for public transport and queried whether there was any indication of continued lower usage patterns as a result of the pandemic and people working from home and whether this was anticipated to continue and if so would there be any further financial pressures on service providers like Cardiff Bus. Officers reported that it was a very dynamic situation with movement now towards a new normal, however it is unknown what this is as yet as no one knows the percentages for those will return to work and the impact of hybrid working etc. This, the Committee were informed hadn't settled down as yet and thus it also hadn't settled in relation to its impact on public transport. Officers advised that some periods for bus companies are back up to 100% for weekends for example, whereas during the week and other off-peak times, figures are still significantly below the pre-pandemic period.

Before Christmas, Officers explained, there was the incentive created for people to use buses with reduced fares of £1 and there is consideration as to whether to bring this back in for bus and rail. Realistically it is unknown when it is going to settle down and it will result in potentially significant issues for bus companies including Cardiff Bus. Members were advised that the Council was trying to do as much as they could to facilitate bus movement and support public transport access to the City centre and

making the network work for car drivers who may still be suspicious about getting back on public transport. Officers advised that it was about trying to build people's confidence and helping people make the choice to get back onto public transport and also utilise the new active travel cycle routes that have been implemented. It was reported that there will inevitably be financial implications and the Council was looking to support and subsidise where it can in terms of public transport.

Following further queries over the urgency of work to be done due to the potential long-term implications and what this would mean for several of the Council's schemes such as the Metro and Crossrail, Officers expressed the view that they did not believe fundamentally that there would be a long-term impact on public transport or the transport networks. The Committee were advised that whilst working methods were changing and there may be less travel for work, people still needed to travel, possibly replacing work travel with more socially related travel, and investments in new modes was therefore critical. Despite reassurances that this conclusion was based on discussions with businesses, retail and cultural institutions which indicated that there was no sense that the City centre was less busy, the Committee still expressed some concern. Given the fact that Welsh Government was encouraging working from home, and the number of businesses that have been lost during the Covid pandemic, Members **requested** to see the evidence on the potential long-term impact on transport that the Officer's assumptions were based on.

Cycleways

The Committee questioned the confidence of Officers in both Network Rail achieving their targets for creating the numerous new train stations listed by 2026 and likewise the Council achieving the Newport to Cardiff cycleway by 2025. Officers reported that although these targets were ambitious, they were deemed realistic. It was recognised that some were linked with funding and therefore there was an associated risk with this, but reassurance was provided that these timelines were achievable. The Committee were also advised that the Newport to Cardiff cycleway was supported, funding wise, by the Welsh Government Transport Commission and as one of their key priorities to get the link between Cardiff and Newport both in terms of cycling and in relation to public transport, it has got some big organisational support behind delivering it.

Taxi Grants

On the subject of the one-off funding for Taxi grants highlighted in the Financial Resilience Mechanism, the Committee were advised that the detail for how this was going to be provided to assist taxi drivers towards the cost of transitioning to 'cleaner' diesel vehicles had yet to be determined. The Committee were unsure whether this pilot was being provided via Welsh Government funding or whether it was funded by the Council. Members also expressed concern over the fact that this had not been planned out prior to funding being allocated. Member therefore **requested** that clarification be sought as to the source of funding for this scheme and furthermore that the Committee receive further information on how the pilot is to work and funding allocated as soon as possible. It was also agreed that this item be put forward for the future Scrutiny Work Programme.

Clean Streets, Recycling and Environment

Recycling Targets and Rates

The Committee highlighted that the Council was still to achieve the Welsh Government recycling target of 64% and therefore questioned why the budget proposals didn't appear to incorporate any additional funding or growth to achieve this as well as the further target of 70%. Cllr Weaver agreed that this budget didn't include anything significant towards this, apart from the one-off funding for the segregated Waste pilot. This was due to the Recycling Strategy still being out for consultation to seek public views which will subsequently set the direction for decisions that will then inform where the budget goes. Policy first with the budget to support the policy. He reassured the Committee that this was a priority for the Council in the short term with a Strategy being in place within the year. Cllr Michael also advised the Committee that the changes that have been made over the past 12 months in relation to the workforce, the vehicles and new digital systems that have been introduced, have been working well. He also stated that the contamination rate as part of the trial that is being undertaken is down to 3% and this he believed, once rolled out across the City, would lead to achieving the 70% target over the next 2 to 3 years.

