

CABINET: THURSDAY, 12 NOVEMBER 2015 at 3.30 PM

A Cabinet Meeting will be held in Function Room C at City Hall, Cardiff on Thursday 12 November 2015 at 3.30 pm

A G E N D A

- 1 Minutes of the Meeting held on 1 October 2015 *(Pages 1 - 4)*
- 2 Cardiff Business Council Update *(Pages 5 - 26)*
- 3 Review of Non Operational Estate *(Pages 27 - 94)*
- 4 Update of Council's No Smoking Policy *(Pages 95 - 108)*
- 5 Treasury Management Mid Year Report 2015/16 *(Pages 109 - 134)*
- 6 Budget Monitoring - Month 6 *(Pages 135 - 192)*
- 7 City Operations - Broadening Enforcement Powers to Improve the Public Realm *(Pages 193 - 216)*
- 8 City of Cardiff Council Day opportunities Strategy *(Pages 217 - 246)*

PAUL ORDERS

Chief Executive

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CITY OF CARDIFF COUNCIL
CYNGOR DINAS CAERDYDD



MINUTES

CABINET MEETING: 1 OCTOBER 2015

Cabinet Members Present: Councillor Phil Bale (Chair)
 Councillor Peter Bradbury
 Councillor Dan De'Ath
 Councillor Bob Derbyshire (min 58)
 Councillor Graham Hinchey
 Councillor Susan Elsmore
 Councillor Sarah Merry
 Councillor Ramesh Patel

Observers: Councillor Lyn Hudson
 Councillor Judith Woodman

Officers: Paul Orders, Chief Executive
 Christine Salter, Section 151 Officer
 Marie Rosenthal, Monitoring Officer
 Joanne Watkins, Cabinet Office

Apologies: Councillor Sue Lent

54 MINUTES OF THE CABINET MEETING HELD ON 17 SEPTEMBER 2015

RESOLVED: that the minutes of the Cabinet meeting held on 17 September 2015 be approved

55 ST MELLONS HUB PHASE 2: COMMUNITY CONSULTATION

The Cabinet received the results of the community consultation on the St Mellons Hub Phase 2 extension. It was reported that feedback from community and stakeholder consultations has been mixed, with a range of views expressed both in favour and against the proposed Hub extension. Following careful consideration of all views expressed, it was reported that the plans would be refined and further developed during the detailed design stage to address a number of the concerns raised within the scope and constraints of the project.

RESOLVED: that

1. It be agreed to proceed with the St Mellons Hub Phase 2 extension and associated land disposals

2. authority be delegated to the Director of Communities, Housing and Customer Service, in consultation with the Cabinet Member for Community Development, Co-operatives and Social Enterprise, the Section 151 Officer and Cabinet Member for Corporate Services and Performance, as appropriate, to agree the detailed plans and undertake all matters relating to procurement, construction and implementation of the project, as well as all required permissions and consents, in consultation with
3. the sites identified for disposal be brought forward for development and, in so far as they constitute public open space, be advertised in accordance with Section 123 of the Local Government Act 1972.
4. the intention to ring-fence capital receipts from land disposals for investment in the St Mellons Hub extension be noted.

56 CITY OF CARDIFF COUNCIL ANNUAL IMPROVEMENT REPORT 2014/15

The Cabinet received the Council's Annual Improvement Report, which provided a retrospective summary evaluation of performance for 2014/15 against the agreed outcomes, activities (improvement objectives), and targets.

RESOLVED: that the Council Annual Improvement Report be approved for submission to Council in October 2015.

57 CORPORATE PARENTING ADVISORY COMMITTEE PROGRESS REPORT

The Cabinet received a report outlining the work undertaken by the Corporate Parenting Advisory Committee during the 12 months to October 2015. It was reported that the committee had made good progress in extending the previous governance arrangements to strengthen accountability and transparency and had considered the detailed work that is undertaken by the Directorate and partners in supporting Looked After Children. Future priorities for the Committee were also reported to Cabinet.

RESOLVED: that the contents of this report be noted

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**CITY OF CARDIFF COUNCIL
CYNGOR DINAS CAERDYDD**



CABINET MEETING: 12 NOVEMBER 2015

CARDIFF BUSINESS COUNCIL UPDATE

REPORT OF DIRECTOR OF ECONOMIC DEVELOPMENT

AGENDA ITEM: 2

PORTFOLIO: LEADER (ECONOMIC DEVELOPMENT & PARTNERSHIPS)

Reason for this Report

1. To update Cabinet on the findings of an independent review and to seek authority to establish a new way forward for the Cardiff Business Council in light of current budgetary pressures and emerging opportunities to establish a more sustainable funding model.

