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PRESENTATIONS

Committee CHILDREN AND YOUNG PEOPLE SCRUTINY COMMITTEE

Date and Time of Meeting MONDAY, 13 FEBRUARY 2017, 9.30 AM

Please see attached the Presentation(s) provided at the Committee Meeting

Item 5 Presentations
(Pages 1 – 56)

- Draft Budget Proposals 2017-18
- Children's Social Services Budget Proposals 2017-18
- Education Directorate & Schools Budget Proposals 2017-18

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Scrutiny Committee

February 2017

Cabinet Draft Budget Proposal 2017/18

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Presentation Overview Summarising Report

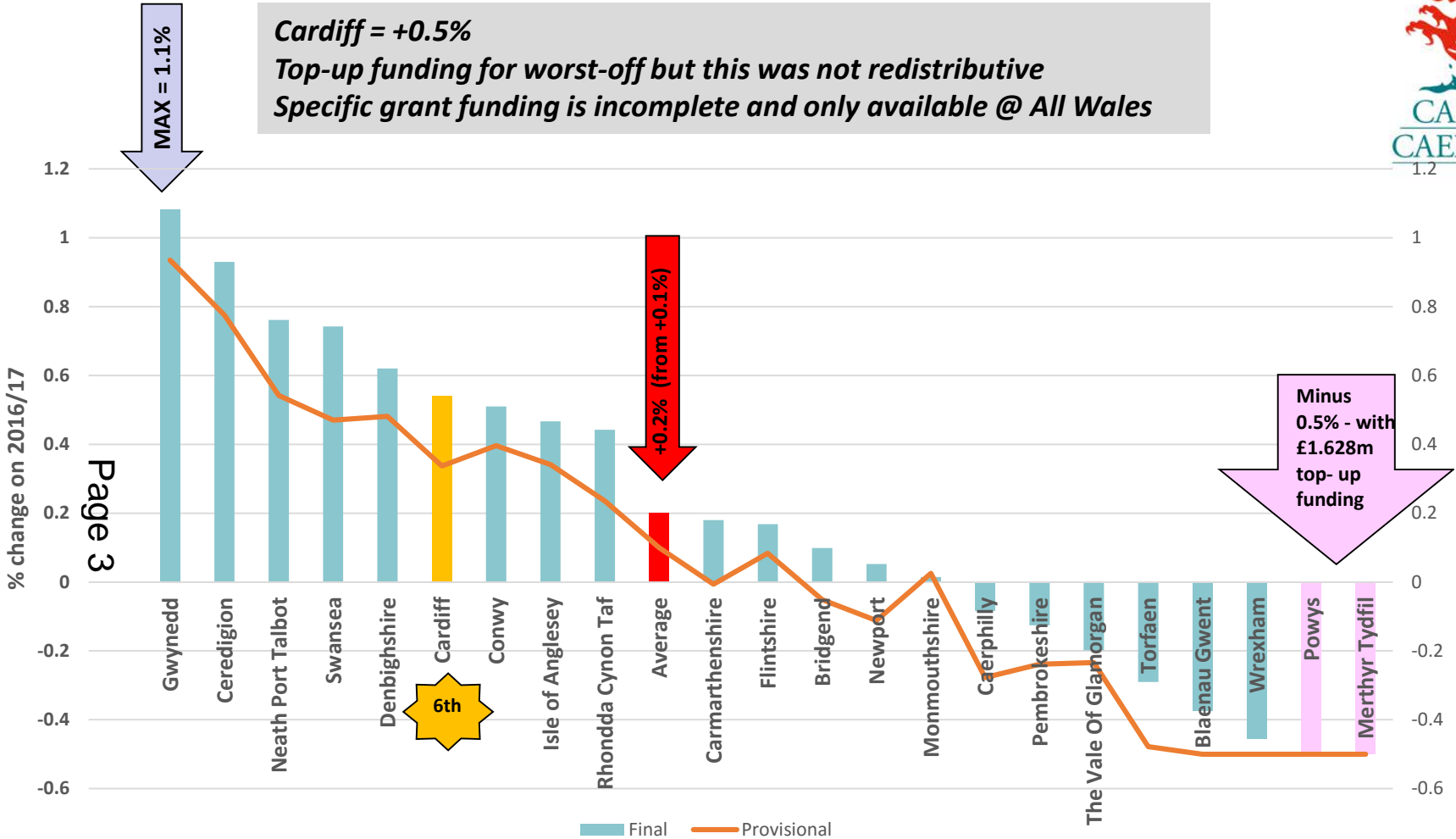


- Final Settlement
- Consultation and Post Consultation Updates
- Page 2 Draft Revenue Budget
- Medium Term Outlook
- Draft Capital Programme

Settlement Overview - Wales



Cardiff = +0.5%
Top-up funding for worst-off but this was not redistributive
Specific grant funding is incomplete and only available @ All Wales



- +£10m for Dom Care "separate" - TBC**
- +£10m for rate relief - "separate" - TBC**
- 4 Transfers In
1 Transfer Out**
- 3 new responsibilities**
- No Schools Protection**
- No figures beyond 2017/18**

