

Date: 17 November 2022

Councillor Chris Weaver,
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Dear Chris,

PRAP Scrutiny Committee 15 November 2022: Budget monitoring m6 2022/23

As Chair of the Policy Review and Performance Scrutiny Committee my sincere thanks for attending Committee on 15 November 2022 to present the budget monitoring month 6 2022/23 report. Please also pass on our appreciation to the Corporate Director Resources, Chris Lee and Head of Finance, Ian Allwood, for presenting an overview. The Committee thanks you for attending in person and has asked me to pass on Member's comments and observations following discussion at the Way Forward.

The Committee notes the improved position at month 6 with the achievement of £3.323m in-year efficiency savings since month 4, notwithstanding the impact of the agreed pay award and use of £6.4m of the Covid contingency fund.

Monitoring Children's Services overspend

Members were keen to understand budget monitoring discussions between the Finance and Children's Services Directorates to keep a close watch on the £8m overspend. We were pleased to note that a corporate group has been formed, whose scope includes a full root and branch review, that weekly budget reporting is underway, and that the service has been allocated a dedicated group accountant for the remainder of the budget year. We note also that this level of overspend will be difficult to resolve in-year. As the scrutiny committee that has responsibility for oversight of financial matters, we are **requesting** an update once the findings of your review become available.

Voluntary redundancy

The Committee understands work is ongoing to assess the impact and achievability of savings that can be derived following expressions of interest in voluntary redundancy. We note that the Council routinely invites expressions of interest in voluntary redundancy, in the interests of effective work planning since staffing costs represent 70% of the budget. We also note that work on such savings is focussed on posts not people. You indicated that a Welsh Government response on this matter is outstanding, and capitalisation of funding redundancies is the subject of national conversations that apply to all local authorities.

Underspends

Members clarified the position in respect of two underspends. Firstly, we are reassured that the budget for council tax bad debt provision has not changed since month 4. Secondly, the position in respect of administrative savings related to the multi-year migration of people from housing benefit onto universal credit. You assured us that there is an administrative saving at this point in 2022/23, however that may not be evident next year.

Fees & Charges

The Committee notes the outturn projection for Civil Parking Enforcement at £325,000 lower than budgeted. Members were of the view that increases in fees and charges for the service may be a reasonable approach in setting next year's budget. We look forward to the opportunity for scrutiny of the public consultation on budget proposals prior to the scrutiny of final budget proposals for 2023/24.

Consequences of savings

Members are reassured by the good progress made on efficiency savings, noting that further grant funding has helped the savings position. However, we wish to highlight the consequences of making savings on services. For example, are there consequences of holding vacant posts, or is this a short-term solution? We consider holding vacancies a short-term solution, and, in effect, savings are simply rolled over and a close assessment of their impact is required. Our discussion at the Way Forward resulted in two **requests** for further information relevant to this point: Members would like more detail on the Council's use of agency workers; and we are

interested in any analysis that may be available on staff sickness absence levels where vacancies have been held.

Workforce Planning

Following the realignment of the Adult Social Care budget in 2022/23, the Committee drew attention to the continuing projected underspend in Adult Services at month 6. At month 4 you referenced there were some staff recruitment challenges requiring continual watch, and we note that the recruiting of care workers continues to be a challenge at month 6, together with recruitment issues in other areas. We look forward to engaging with your workforce planning approach and would be grateful for an indication of when that will become available to the Committee.

Requests following this scrutiny:

- That the Committee is updated on the findings of the root and branch review of Children's Services budget by the corporate group established to look closely at the position;
- More detail on the Council's use of agency workers;
- Whether the Council has undertaken any analysis of staff sickness absence levels where vacancies have been held to deliver in-year efficiency savings.
- An indication of when the Council's workforce planning approach may be available to the Committee.

Finally, on behalf of the Committee, thank you once again for facilitating monitoring of the budget at month 6 2022/23. With your support, I look forward to continuing the valuable internal challenge established between this Committee and the Cabinet. There are a number of requests following the scrutiny, and therefore I look forward to a response.

Yours sincerely,



**COUNCILLOR JOEL WILLIAMS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc Members of the Policy Review & Performance Scrutiny Committee
Leaders of Opposition Parties – Adrian Robson, Rhys Taylor & Andrea Gibson
Chris Lee, Corporate Director, Resources
Ian Allwood, Head of Finance
Mr David Hugh Thomas, Chair, Governance & Audit Committee
Chris Pyke, OM Governance & Audit
Tim Gordon, Head of Communications & External Relations
Jeremy Rhys, Assistant Head of Communications and External Affairs
Gary Jones, Head of Democratic Services
Alison Taylor, Cabinet Support Officer
Joanne Watkins, Cabinet Business Manager
Andrea Redmond, Committees Support Officer.