

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

12 JULY 2023

Present: Councillor Williams(Chairperson)
Councillors Ash-Edwards, Carter, Chowdhury, Henshaw,
Hinchey, Hunt, Stubbs and Thomson

11 : APOLOGIES FOR ABSENCE

Apologies had been received from Cllr Hinchey and Cllr Goodway.
Cllr Thomson advised that she would need to leave at 7.00pm.

12 : DECLARATIONS OF INTEREST

Cllr Henshaw and Cllr Williams declared personal interests as they have family members who work for the Council.

Cllr Hunt declared a personal interest as Chair of Governors at the Court School.

13 : ANNUAL WELL-BEING REPORT 2022/23

The Chairperson advised Members that in line with Committee's responsibility for scrutiny of the Council's corporate planning, performance assessment and reporting arrangements, this item provided them with an opportunity for pre-decision scrutiny of the Council's self-assessed Annual Well-Being Report for 2022/23. This is the report that summarises the Council's end-of-year performance and looks forward to the challenges ahead.

For this item, the Chairperson welcomed Cllr Huw Thomas, Leader of Cardiff Council, Cllr Chris Weaver, Cabinet Member, Finance, Modernisation & Performance, Chris Lee, Corporate Director, Resources, Sarah McGill, Corporate Director, People & Communities, Gareth Newell, Head of Performance & Partnerships and Dylan Owen, Head of Cabinet Office.

The Leader was invited to make an opening statement, after which the Chairperson asked for Members questions, observations and comments.

Members acknowledged the progress made in various areas but also recognised the challenges highlighted in the Annual Well-being Report, such as school attendance rates, recycling rates, demand for services, rental costs, and the economic climate. Members were assured by the Council's robust self-assessment procedure based on multiple data sources to assess performance.

Members welcomed the addition of a summary of performance to increase accessibility but suggested that it may appear bland without the live database link. Members sought assurance that face-to-face support for improving digital skills is still available at local hubs across Cardiff.

A discussion took place and Members raised their concerns about the difference in life expectancy between North and South Cardiff. The Committee acknowledged the Council's efforts in addressing this issue, particularly regarding obesity linked to poverty, and supported the lobbying for greater power over public health matters for local authorities.

Members acknowledged the caution regarding debt servicing and its potential impact on capital and revenue budgets. Members expressed some concern about the risk posed by increasing interest rates to essential services.

Members were provided with assurance about the Council's commitment to building social housing and the consideration of Equality Impact Assessments in decision-making processes for areas facing increasing demand. Officers also outlined the importance of managers engaging with staff and understanding their challenges, as well as monitoring sickness absence rates.

Members considered that more information on the reasons for the fall in attendance at council venues to determine if it is related to the post-COVID bounce back or specific to Cardiff, would be interesting to have sight of.

Members noted Cardiff's progress in introducing 20 mph zones and cycle lanes, resulting in improved congestion in the city over the past five years.

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.

14 : BUDGET 2024/25, MTFP & OUTTURN REPORT 2022/23

Members were advised that this item provided them with an opportunity to consider the Council's approach to developing the 2024/25 budget proposals, and specifically a fuller understanding of the financial resilience work underway to tackle the challenges posed by inflation, the energy crisis, interest rates, the labour market and weak economic growth that may curtail public sector funding.

The Chairperson welcomed Cllr Chris Weaver, Cabinet Member, Finance, Modernisation & Performance, Chris Lee, Corporate Director, Resources,

Sarah McGill, Corporate Director, People & Communities and Ian Allwood, Head of Finance, for this item.

Councillor Weaver was invited to make an opening statement, after which Members were asked for their questions, comments and observations.

Members expressed significant concern about the potential impact of higher-than-anticipated inflation and pay awards on the Council's financial planning. They noted that the assumption of 2% inflation used in preparing the report may be too optimistic and represented a key area of risk for the Council. Members were advised that the Council takes external advice and forecasts into account, includes sensitivity analysis in the Medium-Term Financial Plan (MTFP), and plans to use specific information on

inflation, pay awards, and economic growth as it becomes available before setting the final budget in March 2024, however the Committee remained concerned about how the Council will address the challenges posed by higher inflation and pay awards.

Members discussed the prediction that capital financing costs would fall over a 4-year period, and they clarified that it is actually the rate of increase that is falling, not the total cost of capital financing. Members were advised that the modelling is based on the existing Capital Programme and that if new capital projects are added to the programme, the costs will increase accordingly.

Members sought more information about how capital projects are re-evaluated in cases where there is slippage on the project. Specifically, they requested details on the metrics used for re-evaluating projects that experience delays and cost escalations.

A discussion took place around how the Council compares itself with other UK councils of comparable size to Cardiff, particularly in terms of budget allocation and savings on non-statutory services. Members noted that 70% of the Council's overall budget supports Education and Social Services, while the remaining 30% supports all other Council services. Members were keen to understand how other councils with a similar budget split manage to deliver savings on non-statutory services. Officers advised that the Council engages in regular interaction and knowledge-sharing with finance colleagues across Wales through various forums. These forums provide opportunities for formal and informal discussions, where best practices and benchmarking are shared among local authorities.