Final Settlement - Cardiff



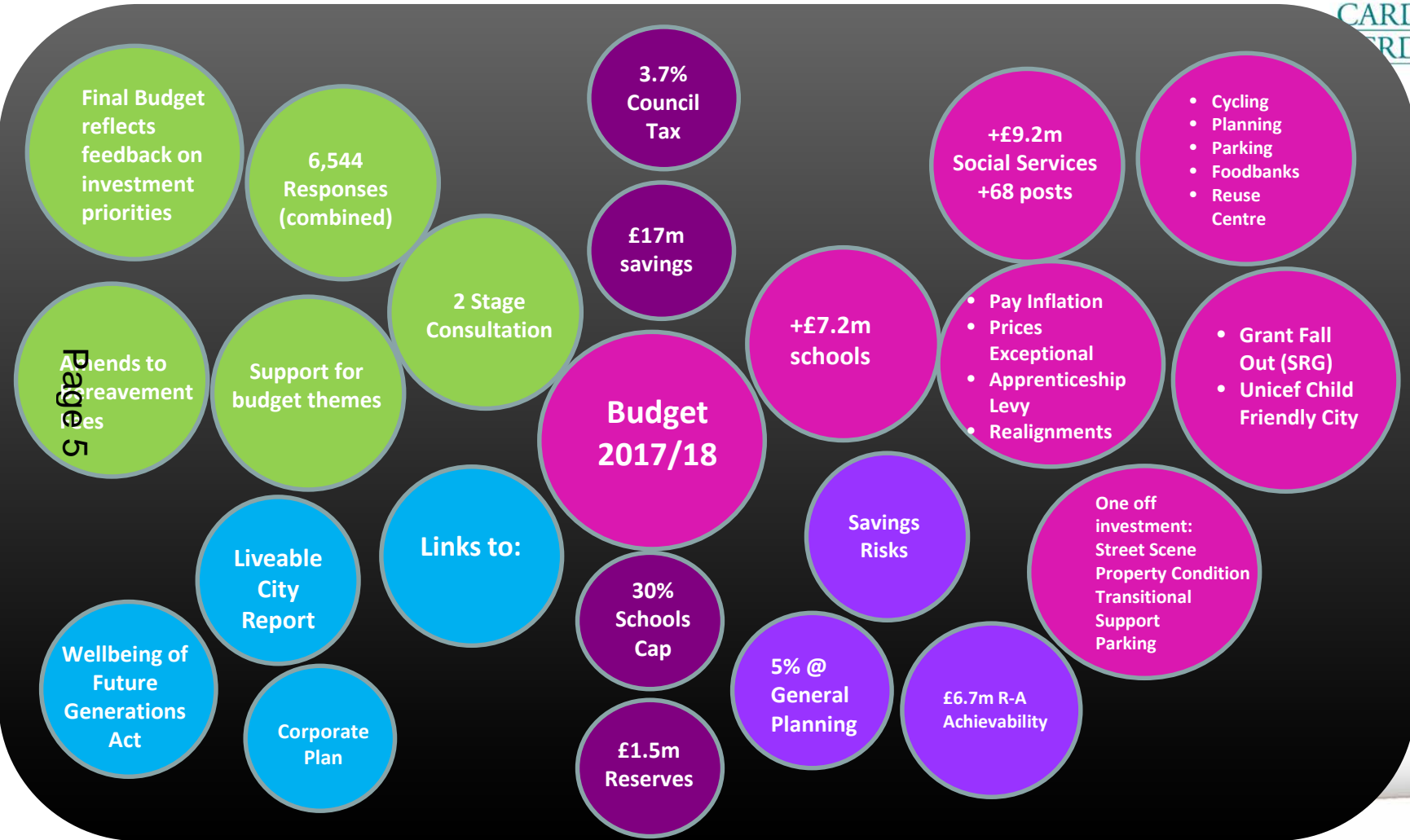
Analysis of Cardiff's 0.5% Settlement Increase - £2.298m Cash

- True Additional Cash - £294,000
- New Responsibilities - £1.278m
- Tax Base Adj - £620,000
- Transfers Out* - £106,000



- Cardiff's 0.5% increase implies cash of +£2.3m
- This reduces to £294,000 when differentiating year on year factors are taken into account (above)
- Additional Specific Grants - with no visibility on the £10m additional Social Services funding, Cardiff has assumed a share in line with the Social Services IBA - £850,000
- The Council has a £4m Financial Resilience Mechanism (FRM) for release if funding is worse than expected
- Release will not be required in 2017/18 and it is therefore available for one off investment

Overview of the Revenue Budget



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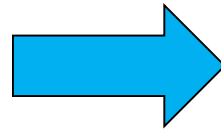
Consultation



Two Stage Consultation	
Ask Cardiff	Budget Specific
General Themes	Detailed Proposals
4,024 Responses	Five Weeks 2,520 Responses



Firstly technical changes to take account of final settlement, emerging pressures and most recent price information – details at Appendix 14 of Budget Report



