

Date: 18 February 2016

Councillor Phil Bale
Leader
City of Cardiff Council
County Hall
Cardiff
CF10 4UW



Dear Councillor Bale

Policy Review & Performance Scrutiny Committee: 17 February 2016.

On behalf of the Policy Review and Performance Scrutiny Committee sincere thanks for attending Committee yesterday together with Councillors Hinchey and De'Ath to facilitate consideration of the draft Corporate Plan 2016-18 and the draft Budget Proposals 2016-17. The Committee is grateful for your time, and for the co-operation of all Directors and officers in attendance to answer Members' questions. This letter captures the observations and concerns of the Committee in a structure that reflects the Committee proceedings. Firstly, comments on the Corporate Plan, secondly on the overarching budget position, followed by comments on the budget proposals of the specific service areas that fall within the terms of reference of this Committee.

Draft Corporate Plan 2016-18

The Committee wishes to re-iterate that it feels the draft 2016-18 Corporate Plan is a considerable improvement on previous Plans, and thank you for making the final draft Corporate Plan available to all Scrutiny Committees in a timely manner. This has ensured proportionate scrutiny of the Council's key strategic planning document alongside budget proposals. There are a few opportunities for improvement of this final draft that Members wish to record as follows:

- Members wish to endorse an issue highlighted by the Community and Adult Services Scrutiny Committee, that the Measuring Progress sections within the Plan could be improved. Specifically, we wish to highlight the potential to refine the read across between the Plan and Appendix 1 in respect of the number of Measures associated with objectives.
- Within the Delivering Our Vision section of the Plan (page 6) we urge that you include an explanatory note that details the links between the 'Well-Being Goals', 'Cardiff Outcomes' and 'Council Priorities'.

Overarching Budget Proposals 2016-17

The Committee notes that you consider there has been a good response to the consultation exercise, and that this year the approach to Member briefings has been more open and inclusive. We welcome the greater openness, and an apparently more rigorous budget setting process, and will test this via budget monitoring later in the year.

The Members were interested to hear from Unison that they have some concerns around the reflectiveness of the Council's workforce of the communities it serves. We note Councillor Hinchey will write separately to the Union on this matter. Members wish to follow up the concerns highlighted and will consider taking a look at the changing composition of staff over time. The Committee will address this during its future work programming for 2016/17.

The Committee wishes to express concern at the evident internal cost inflation and its impact on the savings made over time. Members accept that the real challenge is the moral obligation faced by a public service. The Committee feels there are green shoots of progress in savings made and note the Council is more business like, having reviewed many HR policies and specifically improved in areas such as sickness absence and agency costs. Members note that many services delivered by the Council are non regulatory but important for moving Cardiff forward, and therefore commend the lobbying of Welsh Government to ensure continuing progress for the City and many service areas.

In respect of the Changes for Cardiff budget consultation Members have some concerns around the presentation of results across methodologies of research, and whether consequently results are skewed. They are therefore pleased that the results of the budget consultation are considered just one source of information in the decision making process. However, Members would like to see caveats to the methodology highlighted more strongly in the report.

The Committee is seeking further assurance of the detailed planning behind risk assessments. Members understand the Council cannot eliminate risk and are pleased that the results of previous budget setting exercises have informed this year's risk assessments. They note that overall the administration will aim for 90% of detailed risk plans to be in place by April 2016. Members are assured that the methodological approach to risk assessment is uniform across Council Directorates, and are pleased to hear that all risk assessments are moderated by the finance team.

Members feel reassured that the overall balance of schools budgets will not worsen despite the Council increasing schools budgets, having heard that some external

schools grants would be cut. The Committee notes that the majority of capital receipts are schools related.

Corporate Management Proposals

Line 65: Corporate initiative efficiencies, reduction in the amount available to support events and market the city. The Committee is concerned as to whether service area budgets have planned for a decrease in budget support for marketing the City, and note that the Communications and Media team will aim to offset these savings with a digital media strategy. Members note your confidence that the contingency pot for events is sufficient, although there is no reserve funding for events. Members wish to point out that for events the calibre of the Champions League Final the Council will often be required to provide match funding. We also note that big events in the City are now required to be cost neutral.

Economic Development Proposals

Lines 72 and 82: In relation to proposals to increase rental income from the Council's property estate the Committee notes the proposals are based on current occupier levels. They accept that independent advice points to the importance of re-investing to maintain and improve the existing estate to preserve future rental income.

The Committee recognises the change in the Council's Economic Development role compared with fifteen years ago, and that the intervention of Welsh Government means that our role is in facilitating activity, enabling the private sector to deliver projects that add value and improve Cardiff's offer.

The Committee feels it has an important role in overseeing the appropriate use of land and buildings across the City, taking account of communities versus commercialism, and will seek to regularly monitor progress in its work programming.

Governance & Legal Services Proposals

Line 96: The Committee wishes to endorse the Director of Governance and Legal Services' comment that the 2015/16 output of the scrutiny function has been significant despite two vacant scrutiny research posts. Members agree that the Council's five scrutiny committees benefit from having individual support, and recognise the commitment within the service. However, they feel the research function has been stripped to the bone.

Members noted that the reduction in two vacant posts has not been recorded in the Employee Implications of the Budget report. They take on board your explanation for

this, that additional financial pressure funding has been allocated to scrutiny on the basis that the service will be subject to a review during the year.

Line 97: The Committee is pleased that the Council will be saving money with the in-house provision of Welsh language translation at council meetings.

Line 99: Members note the risk attached to the proposed 15% increase in land charges given the existence of private agents delivering a similar service, but feel this is reasonable as the quality of reports delivered by the Council is considered notably better.

Resources Proposals

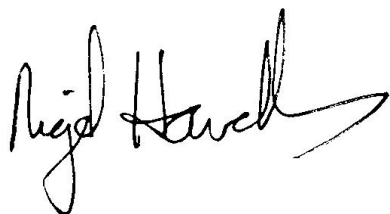
Line 118: Members note your explanation that the uncertainty around the Alternative Delivery Model explains why line 118, ADM Security and Cleaning, is a Red risk.

Line 104: In light of recent negative publicity Members are seeking assurance that the Council is adequately covered with current levels of audit support. They note that benefit fraud has recently been moved from the Council to the DWP; the posts lost are not pure audit staff; the Audit Committee has considered the proposal; and the audit manager is comfortable that with current resources he can still provide assurance to the section 151 officer.

In respect of the Capital budget Members note your confidence that the allocation of investment in ICT is adequate to support the proposed new ways of delivering council services currently under development.

Finally could I ask that you relay our comments and observations to Cabinet when it considers the Corporate Plan 2016-18 and Budget Proposals 2016/17 tomorrow. Once again please pass on my thanks to all Cabinet Members and witnesses who attended for consideration of these fundamental Council documents.

Yours sincerely



**COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc Councillor Hinchey,
Councillor De'Ath
Paul Orders, Chief Executive
Christine Salter, Section 151 Officer
Philip Lenz, Chief Human Resources Officer
Gareth Newell, Head of Cabinet Office
Edward Janes, Principal Research and Consultation Officer
Ian Allwood, Head of Finance
Neil Hanratty, Director of Economic Development
Helen Jones, Head of Property
Marie Rosenthal, Director of Governance & Legal Services
Claire Deguara, Cabinet Support Office
Members of the Policy Review & Performance Scrutiny Committee
Chairs of Scrutiny Committees