Members acknowledged that when the 2023/24 budget was agreed in March 2023, the Council's Financial Resilience Mechanism (FRM) was reduced from £3.8 million in the previous year (2022/23) to £2 million. This reduction was made to assist with the impact of increasing energy costs at that time. However, it was noted that the plan was to introduce a phased re-instatement of the FRM to £3.8 million if energy prices were to fall, thereby boosting the FRM.

Members were pleased to hear that the impact of the Lamby Way solar farm and heat source projects' income contribution will be factored into budget planning. This suggests that if the income generated from these projects is favourable and helps offset energy costs, it may enable the Council to gradually reinstate the FRM to its previous level of £3.8 million.

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 : DELIVERING A MODERN CARDIFF WORKS AND AGENCY PROVISION

Members were advised that this item was to consider a proposal to re-procure a Vendor - Neutral provider to supply the Council with specialist agency staff. In addition, to update Members on the Council's in-house recruitment agency, Cardiff Works. Committee's Terms of Reference confer responsibility for the scrutiny of commissioning and procurement, and for the Council's use of human resources. The proposal is to re-procure a Vendor-Neutral provider to supply the Council with specialist agency staff and we can test how well the approach fits with the Council's socially responsible procurement approach.

The Chairperson welcomed Councillor Peter Bradbury, Cabinet Member for Tackling Poverty, Equality and Public Health, Sarah McGill, Corporate Director, People and Communities and Hailey Beynon, Operational Manager Advice, for this item.

The Cabinet Members were invited to make opening statements, following which Members were provided with a presentation.

The Chairperson invited questions, comments and observations.

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Members were assured by the updates provided on Cardiff Works and the Into Work Service, acknowledging the success of the program in offering employment opportunities to over 80,000 people. Members requested a data briefing on the types of employment offered, the percentage of Cardiff Works appointees being made permanent, the value added through permanent appointments, and feedback from individuals and case studies highlighting successful careers within the Council.

Members recognised the importance of Cardiff Works in addressing staff recruitment challenges and supporting areas with staff shortages. Members were pleased to hear about the monitoring and review processes in place to ensure the service's effective expansion and they stressed the value of feedback from managers and candidates in improving services. Members supported initiatives such as the "Cardiff Works Ready" program and "Cardiff Works for You" initiative, as well as the Fair Works Policy providing a pathway to permanent employment for temporary workers.

Members felt confidence in the robust procurement system and the vendor neutral provider proposal. Members noted that there were questions about potential involvement of other local authorities in the future, however they understood that it was not part of the current proposal and welcomed the assurance that any further developments would be carefully presented to the scrutiny committee for consideration. Members were satisfied with the responses regarding social values, sustainability, and the real living wage in procurement processes.

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.

Members were advised that this item provides an opportunity for pre-decision scrutiny of the Council's Annual Property Plan 2023-24. This Plan for 2023-24 is the implementation plan that will sit behind the Council's approved five-year Corporate Property Strategy, and each year the Plan's targets are set to support the targets set out in the Strategy. The Committee has an opportunity to test the ambition and targets set out in the Annual Property Plan 2023-24, 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 Chris Weaver, Cabinet Member Finance, Modernisation & Performance, Sarah McGill, Corporate Director, Donna Jones, Assistant Director, County Estates, Giles Parker, Head of Property and Matt Seymour, Asset Manager, for this item.

The Cabinet Member was invited to make an opening statement after which the Chairperson invited questions, comments and observations from Members.

Members raised concerns about the realistic nature of the capital receipts targets for 2023/24, considering current inflation levels and the general economy. They noted that the original target of £40 million set in 2018 was not met by April 2023, largely due to the impact of COVID and the lack of materialisation of schemes related to the SOP. However, they were pleased to hear that officers are confident in achieving the new target of £25 million set in April 2023, considering it a conservative target.

Clarification was sought on the selection and sale process of properties. Members were advised that when a property is deemed surplus to operational need, its availability is made known across all Council services and external partners. The Asset Management Board decides whether to sell or lease individual properties, seeking advice from specialist agencies. Properties identified for disposal in the Annual Property Plan (APP) are as agreed, with any additions being consulted with ward members. The Council does receive inquiries from potential purchasers, which are evaluated at a delegated officer level and subject to independent valuation. If the land/property is deemed of interest to multiple parties, it would be offered to the wider market.

The Committee was reassured by the robust systems in place to forecast maintenance issues through condition surveys, ensuring a 5-year plan for renewal. Regular re-prioritisation takes place for properties with a backlog of repairs.

Members noted that the Council's policy on Coed Caerdydd has influenced the ability to sell land originally considered suitable for the private sector. Land is prioritised for tree planting to offset carbon emissions and contribute to carbon targets. An example was given of a parcel of land at Cefn Coed in North Cardiff that was recently offered to Coed Caerdydd.

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 : URGENT ITEMS (IF ANY)

None received.

18 : DATE OF NEXT MEETING

20 September 2023 at 4.30pm

The meeting terminated at 7.35 pm