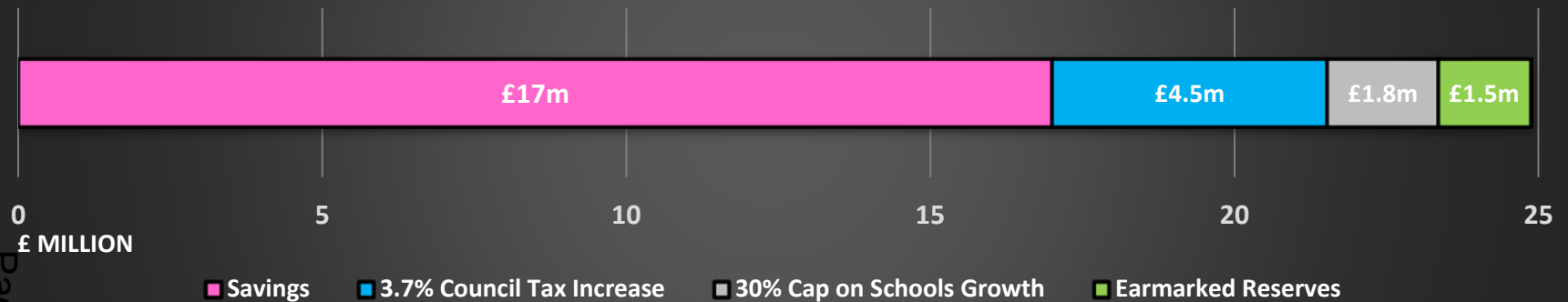
Summary of Post Consultation Changes	£000
Funding	(1,325)
New Specific Grant Funding Stream	(850)
Technical Updates	(1,131)
Emerging Issues	3,072
Savings Amendments	234
Net Overall Impact	0

- **Secondly** in drafting the final Budget Proposal Cabinet took account of consultation feedback
- There was significant support for key budget assumptions and themes via the consultation
- Changes have been made to final proposal to reflect specific comments – e.g. removal of the charge for child burial and cremation
- The Council's FRM has been invested in a way that support priorities identified during the consultation period, including highways improvement and street scene

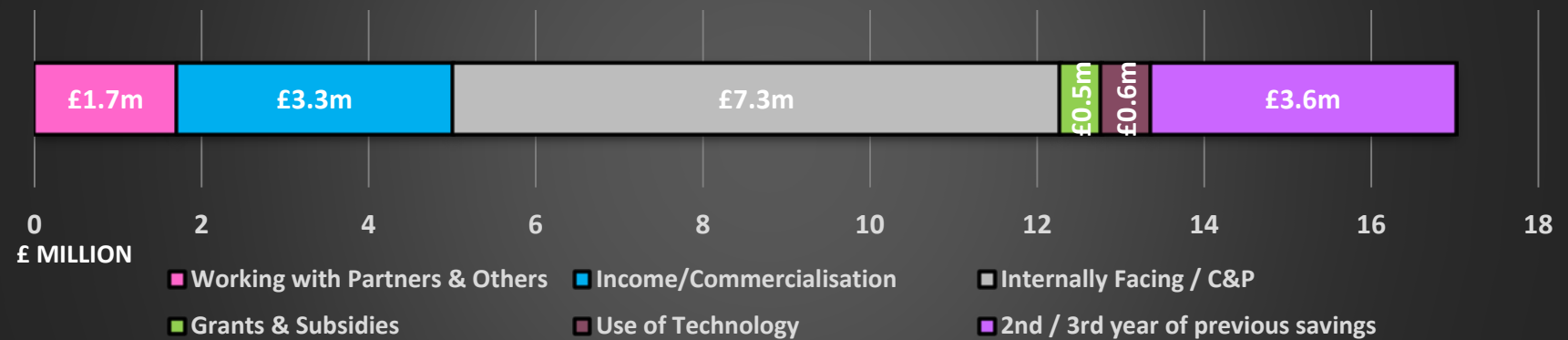
Draft Budget – Solution to 2017/18 Budget Gap



Solution to £25m Budget Gap - per Cabinet Draft Proposal



Breakdown of £17m Savings by Theme



2017/18 Savings Themes



Theme	Description
Working with Partners and Others	Considering the way in which we work alongside the public, partner organisations and others. There are opportunities to explore new operating models and alternative delivery arrangements, join up services and consider the sharing of assets and the use of multi-agency teams.
Income/ Commercialisation	Identifying how the Council can make better use of its assets and how to offer its services to the public, third sector, or private sector organisations. Examples include opportunities in respect of income generation (in both existing markets and the exploration of new markets) and alternative delivery arrangements.
Internally Facing / C&P	Reviewing internal business processes, covering the need to realign services downwards in non-front line areas, through business process efficiencies and reductions to more closely reflect available resources. Ensuring that we secure value on all our contracts.
Review of Grants & Subsidies	Reviewing those services which are either subsidised by the Council, or those for which a grant is currently given to an outside organisation in order to provide the service. Examples may include exploring the possibility of private corporate sponsorship of events.
Use of Technology	Understanding the ways in which we can make better use of technology, in our internal functions as well as continuing the shift to online services, customer focus and enabling technology, encouraging people who are able to use digital services to do so.
Second/Third Year of Proposals	Considers those proposals where additional savings are planned beyond the financial year in which it was originally proposed.