Cardiff Dogs Home

Members questioned whether budget provision had been made for the establishment of a new dog's home as this had been highlighted as a need for some time. Cllr Weaver and Officers confirmed that there was funding that had been raised within the service area towards the potential for a new dog's home and that there is some work being undertaken on the business case for this to determine future requirements.

Cllr Michael also reported that currently there were discussions being undertaken with the Architect over the identified site and any potential planning constraints were being considered before the next steps are taken. He confirmed that a paper would soon be presented to Cabinet on the item and whilst it is best to look at all the detail before making it public, it was his ambition that a brand new dogs home be created for Cardiff with more improved services as whilst there was currently a fantastic service being provided with excellent staff, the existing facility was not fit for purpose. Officers added that this was a priority project which was being looked at very proactively as new opportunity for a new location. The proposal for this coming year was to put forward proposals and announcements but the focus would be on the assessments that needed to be undertaken first. The next financial year would then consider all the due diligence and planning scenario in terms of submissions and fundamentally the capital programme will hopefully recognise the opportunity of a dog's home in the following year.

Shared Regulatory Services

Members queried the £86,000 saving proposal for Shared Regulatory Services and asked for more detail in relation to the implication of this on the service. Officers advised the Committee that the service were operating under some difficult circumstances at the moment both in terms of budgetary pressures and also in the aftermath of the response to Covid. The service still had a number of staff seconded into roles. Unfortunately, this had come at a cost to the business-as-usual work which will take time to straighten out. The Committee were informed that there were a number of key agendas where the service was behind, and they had significant backlogs in relation to Food Standards and the Food Safety Hygiene programme. The service was working closely with the FSA to make up lost ground but again, this would take some time to rectify.

It was also reported that there was difficulty in recruiting suitably qualified staff, as for an Environmental Health Officer or Trading Standards Officer they had to be trained over a number of years and have years of competence and experience. The workforce was also an aging one. This has led the service to consider a number of initiatives to build resilience into public protection services across Wales such as an apprenticeship scheme, but this obviously required a budgetary position to support it. Whilst Cllr Weaver reassured the Committee the savings related to business administration and not frontline Officers, the Committee expressed concern and felt uneasy about the year-on-year savings being made to this important service area whilst still expecting it to perform at a high standard. The Committee challenged the point that this saving would have no impact on frontline staff as any cut to the service could potentially indirectly affect them and their work. The Committee therefore **requested** that they receive evidence of how the savings will not affect frontline services.

Other Members also challenged the view that the service could not recruit to particular posts and **requested** that they also receive evidence of the recruitment process including detail of where the jobs are being advertised, how long for and how often.

Large Scale Energy Projects

Following a question from the Committee on the potential options that were being considered for new large-scale renewable energy projects, as identified in the Corporate Plan, Cllr Michael explained that these included further Solar Farms based on the success from the one already created, plus some possible wind energy opportunities have been identified. Further to this Cllr Michael advised that there were also always other opportunities that were arising whether these be in recycling or energy and the Council needed to be a position to take advantage of these opportunities as they present themselves.

North Cardiff Household Waste Recycling Centre

In relation to the Household Waste Recycling Centre proposed in the Capital Programme for the North of the City, Cllr Michael advised Members that the position regarding this hadn't changed. This would continue to be considered and if and when the business case deemed it was needed, it would be progressed with the

funding that has been budgeted for it. He highlighted that in the meantime there was still capacity in the other two facilities in Cardiff.

