

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

26 SEPTEMBER 2022

Present: Councillor Williams(Chairperson)
Councillors Ash-Edwards, Chowdhury, Ferguson-Thorne,
Henshaw, Hunt, Stubbs, Thomson and Waldron

11 : APOLOGIES FOR ABSENCE

None received.

12 : DECLARATIONS OF INTEREST

Cllr Chowdhury declared a personal interest in Item 4 as her son attends Cathays High School.

Cllr Henshaw declared a personal interest in Item 5 as her son is a Social Worker for the authority.

13 : MINUTES

The minutes of the meeting held on 13 July 2022 were agreed as a correct record and signed by the Chairperson.

14 : MAINDY PARK TRUST - DECISION MAKING PROCESS

The Chairperson advised that this item provided Members with an explanation of confidential Counsel advice, as to how the Council should manage the conflict of interests in discharging its role as sole trustee of the Maindy Park Charitable Trust, and thereby ensure a lawful and robust decision-making process.

The Chairperson welcomed Councillor Huw Thomas, Leader of the Council and Davina Fiore, Director of Governance & Legal to the meeting.

RESOLVED – That the public be excluded from the meeting at this point during consideration of this item as the Committee discussed exempt information of the description contained in paragraph 16 of Part 4 of Schedule 12A of the Local Government Act 1972. The public may be excluded from the meeting by resolution of the Committee pursuant to Section 100A(4) of the Local Government Act 1972 during discussion of this item.

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 : BUDGET MONITORING - MONTH 4 2022/23

The Chairperson advised that Committee has responsibility for scrutiny of the Council's financial planning, policy and control. That means monitoring the whole Council's financial position throughout the budget year. Committee are therefore scrutinising the position at month 4 in the budget year 2022/23, which will be reported

to Cabinet on Wednesday. Members were reminded that at this point in the year and from this monitoring report Committee should become aware of services that face challenges in managing their budgets. If Members consider there is evidence of the need for a deeper dive into how a service is managing its finances, then as the overview committee Members can signpost Committee's concerns to the relevant committee. Members are also obliged to look more closely at services that sit directly within Committee's own Terms of Reference.

The Chairperson welcomed Councillor Chris Weaver, Cabinet Member for Finance, Modernisation & Performance; Chris Lee, Corporate Director – Resources, and Anil Hirani, Account Manager, Capital, to the meeting.

The Cabinet Member was invited to make a statement after which Officers provided Members with a short presentation. Members were then asked to make any comments, observations or to ask any questions;

Members referred to overspends and considered that a breakdown by area would be helpful as would an indication of costs for such things as specialist placements. Officers explained that Appendix 2 provides a Directorate commentary, which should show a breakdown. Officers were happy to provide an indication of costs of placements for Committee.

Members referred to the Capital Programme and asked if this was being assessed against the bleak macro-economic situation being faced currently. Officers said that yes this would be part of the normal process anyway, and they would bring more information on the slippage forward.

Members asked what pressure is being applied to draw down efficiencies in Directorates. Offices explained that they are seeking immediate efficiencies in non service change areas.

Members referred to Children's Services overspend in recent years and asked for Officers opinions as to why the gap had not been successfully reduced. Officers stated that this was probably better answered by Children's Services Officers however this was a demand led service, which is required to deal with needs which can present at any time. It was also noted that currently there are many very complex cases being presented. It was noted that this may be an area for Children and Young People Scrutiny Committee to look at further.

Members noted that some English local authorities which are comparable in size to Cardiff seem to have overspends in Adult Social Care, whereby Cardiff has an underspend. Members noted that Children's Services have a history of overspend and asked whether officers are confident they can get a hold of this. Members were advised that English local authorities have more difficult budgetary challenges in Adult Services than Wales. There are also a number of factors that need to be considered such as recruitment, market conditions and suitable services.

Members discussed inflationary pressures and a review of capital programmes such as the Cardiff Indoor Arena and were keen to point out the importance of keeping an eye on borrowing and affordability.

Members referred to the Public Works Loan Board and asked if the authority has secured a rate of borrowing for the Indoor Arena and if not whether this project is still affordable. Officers advised that they haven't at this stage of the process but the PWLB still has a historically low rate for local authorities. Officers added that all

decisions would be taken within the prudential framework, taken to Council as well as to Governance and Audit Committee, so is tracked regularly. The Cabinet Member added that there was an affordability envelope set for the Arena with significant consideration given to affordability and risk. The Cabinet Member added that he considered this to be on track.