Revenue Budget 2017/18



		£000
Required	2016/17 Restated Base Budget	578,846
	New Responsibilities	1,278
	Employee Costs	2,916
	Demographic Pressures (inc schools)	4,610
	Commitments	840
	Directorate Expenditure & Income Realignments (net)	2,699
	Special Inflation	2,507
	Schools Non Pupil Number Growth (net of 30% Cap)	4,565
	Total Resources Required	598,261
Available	AEF	428,217
	Council Tax (at nil increase)	151,655
	Use of Reserves	1,500
	Total Resources Available	581,372
Balancing	Shortfall Before Pressures and Savings	16,889
	ADD New Directorate Pressures	4,638
	LESS Savings	(17,007)
	Net Amount to be raised from Council Tax (NET)	4,520



- This is a 3.7% Council Tax Increase
- It is net of impact on CTRS budget

Risk Assessment Summary of Savings Proposals



Risk Assessment Summary of 2017/18 Savings Proposals

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Employee Implications of Revenue Budget



	Voluntary Redundancy fte	Vacant fte	Redeployment Fte	New Posts fte	Net Change fte
City Operations	0	0	0	10.0	10.0
Communities, Housing & Customer Service	0	0	(8.0)	11.0	3.0
Economic Development	0	0	(3.4)	4.0	0.6
Education	0	0	(10.0)	0.6	(9.4)
Governance & Legal	0	0	0	3.0	3.0
Resources	(3.0)	(10.5)	0	1.0	(12.5)
Social Services	0	(6.0)	(3.0)	67.8	58.8
	(3.0)	(16.5)	(24.4)	97.4	53.5

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Use of Financial Resilience Mechanism in 2017/18

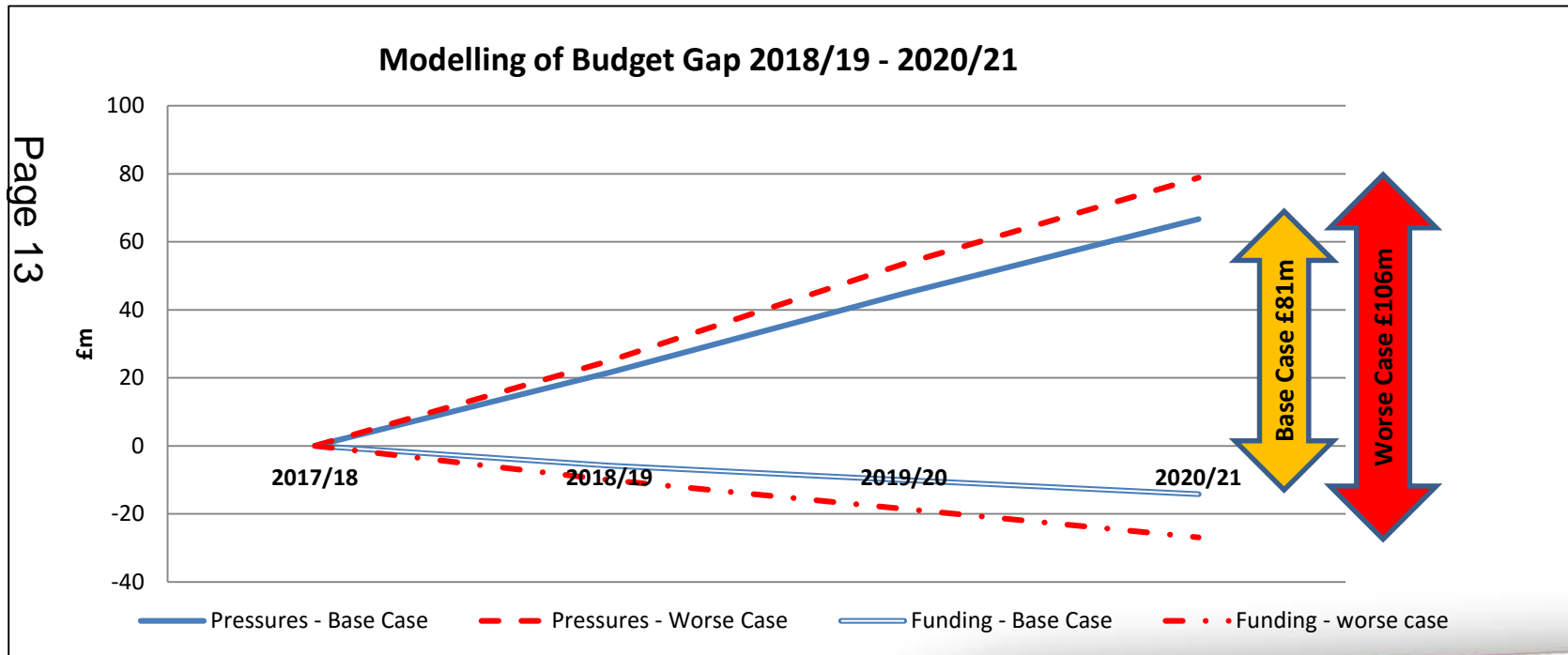


Use of Financial Resilience Mechanism in 2017/18	Total £000
Visible Street Scene Services	1,710
Property Condition	1,000
Transitional Arrangements (grant fall out) etc.)	660
City Centre Enforcement	290
Parking Strategy	340
TOTAL	4,000