Background

2. The Cardiff Business Council was established in 2012 supported by a three year funding commitment of £500k per annum from the City of Cardiff Council. The intention was for the funding to be reduced after the third year with a view to the Cardiff Business Council becoming self-funding over the longer term. In 2015 the Council took a decision to reduce its contribution to the Business Council to £340k for the third year of funding in line with other savings required from the Economic Development service.
3. Given the Council's financial outlook for the short to medium term, and the increasing pressure on discretionary services, the financial commitment from the Council is likely to be further reduced over the coming years. Whilst the Business Council has managed to successfully secure significant private sector contributions, these contributions have largely been in-kind, or have related to very specific marketing campaigns, with the base costs of operating the company met largely from the Council's direct funding and supported by resources from the Economic Development service. It is therefore considered that the current funding arrangements are not sustainable.
4. However, the emergence of new City Region governance structures does provide potentially a new approach to strategic business engagement to be considered at the City Region level with funding potentially coming from a broader number of local stakeholders including Welsh Government and all of the local authorities of South East Wales. This

opportunity has been further enhanced by the UK Government's recent announcement of a potential City Deal for the Cardiff City-Region.

5. On 2nd April 2015 Cabinet provided authority for a review of the way forward for the Cardiff Business Council to be undertaken to establish a more sustainable approach.
6. The Council appointed Publicani Consulting, led by Dr Tim Williams and Professor Dave Adamson to undertake the review in May. The review consisted of:
 - A sharp literature review of the local, regional and national policy context;
 - A review of relevant business engagement initiatives in the UK and internationally;
 - A targeted programme of 26 interviews with key representatives from the Cardiff business community, City of Cardiff Council, and other local authorities in the emerging Cardiff City Region.
7. The recommendations presented in the report were based on the findings of the above work and also the expertise and experience of the authors.

Issues

8. The Publicani Consulting review was completed in August and is attached as Appendix 1.
9. The key recommendations of the report are summarised as follows:
 - Working with Welsh Government and its local authority partners from across South East Wales, the Council should seek to set up a new Cardiff city-region Business Leadership Board;
 - The city region Business Leadership Board should act as the primary regional business engagement mechanisms, and should exist predominantly as a channel for business advocacy and policy influence over City Deal and city-region governance decisions;
 - Membership of the Business Leadership Board should be drawn from across the city region, with representatives of existing local business forums. Cardiff's representative could be drawn from the proposed Cardiff BID should this proceed, as it will be an existing, legitimate and elected body;
 - The Chair of the Business Leadership Board should become a full member of the regional governance structure that is currently being designed and should be selected through a public appointment process.

- The Council should put in place an Action Plan to manage the transition to a new regional arrangement;
10. The consultant also suggested that the scope of work of the new Business Leadership Board will be dependent on the funding support available from the public sector; and if funding is forthcoming it could provide additional delivery mechanisms for specific city region economic development functions.
 11. Over recent months Welsh Government has also considered the best way forward in terms of the appropriate governance arrangements for the Cardiff Capital City Region. In September the Minister for Economy, Science and Transport wrote to all local authority Leaders in South East Wales, outlining a proposal for future governance arrangements. This included a proposal for a Business Council at the City Region level.

Reason for Recommendations

12. To establish a sustainable future for business engagement across the City Region.

Financial Implications

13. The 2015/16 budget allocation in respect of Cardiff Business Council is £340,000.
14. It is noted that neither the amount nor the source of funding are identified within this report. In considering the options available, the Council will need to consider both the affordability of the contribution required as well as the appropriate duration and nature of the funding mechanism going forward.

Legal Implications

15. Decisions taken by the Council must be fully informed and taken for appropriate, good and relevant reasons. The body of the report refers to the opportunities for Cardiff from the emerging City Deal and the Welsh Government's proposals for business engagement in that regard. The recommendations of the review of existing arrangements for business engagement are set out in the body of the report for the consideration of the Council's decision makers

RECOMMENDATIONS

The Cabinet is recommended to:

- (1) Agree the recommendations of the report presented at Appendix 1 on the way forward for the Cardiff Business Council.
- (2) Delegate authority to the Director of Economic Development, in consultation with the Leader of the City of Cardiff Council, the Section 151 Officer and the Director of Legal and Governance to:

- (i) Put in place a plan to enable the transition from the current Cardiff Business Council arrangements to the recommended new organisation at a regional level.
- (ii) Agree a funding package with South East Wales local authorities and the Welsh Government to identify resources to support the new regional arrangement.

NEIL HANRATTY

Director

6 November 2015

The following appendix is attached:

Appendix 1: Independent Report: A Review of Cardiff Business Engagement Arrangements in the Context of the Cardiff City Deal

A Review of Cardiff Business Engagement
Arrangements in the Context of the Cardiff Deal

September 2015

Dr Tim Williams
Professor Dave Adamson OBE
Dr Mark Lang

1. Introduction

Publicani Consulting has been commissioned by Cardiff City Council to undertake a review of business engagement arrangements in the context of the Cardiff City Region Deal discussions. At its meeting of 2nd April 2015, the City of Cardiff Cabinet agreed to 'commission a review of the Cardiff Business Council model to put in place appropriate arrangements to support a successful City Deal proposal'.

