

Date: 1 March 2023

Cllr Chris Weaver

Cabinet Member for Finance, Modernisation and Performance.

Correspondence Sent via e-mail.



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Dear Cllr Weaver,

CASSC Scrutiny Committee 27 Feb 2023: Draft Corporate Plan 2023-2026 and Draft Budgetary Proposals 2023-2024

Our sincere thanks, to you, your Cabinet colleagues and officers, for attending Committee on 27 Feb 2023, to facilitate our consideration of the draft Corporate Plan and budgetary proposals. Please find our comments and observations organised below, inline with the structure of the meeting.

Corporate Overview

The main service areas aligned to this committee are, Adult Social Services and Housing and Communities and we noted, and welcomed, the substantial increase in budget proposed for Adult Services for 2023-24. Yet, regardless of this substantial increase, Adult Services are still projecting to use £2.309m of earmarked reserves in 2023-24. Although we recognise the use of earmarked reserves is planned; it still generates suggestion that Adult Services may still face financial difficulties despite this proposed increase in budget.

Akin to this, it was somewhat perplexing that given the recognised (and well understood) challenges and demands Adult Services face, which provide the reasonings for their substantial increase in budget, they are projecting an underspend of £1.820m as of Month 9 (December, 2022). From both finance and adult service officers we were informed the reason for this underspend is due to difficulties with recruitment in a timely manner and increased use of grant funding (*later in the meeting it was also confirmed the current underspend position of Housing & Communities as of Month 9 - £2.378m is also attributed to these reasons*).

A key area of concern for the committee related to the employee implications of the proposed 2023-2024 budget (*total net FTE reduction of 172.9*). We held a number of reservations regarding the impact the removal of these post would have on the resilience of service areas, the implications for remaining staff, service delivery and overall pressure this would place on the authority.

We note the admission that FTE reduction, whether it be through vacant posts or voluntary severance will undoubtedly impact resilience of service areas and the authority as whole, and the relatively high number of FTE reduction can be attributed to the current financial context and overall budget gap this council is facing. However, assurance was given that when employee implications are present in efficiency savings, it is assessed that the removal of these posts will have no impact on service delivery. As offered at the meeting, we would welcome more information, on the 22.5 FTE posts categorised as 'TBC / Redeployment'.

Aligned to this, we sought clarity on the overall costing implications of voluntary severance, exploring how short-term costing against long term saving is determined. We note there is an initial cost commitment with money set aside for voluntary severance payments, however they in turn provide an ongoing base-budget saving, year after year. Although discussion held at the meeting are noted, reservations do remain around the use of voluntary severance, given we as a committee are acutely aware of the difficulties service areas, particularly those within our remit, face in the recruitment of staff. For example, later in the meeting we were informed, at present, there is a 14% vacancy rate for social workers.

Given the Covid-19 hardship fund has played a prevalent role in supporting service areas within our remit of late, we highlighted the release of the £10million covid-19 budget and sought clarity on how it has been utilised to address the overall budget gap. We note this money has been realigned and offered to service areas facing significant financial pressures.

With regard to the Capital Programme, we explored and questioned the council's overall reliance on grant funding – raising our concerns around risks and sustainability. We note the admission that reliance on grants does pose some risk, however grant funding for capital investment has been a feature of local authority

funding for many years with yourself and finance officers closely determining the use of grants based on intelligence and affordability, with other capital investments also pursued in the programme; for example, borrowing or invest to save schemes which in turn generates incomes.

Lastly, although not explored with yourself at the meeting, upon reflection, committee Members would appreciate further information on the council's debt spend. In particular, confirmation on how much of the council's overall 2023/24 budget will be toward debt repayment (for both new and historical debt). We note from the presentation, borrowing affordability and sustainability is undertaken within the council's Treasury Management Framework, however, we would appreciate a brief overview on how risk around borrowing is managed.

Cllr Sangani – Cabinet Member for Public Health & Equalities

Committee Members were pleased to see the proposal surrounding blood pressure loan schemes within the 2023/24 FRM, and we sought insight on the proposals intended arrangements. We note the scheme will be a pilot and so we wish to stress within its review, thorough consideration is applied to location of this equipment, given that not all Cardiff residents live within a close proximity to a hub, and the need to ensure mitigation measures are in place to avoid instances where equipment is not returned.

Given we as a committee have recently been briefed by council officers, and third sector organisations, on the pressures and capacity issues they face in terms of delivering asylum seeker and refugee support, we wished to explore the efficiency saving proposal titled 'Ukraine Refugees and Asylum Seeker support' (*proposed efficiency saving – income: £70,000*). From the response we were informed costings would be offset against the Ukrainian scheme; but we remain unsure what this means and would welcome clarity on this matter.