Medium Term Outlook - Cardiff



Scenario	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Base Case	27,379	27,457	26,071	80,907
Worse Case	35,059	37,029	33,736	105,824



Addressing the Medium Term Gap



	2018/19 £m	2019/20 £m	2020/21 £m	TOTAL £m
Budget Gap	27,379	27,457	26,071	80,907

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Addressing the Medium Term Gap				
Council Tax (3.7% = 2017/18 level)	4,686	4,860	5,040	14,586
Earmarked Reserves	1,500			1,500
Cap on Schools (Growth 30%)	1,494	1,979	1,348	4,821
Savings*	19,699	20,618	19,683	60,000
TOTAL	27,379	27,457	26,071	80,907

** Savings will be revisited over the Spring – further review of the Base Budget*

Capital Programme Development 2017/18 – 2021/22



- Capital expenditure is money spent on an asset being purchased or created that will last for a number of years e.g. schools, buildings and highway infrastructure.
- Page 15 Five year Capital Programme previously set for the period 2016/17 to 2020/21
- The 2017/18 Budget will update the Capital Programme and move it on to 2021/22

Indicative Capital Programme



5 Year Capital Programme includes:-

- Annual Sums
- Ongoing Capital Schemes
- New Capital Schemes
- Capital Schemes funded from Grants Bids/Contributions (assumptions, even for 2017/18 due to uncertainty of allocations)
- Existing/New Schemes Funded on Assumption of Revenue Savings, Revenue Income or Other Sources of Income (Invest to Save)
- Public Housing (HRA) programme

WG Settlement - Capital 2017/18

- General Fund Capital Allocation
 - £13.531m for 2017/18
 - Decrease of 35% since 2010/11.
- Public Housing Major Repairs Allowance Grant - £9.6m (subject to WG approval of business plan)
- WG grants subject to annual bid process – no certainty for 2017/18 or beyond
- Where capital expenditure is incurred without resource to pay for it, this results in the need to borrow
 - Interest & debt repayment costs impact on Revenue Budget

Capital Programme 2017/18 – 2021/22

Affordability of borrowing to fund capital



Key Messages:

- Council Budget Strategy Report – “As the Council realigns itself strategically to lower funding levels it will need to consider the level of debt and potential financial resilience issues that may be a consequence of increasing borrowing.”
- Council Budget Strategy Report – “Capital financing costs as a percentage of controllable revenue budgets are increasing. This clearly limits the scope for additional borrowing in future years and reduces the Council’s overall flexibility when making decisions on the allocation of its revenue resources”
- Borrowing is a long term commitment to the revenue budget – Must be Prudent / Sustainable / Affordable now as well as long term
- Wellbeing and Future Generations Act
- Strategic Long Term Commitments we will need to fund in addition
 - Cardiff City Region City Deal
 - 21st Century Schools Band B from 2019/20
 - Current projects such as Transport Interchange and City Centre Public Realm assumed to be funded by capital receipts and external funding

Draft General Fund Capital Programme - Summary



Capital Programme	2017/18*	2018/19 Indicative	2019/20 Indicative	2020/21 Indicative	2021/22 Indicative	Total
	£000	£000	£000	£000	£000	£000
Annual Sums Expenditure	21,405	14,367	14,192	14,192	13,832	77,988
Ongoing schemes	33,053	38,248	1,285	1,876	243	74,705
New Capital Schemes / Annual Sums	2,942	3,135	2,015	1,715	1,715	11,522
Schemes Funded by External Grants and Contributions	22,684	15,615	285	0	0	38,584
Invest to Save Schemes – Borrowing to be repaid from revenue savings / income	32,960	9,672	500	500	500	44,132
Total General Fund Programme	113,044	81,037	18,277	18,283	16,290	246,931