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.

16 : ANNUAL PROPERTY PLAN 2022/23

Members were advised that this item was a pre-decision scrutiny of the Council's Annual Property Plan 2022-23. The Plan for 2022-23 is the implementation plan that will sit behind the Council's approved Corporate Property Strategy, and each year the Plan's targets support the five-year targets set out in the Strategy. The Committee has an opportunity to test the ambition and targets set out in the Annual Property Plan 2022-23, to test the strength of the links between the Strategy and the Plan, and the contribution the Plan will make to the 5-year Corporate Property Strategy 2021-26.

The Chairperson welcomed Councillor Russell Goodway, Cabinet Member for Investment and Development; Neil Hanratty, Corporate Director – Economic Development; Donna Jones, Assistant Director, County Estates and Matt Seymour, Asset Manager, to the meeting.

The Chairperson invited officers to make a presentation, after which Members were asked to make comments, observations and to ask questions;

The Committee noted that in seeking to achieve a £600k net increase in rental income from our property portfolio it would be important to understand the real term revenue growth target required to maintain the value of the portfolio and potentially grow its value. Members noted officers' indication that the level of detail in the Plan is currently under review and is reflected in conversations scoping the impact of inflation on forthcoming budgets. We also note your view that there is a need to rationalise the estate, taking the professional advice of officers.

Members referred to County Hall and asked how its Capital value had been calculated. Officers explained that it would have been assessed on a residential basis and they would need to check if this had changed. Officers further added that it would have been looked at as part of the core office project and would need to be reviewed.

Members asked how interdepartmental conversations are being managed. The Cabinet Member explained that there are processes in place between departments and with other public service bodies about property surplus. If a property is surplus to requirements it is offered in house and then to, for example, the Health Board. If it isn't taken up, then it can be put to the market for sale.

Members asked if there was liaison with the voluntary sector over disposals and the Cabinet Member said there was and there was a history of what used to be called Community Asset Transfers although these were not as effective as first thought as

the community groups then had to pay to maintain the buildings. Now there are robust Community Lease Agreements in place for such disposals.

Members discussed the risks of inflation and changing demographics on new school builds. Officers explained that there has been a fall in birth rates and there was a fall in projected rates going forward so this did pose a risk.

Members asked how the One Planet Strategy fits in with procurement and commissioning new builds. Officers explained that it was vital and was always considered with engagement with stakeholders. A discussion took place around the different assessments for new builds and refurbishments in the education estate and the design regulations that were in place. Members were advised that Fairwater Campus would be the first school that was carbon neutral. The Cabinet Member added that this was not unique to Cardiff and that developers and contractors now know what they need to deliver, and are building solutions into the projects.

Members asked about changes to the Property Plan in terms of numbers and value over the next five years. The Cabinet Member stated that he would like to see rationalisation of the properties.

Members enquired whether the Annual Property Plan 2022-23 had taken into consideration the current macro-economic challenges of inflation and interest rate rises and their impact on the property market. Members noted that the report had not yet factored in recent announcements however there were ongoing conversations with stakeholders and partners. Members also noted that Cabinet would wish to bring forward proposals later this year around rationalisation to address the macro-economic pressures.

Members noted that the Plan sets out targets and asked which targets were the most difficult to achieve. Officers considered these to be net zero and also the increasing costs of works generally in relation to net zero. The Cabinet Member added that the historical buildings would be difficult to get to net zero. Members asked what approach would be taken to address this and Officers explained that there would have to be a strategy in place to look at rationalisation, also off-setting the carbon when buildings cannot get to net zero by other means, such as Coed Caerdydd, Solar Farms etc. this would be a corporate approach, not just across the Corporate Estates Directorate.

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.

17 : COMMITTEE BUSINESS - WORK PROGRAMME 2022/23

The Chairperson sought Members views on the work programme 2022/23.

RESOLVED: to agree the Work Programme 2022/23.

18 : URGENT ITEMS (IF ANY)

None received.

19 : DATE OF NEXT MEETING

18th October 2022 at 5.00pm

The meeting terminated at 6.27 pm

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