Cllr Norma Mackie – Cabinet Member for Adult Service

Members firstly wish to thank Jane for the presentation provided at the committee regarding the proposed service change, which alleviated many concerns we held prior to the meeting.

It was pleasing to be informed ensuring little to no impact of the service users will be at the forefront of this proposal. Further, the confirmation that individuals will not be required to move home, and the recognition on the need to ensure a phased approach for changes in personnel (support workers) is also welcomed. If currently known, Members would appreciate further insight on how exactly this phased approach toward change in personal will be implemented. Including how the service users and family members will be kept informed as change occurs, and the overall anticipated timescales.

Though this proposal relates to working with third sector organisations who already hold an established relationship with the council, given the current context, we questioned this feasibility noting the financial pressures and recruitment issues they too face. We were informed, initial conversations have been held with the third sector partners who have provided assurance they have the ability and capacity to effectively, and sensitively, manage this proposal.

We note within this service change proposal, 37 FTE posts have requested voluntary redundancy. In line with the ongoing concern around recruitment and retention, we raised what this indicates around work conditions, as this suggests a high number of individuals may sadly no longer wish to work in this vocation and are unable to be retained.

Given the significance of this service change proposal, some reservations remain and committee Members request, that if this proposal proceeds, at an appropriate juncture an update is provided to the committee. We have tasked our support officer to liaise with the service area regarding scheduling.

When considering the overall efficiency savings proposed for Adult Services, committee Members noted a significant number have been categorised as 'amber-green' for achievability, with the service change proposal categorised as 'amber-red'. So, we sought insight on the deliverability of implementing a volume of proposals which contain a level of uncertainty.

Within the discussion, we were informed the 'red-amber' classification for the service change proposal largely relates to timescales, and the efficiency savings proposed

align to the service area's strategic direction and ongoing work; thereby reducing its risk and strengthening its deliverability.

Turning our attention to the draft Corporate Plan, we explored resource levels in terms of the commitment for '*modernising our home care services to provide a full reablement service and short-term emergency care*'. Although we note difficulties in recruitment are still present, it was pleasing to be informed of the positive steps being taken to address challenges, such as an increase in wages and changes to staff rotas.

We also noted the recognition in the draft Corporate Plan, that all council staff require access to an appropriate level of training to meet the needs of autistic people, however there was an absence of KPI's measuring the performance of this commitment. From the response we note delivery of this commitment is monitored and recorded in the service area's Directorate Delivery Plan.

With regard to the Direct Payment efficiency saving, we are aware the rate of Direct Payments take-up in Wales is substantially lower than England and we have recently been briefed on the services area strategic direction through the use of microenterprise. At an appropriate time, we would appreciate an update from the service area on their work around Direct Payments and have tasked our support officer to liaise with the service area for this to be scheduled into our Work Programme.

Lastly, on reflection, Members would also appreciate confirmation on how the efficiency saving around the increase of equipment will be implemented. Including detail on the steps to safeguarding individuals to ensure equipment is not redundant and provides the intended relief and support.

Cllr Peter Bradbury – Tackling Poverty and Supporting Young People

As Cllr Bradbury will be aware, the level of funding allocated to his portfolio, although welcomed, raises concerns around sustainability. In particular, we raised the concern advice staff hold over job certainty, as a high level are on temporary contracts.

Within the discussions, we were informed although a level of grant funding is always present, and the service area benefits from a dedicated BID writer to ensure a consistent external income stream, work is ongoing toward making some positions permanent through grant funding. In addition, work is also ongoing toward providing staff who are on temporary contracts with assurances to alleviate uncertainties around job security.

It is well known that sadly demand for financial support is rising and so we sought explanation as why the 2022/23 FRM allocation for the advice team and into work services had not been utilised, and we were informed this was due to the money being replaced by the Shared Prosperity Fund.

In terms of the proposed efficiency savings (£90,000), Members note this is due to the implementation of Universal Credit which in turn lessens the caseload for Housing Benefit assessment thus allowing the release of staff.

Given the current context, we noted our recognition that third sector organisations are under considerable financial and capacity pressures, and we sought assurance this is, and would continue, to be taken into account within our partnership work. We were informed reliance on the third sector within the field of advice has subsided over recent years, with increased inhouse work. However, partnership work is continuously reviewed and assessed, with these considerations at the forefront. During the discussion we also highlighted the need to ensure we as a council recognise and support third sector organisations who offer support to specific vulnerable groups, as such groups may not feel comfortable approaching the council, and instead wish to receive support through dedicated organisations. We note from Cllr Bradbury's response he feels this is in place and welcome his offer of showing the committee organisations who demonstrate such work.