*Includes estimate of slippage into 2017/18, subject to final outturn 2016/17

Draft Public Housing (HRA) Capital Programme - Summary

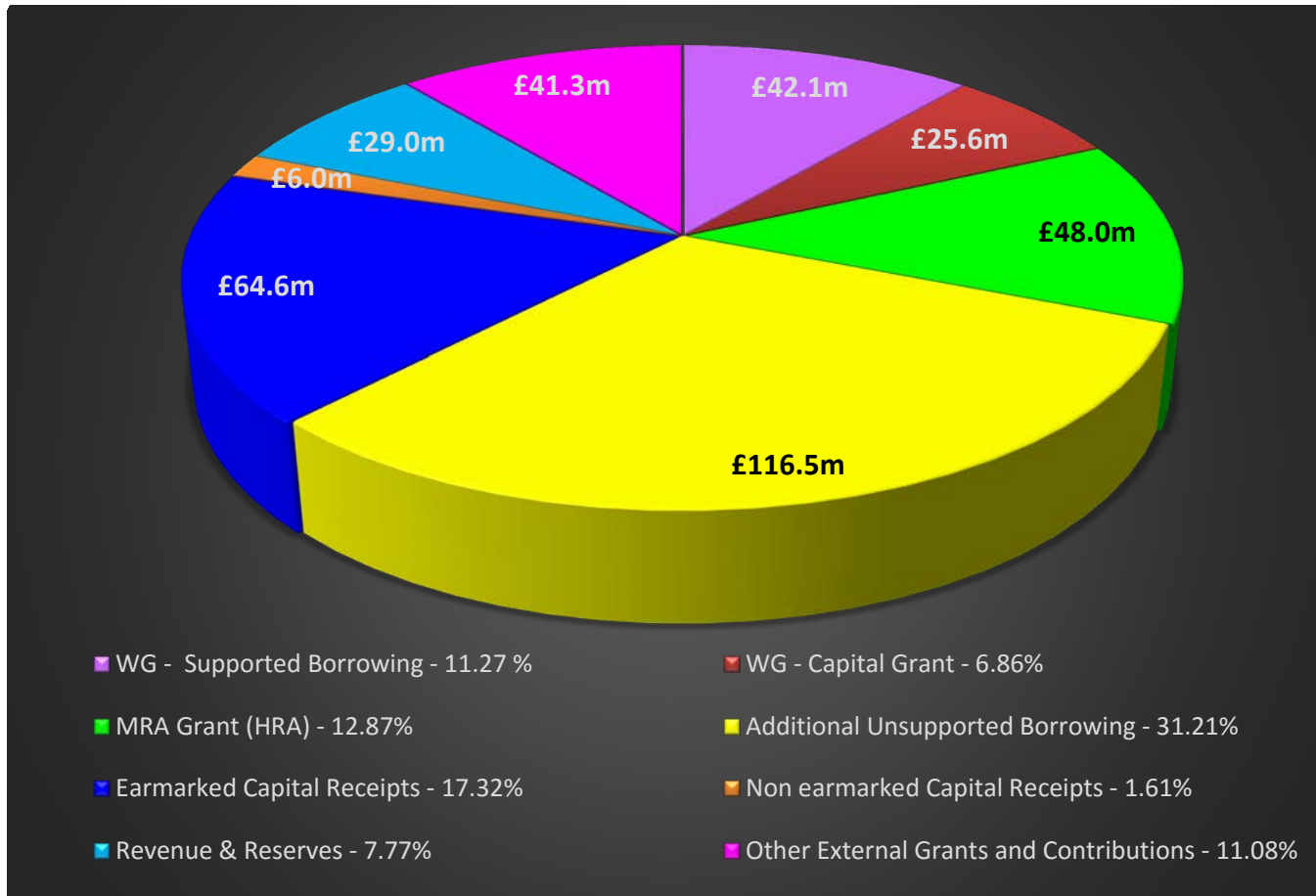


Capital Programme	2017/18*	2018/19 Indicative	2019/20 Indicative	2020/21 Indicative	2021/22 Indicative	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Regeneration and Area Improvement Strategies	4,500	3,400	3,400	3,150	2,400	16,850
External and Internal Improvements to Buildings	14,250	13,100	12,290	10,300	10,150	60,090
New Build Council Housing / Acquisitions	8,500	12,150	6,400	2,400	7,100	36,550
Hub Developments	355	300	0	0	0	655
Disabled Facilities Service	2,300	2,300	2,300	2,300	2,300	11,500
Modernising ICT to Improve Business Processes	100	100	100	100	100	500
Total Public Housing Programme	30,005	31,350	24,490	18,250	22,050	126,145

Capital Programme Expenditure – 5 Years = £373m



Reliance on Borrowing and Earmarked Receipts – almost 50%



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Excludes Schemes we must do – City Deal/Band B Schools

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Children & Young People Scrutiny Committee

13th February 2017

Children's Social Services

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Tony Young, Director for Social Services

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Social Services Budget – 2017/18



- Additional net budget allocation of £9.2m
- This represents a net increase of 6.3%
- 59 Additional Posts
- This takes account of directorate savings of £4.997m.

Social Services Budget 17/18



- **Pressures**

- Demographic pressures, exceptional cost increases and anticipated fee increases.

- **Prevention & Change**

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- Recognises need for capacity to re-shape, deliver new models - prevention
- Impact of the SSWB Act

- **Budget Management**

- Settlement - increased capital limits on charges for residential care
- Write- out of unachievable savings from previous years.

Savings Proposals 17/18 - Social Services



- **Directorate Total - £4.997m**
- **Adult Social Services Total - £2.158m**
- **Children's Social Services Total - £2.839m**

Adult Services Savings 17/18



- **Reinforced process for Continuing Health Care (CHC) funding - £350,000**
Identification of primary care needs requiring health funding.
- **Revised Information Advice & Assistance Model - £250,000**
Reduced reliance on statutory services
- **Re-model social work teams - £190,000**
Vacancy deletion
- **Locality based service delivery - £250,000**
Initial pilot indicates opportunities for improved service delivery and reduced costs through service redesign on a locality focused basis.

Adult Services Savings (Cont'd)

- **External Commissioning - £835,000**

Review external commissioning models in mental health supported living, EAS, LD day care, LD college placements, overall domiciliary care.

- **Joint Commissioning with Health - £130,000**

Exploring opportunities for joint working with Health partners to achieve efficiencies, notably in nursing care.

- **Review spend with third sector/External provider efficiencies - £153,000**

Review and work with third sector/external providers to reduce costs and utilise other funding opportunities.