Street Cleaning

The Committee welcomed the 7 extra posts for Street Scene Local Action Team (formerly known as Blitz Teams) and 8 additional posts for Extra Street Cleaners and queried whether these were targeted to specific areas or generally across Cardiff. Officers confirmed that this would create an additional (third) Blitz team to enhance this service as well as the creation of a 'Lanes' team to particularly concentrate on the gated lanes where the Council have had high incidents of fly-tipping. Members were further advised that the service would also be putting in an additional 4 mechanical cleaners out to enhance street cleansing. Overall, there would be an enhanced cleansing regime and enforcement in line with additional funding as well as a restructure that will support this. Officers also clarified that both manual and electrical street cleaners would be operational, and the service area was considering locations where they could charge the electrical ones.

One Planet Cardiff

Members were pleased to see investment for 4 additional posts for the One Planet Cardiff Delivery and questioned whether these would be in a specific Directorate or roles that had an oversight across Directorates. Cllr Michael explained that the One Planet Cardiff Agenda was made up of officers from across the Council such as from Education and Planning and these new posts would enhance what was already there. Officers clarified that one of the posts was replacing an OM2 post that would be leading on the delivery of the One Planet Cardiff programmes such as the Electric Vehicle scheme, the work around clean air and working across the programme in general. There would be project management posts then that sit under this to support the work that was taking place in terms of retrofitting and schools programmes etc. He confirmed that a lot of this work was Corporate and only some of the themes sat within the Planning Transport and Environment Directorate. What was needed was a lead to coordinate and align the work taking place with the One Planet targets and the overall programme.

Bessemer Commercial Site

During the meeting I queried what evidence there was to support the income expected to be achieved for 2022/23 associated with the Bessemer Commercial Site of £172,000 (RN11). The Cabinet Member and Officers reported that this was based on improvement and increased activity that had been seen this year as well as readjusted fees and charges to make them more realistic so that the Council is not subsidising any ongoing disposal.

Landfill Gas

I also questioned why the income of £235,000 associated with Landfill Gas was being realigned as was deemed unachievable. Officers advised the Committee that this target was put in place 4 years ago and since then the level of gas that the landfill has produced has reduced, however the target hadn't previously been adjusted. This has now been brought into line. It was also advised that this income was a planned benefit put in for 2021/22 with the intention that it would be built back in for 2022/23.

Requests following this scrutiny

For ease of reference the requests contained in the letter are as follows:

- Clarification on how many of the Citizen Panel had responded to the budget consultation as this was an audience of 5,500.
- To receive detail of how Cardiff compares to other Local Authorities for its Council Tax increase once the relevant information is available.
- To receive confirmation as to the timeline surrounding Phase One of the work on Churchill Way Canal.
- To see the evidence on the potential long-term impact on transport that the Officer's assumptions were based on in that there would be no long-term affect.
- Clarification be sought as to the source of funding for this Taxi Grant scheme and furthermore that the Committee receive further information on how the pilot is to work and funding allocated, as soon as possible.
- To receive evidence of how the savings associated with Shared Regulatory Services will not affect frontline services.

- To receive evidence of the recruitment process for staff within SRS that is posing a difficulty, including detail of where the jobs are being advertised, how long for and how often.

Thank you once again for attendance and contribution.

Regards,



Councillor Ramesh Patel

Chairperson Environmental Scrutiny Committee

Cc:

- Chris Lee – Corporate Director Resources;
- Ian Allwood – Head of Finance
- Andrew Gregory, Director of Planning, Transport and Environment
- Neil Hanratty – Director for Economic Development
- Graham Harris - Operational Manager, Recycling Services
- Helen Picton, Operational Manager – Consumer Protection, Shared Regulatory Services
- Heather Warren, Cabinet Support Office
- Cabinet Support Office
- Joanne Watkins, Cabinet Business Manager
- Rita Rohman and Christine Brain, Director of Resources' Office
- Imelda Seymour and Jonathan Childs, Director of Planning, Transport & Environment's Office
- Clair James, Director of Economic Development's Office
- Leaders of the Opposition
- Chris Pyke, Audit Manager, Operational Manager
- Internal Audit
- Tim Gordon - Head of Communications & External Relations
- Members of Cardiff's Environmental Scrutiny Committee