Lastly, with regard to the Corporate Plan, it was pleasing to be informed targets in relation to the number of people being assisted with support for benefits and the money provided have been realigned in line with the current output of the team.

Cllr Thorne – Housing & Communities

Regarding the service change proposal, we explored if the volunteers would have a set job description, and be offered a contract, which in particular will detail the number of hours of work requested from them, offering a degree of certainty for the volunteer and staff members.

We were advised contracted hours have not yet been considered as the ethos centres around 'giving what you can'. However, a job description will be provided and in terms of hours provided; restrictions may apply depending on if the individual is in receipt of benefits. However, the service area will look to work closely with the Department for Work and Pensions to ascertain the level of hours that can be provided.

The specific concerns raised around this proposal related to implications on service users and staff members should a volunteer not be able to fulfil their role. We were informed, it is intended volunteers will be able to select opportunities via the job descriptions available on the website, thereby potential offering expertise, and it is intended they will undertake 'light touch help' to allow staff members to give more dedicated, in-depth advice. Which in turn, should lessen risk and implication for staff members. Further, committee Members note this proposal will be a pilot approach to allow for assessment of its workings.

It was interesting to note the use of 'organised volunteers' is already a present in some hubs, who are recognised as offering excellent work and events. Given the current financial climate, it was also pleasing to note that 62 Into Work Service volunteers (99%) have moved on to permanent work, along with the other benefits outlined at the meeting such as providing individuals with new skills, and improvement to individual wellbeing.

With regard to the proposed Youth Hub, we sought an update on its progress and were informed officers are currently working to ensure there are no planning restrictions or technical issues with the identified site. Committee Members look forward to monitoring the development of this work.

In terms of the Corporate Plan, we sought explanation on why the yearly target for the development of new house builds has been replaced with a cumulative target. Although the response around external factors influencing yearly targets for this programme of work is both noted and understood, given the importance and acute need for social housing in the city, it is felt an annual target which allows for clear insight into the trajectory of this programme is of significance and so we **recommend** the annual target be reinstated either within the Corporate Plan, or the service area's Directorate Delivery Plan.

Lastly, Members explored the £200,000 allocation for Neighbourhood Regeneration Scheme in the 2023/24 FRM and concur with Cllr Thorne on the importance of regenerating local communities, particularly in the vein of how it can help address issues of ASB. Members would appreciate further information on how Councillors can make bids into the Neighbourhood Renewal Scheme referenced at the meeting, including timescales on when bids must be made.

On behalf of the Committee, thank you once again to you, your Cabinet colleagues and officers for attending Committee to facilitate our consideration of this item.

To confirm a response to the letter which responds to the below bullet points is requested.

- Information on the 22.5 FTE posts categorised as 'TBC / Redeployment'
- Insight into how much of the council's overall 2023/24 budget will be toward debt repayment (for both new and historical debt), and a brief overview around how risk relating to borrowing is managed.
- Clarity on the proposed efficiency saving of 'Ukraine Refugees and Asylum Seeker support' (£70,000), what is being proposed and how it will result in a saving.
- For the proposed Adult Services service change; how the phased approach toward a change in personal will be implemented, how service users and family members will be kept informed as change occurs and the overall anticipated timescales.
- Confirmation on how the efficiency saving around the increase of equipment will be implemented. Including detail on the steps to

safeguarding individuals to ensure equipment is not redundant and provides the intended relief and support.

- Further information on how Councillors can make bids into the Neighbourhood Renewal Scheme referenced at the meeting, including timescales on when bids must be made.

The recommendation we wish to receive a response on, including if it is accepted, partially accepted or not accepted is:

- Given the acute need for social housing, the yearly target for the council house development programme be reinstated in the Corporate Plan or detailed the service area's Directorate Delivery Plan.

Yours sincerely,



**COUNCILLOR BABLIN MOLIK
CHAIR, COMMUNITY & ADULT SERVICES SCRUTINY COMMITTEE**

cc Members of the Community & Adult Services Scrutiny Committee
Cllr Julie Sangani, Cabinet Member, Public Health & Equalities
Cllr Norma Mackie, Cabinet Member, Adult Services
Cllr Peter Bradbury, Cabinet Member, Tackling Poverty & Supporting Young People
Cllr Lynda Thorne, Cabinet Member, Housing & Communities
Cllr Joel Williams, Chair – Policy, Review & Performance Scrutiny Committee
Chris Lee, Corporate Director, Resource
Ian Allwood, Head of Finance
Sarah McGill, Corporate Director, People & Communities
Jane Thomas, Director, Adults, Housing & Communities
Helen Evans, Assistant Director, Housing & Communities
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