Children's Services Savings 17/18



- **Review children in out of area placements - £1,331,000**
Aim to step down children in residential care to alternative settings
 - **Remodel Children's Services - £150,000**
Review of management and support within FIS and targeted services.
- Prevention and Early Help - £1,128,000**
Range of preventative early support and intervention, to reduce number of children looked after children. Includes:
- Second year impact of the adolescent resource centre
 - 'Safer Families'
 - Early help and rapid response strategies.

Children's Services Savings 2017/18 (Cont'd)



- **Reduce respite and therapy costs - £80,000**
A combination of re-commissioning and closer working with Health partners to reduce respite and therapy costs.
- **Review level of continuing health care for children's placements - £150,000**
Review with Health partners the relative contributions to placements.

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Social Services – Additional Budgetary Allocations 2017/18



The proposed budget for Social Services in 2017/18 includes additional budgetary allocations for the following:

- **Specific Pressures** - £2,300,000 (Pressure bids submitted by the Directorate)
- **Re-alignment** - £5,583,000 (In recognition of the cost pressures in 2016/17)
- **Write Out of Savings** - £872,000 (Unachievable savings written out)
- **Demographic Growth** - £1,720,000 (Notably to reflect the rise in elderly population)
- **Pay, Inflation, Other Commitments** - £712,000 (largely employee related cost increases)
- **Specific Inflation** - £2,517,000 (In recognition of specific cost pressures such as the NLW and nursing provision that impact on social care)
- **New Responsibilities** - £444,000 (Impact of increase in capital limits on charging for residential care)

Adult Services – Accepted Pressures 17-18



- **Social Services Well-Being Act - £140,000**
Additional resource to enhance FPOC, manage demand and encourage community engagement.
- **Rehabilitation Service for those with registered sight loss - £81,000**
Capacity to ensure needs assessment, rehabilitation and independent living.
- **Carers' Assessments - £53,000**
Additional capacity to deliver carers' assessments and identify support needs.
- **Learning Disabilities – Internal Day Care - £76,000**
Additional resource to respond to increased demand for complex needs day services.
- **Growth in domiciliary and residential care - £105,000**
Increased capacity to deal with increased demand including enhanced brokerage and improved supplier engagement.

Adult Services – Accepted Pressures 2017/18 (cont)



- **Direct Payments - £300,000**
To review the personal assistant and agency rates for direct payments.
- **Enhance Review Function for Learning Disabilities and Mental Health - £105,000**
To support annual reviews which ensure people's outcomes are monitored and achieved in the most appropriate way.
- **Continuing Health Care - £84,000**
To support the review and identification of cases that should be subject to continuing health care.

Children's Services Accepted Pressures 2017-18



- **Connected Persons Assessments - £100,000**
Capacity to undertake connected persons' assessments (SSWB Act 2014)
- **Child Sexual Exploitation Strategy Prevention Team - £171,000**
A multi-agency team to continue to implement the CSE strategy and address identified need.
- **Placements with Parents Regulations - £222,000**
Enhanced capacity and therapeutic support in relation to children subject to a care order who are living at home subject to PWP regulations.

Children's Services – Accepted Cost Pressures 2017/18 (cont.)



- **Signs of Safety Strategy - Social Work capacity - £419,000**
Increased children's social work capacity to enable implementation of the Signs of Safety strategy and address caseload pressures
- **Sustaining Multi Agency Safeguarding Hub - £186,000**
To sustain the MASH in partnership with South Wales Police to further develop safeguarding

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Directorate –Wide Accepted Cost Pressures 2017-18



- **Strategic Commissioning** - £36,000
- **Performance Monitoring capacity** - £46,000
- **Translation and Interpretation** - £100,000
- **Complaints and Access to records** - £76,000

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Social Services Budget 17-18 Summary



- **Recognition of Corporate Priorities**
 - Supporting Vulnerable People
 - Working together to transform services
- **Challenging Demand Environment**
- **Positive net growth in budget at 6.3%**
- **Strategic considerations over longer term**
 - Investment to enable prevention
 - Supporting long term aims of SSWB Act
 - Importance of capacity to manage change

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Children & Young People Scrutiny Committee

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Education Directorate & Schools Budget

2017/18

2017/18 Budget – Impact on Schools and Education



- No schools protection requirement from WG, although £7.2m growth still being provided to schools
- £2.371m savings required from Education directorate
- PDG increased by £6.4m across Wales
- EIG reduced by £1m across Wales
- Schools Challenge Cymru funding ending 31 March 17
- Minor grants transferred into Settlement
- EWC Teachers' Registration Fees transferred out but Council honouring commitment

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Schools

2017/18 Growth

Schools Growth 2017/18

• Demographics	£2.668m
• Inflationary (after 30% cap)	£4.565m
– Increments	£1.575m
– Pay Award	£1.323m
– Pensions Related	£0.164m
– NDR (not subject to cap)	£0.240m
– Apprenticeship Levy	£0.542m
– Living Wage	£0.085m
– Associated Pupil Needs	£0.636m

Total

£7.233m

School Budget Makeup 2017/18

- 2016/17 Schools Budget £216.273m
- Demographic Pressures £2.668m
- Inflationary Pressures £4.565m
- 2017/18 Schools Budget £223.506m

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- School cash budgets proposed to increase by 3.3%
- No protection requirement from WG

Education Directorate

Savings Proposals 2017/18



Cardiff 2020 Goals

- Excellent outcomes for all learners
- A high quality workforce
- 21st Century learning environments
- A self-improving school system
- Schools and Cardiff in Partnership



Corporate Plan Commitments 2017



1. Improve educational outcomes for all children and young people, particularly at Key Stage 4, through improved school leadership, teaching and learning and curriculum development.
2. Close the attainment gap for pupils from low income families, looked after pupils, pupils educated other than at school and pupils entering Cardiff schools with English as an additional language.
3. Improve provision for children and young people with additional learning needs, through the implementation of the new Statutory Framework for Additional Learning Needs.
4. Ensure there are sufficient and high quality school places to meet the population growth in the city, through planned expansion and the upgrade of the existing school estate via the School Organisation Programme.
5. Recruit, retain and develop the best people to lead and work in our schools and education settings to secure a high quality workforce at all levels.

Corporate Plan Commitments 2017



6. Work with the Central South Consortium to further develop the capacity of the school system to be self – improving.
7. Build effective partnerships between schools, business, the voluntary sector and wider public services and communities to enrich the school curriculum and strengthen school governance.
8. Deliver the ‘Cardiff Commitment’ to youth engagement and progression.
9. Increase provision of apprenticeships, traineeships and work placements for young people and work based training enabling them to develop appropriate skills, knowledge and experience (in the Council as a whole / HR Lead).
10. Implement the Child Rights Partners programme over the three years to March 2020, to work towards Cardiff’s ambition to be a Child Friendly City.
11. Note – Commitment to improved Educational Attainment for Children Looked After by Cardiff Council. Shared responsibility with Children’s Services

City demographics

- Increasing pupil population – current year 11 – 3,379 pupils, current reception year group 4,246 pupils
- Continued inward migration – increase in needs and demands (SEN & Language)
- Implications of LDP

Educational Attainment

- High expectations for all pupils, greater challenge to schools and potential for further intervention in schools

Education is
Everybody's Business
Convention 2016

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Confensiwn 2016

Current Challenges

Education Reform in Wales & wider policy changes

- Donaldson report – ‘Successful Futures’ – new approach to curriculum and assessment
- Draft Bill – possible new statutory legislation surrounding special educational needs (SEN) young people with additional learning needs (ALN)

Learning environment & Specialist Provision

- School buildings backlog of repairs
- Is the ICT infrastructure fit for purpose?
- Changing and increasing demand for SEN provision

Education is
Everybody's Business
Convention 2016

Mae Addysg yn
bwysig i bawb
Confensiwn 2016



Current Challenges



Financial

- Since 2011/2012 Controllable budget for central Education Services has reduced from £25.344m to £15.232m a reduction of 40%
- Cardiff has the highest proportion of Education budget delegated to schools – 88.2% (All Wales average 84.3%)
- Many Council Services are dependant on schools buying back through a Traded Service

Current Challenges

Revenue Budget 2016/17 – Cash Limit

Revenue Budgets	Budget 2016/17		
	Gross Expenditure £000s	Income £000s	Net £000s
Total Delegated Schools	238,118	(21,845)	216,273
Centrally Held School Funds	2,769	(830)	1,939
Inter Authority Recoupment & SEN	7,025	(654)	6,371
Early Years & Childcare	919	(495)	424
School Improvement, Management & Support	4,317	(267)	4,049
Youth Services	1,719	(847)	872
Flying Start	10,329	(10,329)	0
Catering	6,709	6,419	290
Education Grants	28,569	(27,529)	1,040
Wellbeing & Compliance	294	(50)	245
Total within Directorate Control	62,655	(47,422)	15,232

Education – savings proposals 2017/18

Description		£,000
<i>Income Generation / Commercialisation</i>		
EDU8	Increase in price of school meals	484
EDU10	Rationalisation of costing base for traded services	500

Education – savings proposals 2017/18

Description		£,000
<i>Internally facing / C&P savings</i>		
EDU1	Rationalisation of staff and costs centrally retained to provide services of a specialised nature	140
EDU2	Rationalisation of costs of the Pupil Referral Unit	382
EDU4	Rationalisation of centrally held budgets for school related issues	260
EDU9	Reduction in central budget for Education Welfare Service	100
EDU13	Central staffing costs	175

Education – savings proposals 2017/18

Description		£,000
<i>Review of Subsidies & Grants</i>		
EDU6	Reduction in contribution to Central South Consortium	80
<i>Second/ Third year of proposal</i>		
EDU7	Youth Service Budget	250
	Total	2,371 (15.5%)

Education – Capital Programme 2017/18

Description	£,000
Schools Property Asset Renewal	5,552
Schools Suitability & Sufficiency	1,040
Whitchurch High School DDA Works	1,000
21 st Century Schools Band A	49,987
St Mellons CIW Primary School	250
Schools Safeguarding	100
Schools ICT Infrastructure	100
Schools Kitchen Upgrades	100
Schools Fire Precaution Works	250
Total	58,379