It is important to note that this is *not a review of the performance of Cardiff Business Council*. Rather, it is a consideration of what the most appropriate future mechanisms for securing business engagement might be in the context of two critical factors:

1. The arrangements that have been in place for involving the private sector, in partnership with Cardiff City Council, in promoting business development and investment, are no longer sustainable. This is because Cardiff, like other councils, has to manage its radically reduced resources with a focus on its statutory obligations. A commitment to support the Cardiff Business Council runs until the end of the 2015/16 financial year.
2. The arrangements that have been in place for involving the private sector, in partnership with Cardiff City Council, in promoting business development and investment, are no longer sustainable. This is because Cardiff, like other councils, has to manage its radically reduced resources with a focus on its statutory obligations. A commitment to support the Cardiff Business Council runs until the end of the 2015/16 financial year.

Under the existing business engagement arrangements, Cardiff Business Council is a City of Cardiff Council wholly owned company that was established in 2013 to '...act as the principle interface between the Council and the County's business community for the purposes of developing local economic policy and business support arrangements which...promote the growth of Cardiff's private sector businesses'¹. Operating as an arms-length company of City of Cardiff Council, four of the Council's senior officers act as the Directors of the Company. The Company Directors also decide the annual budget allocation to the Company.

Business engagement is secured through an Advisory Board, which has no legal status or authority to act on behalf of the Company. The Interim Advisory Board was established in 2013 and is still in place pending elections that were due to take place in March 2016 'once the Company reaches an appropriate level of membership maturity'². The remit of the Advisory Board is to advise the City of Cardiff Council on the development of economic development strategy, to develop participation and membership, and generate income to support the organisation's priorities.

¹ Cardiff Council (18.10.2012). *Cabinet Paper: Economic Development Arrangements – Report of the Chief Officer City Development*.

² *Ibid.*

The Cardiff Business Council has no directly employed staff or fixed overheads, and support is provided directly from the Council's economic development team. Membership is free to Council business ratepayers. 'Enhanced membership' is also available. The City of Cardiff Council agreed to fund the Business Council up to £500k per year for three years, and expected the Business Council to generate income of its own.

The Cardiff Business Council was established with terms of reference to:

- Represent the views and interests of all businesses in Cardiff;
- Act as the principal interface between the local business community and City of Cardiff Council;
- Advise the Council on strategy to improve economic development outcomes;
- Support and contribute towards the marketing and promotion of the City;
- Promote CSR in support of the City's priorities;
- Promote growth in the local economy by encouraging business-to-business activity through the provision of a range of chargeable and non-chargeable services such as business-to-business networking meetings and events for local members³.

³ *Ibid.*

2. Methodology

This report has been completed during June 2015 using the following methodology: a sharp literature review of the local, regional and national policy context; a review of relevant business engagement initiatives in the UK and internationally; and most significantly, a targeted programme of 26 interviews with key representatives from the Cardiff business community, City of Cardiff Council, and other local authorities in the emerging Cardiff City Region. The findings from the interviews, which form the core part of this report, are summarised below. The interview findings are supported by examples of national and international experience, as well as the expertise and experience of the authors.

Dr Tim Williams, the lead author of this report, is the current Chief Executive of the Committee for Sydney. Previously he was Special Advisor to a number of UK Government cabinet ministers in the Department of Communities and Local Government. His credibility in the urban renewal space was first attained in his role between 1998 and 2003 when he was Chief Executive of the Thames Gateway London Partnership when he made the Gateway in East London the key urban regeneration for London and the UK. Dr Williams is internationally recognised as a leading urban renewal thinker and practitioner. For ten years he wrote a weekly column in the professional journal 'Regeneration and Renewal' and currently writes a blog for them on urban renewal and development issues in Australia.

For this project Dr Williams has received assistance on aspects of this project from his fellow Publicani Consulting director, Professor Dave Adamson. Professor Adamson is Emeritus Professor at the University of South Wales and the former Chief Executive of the Centre for Regeneration Excellence Wales. Also supporting this project was Dr Mark Lang, who runs his own UK-based consultancy. Dr Lang's former roles have included Associate Director of the Centre for Local Economic Strategies, Senior Researcher at Centre for Regeneration Excellence Wales, and Researcher at the Wales Governance Centre.

3. Interview Findings

During June 2015 we undertook a targeted programme of 26 interviews with key individuals from the Cardiff Business Council, the wider Cardiff business community, the City of Cardiff Council, and other local authorities in the emerging City Region. The interviews, undertaken through a mixture of face-to-face and telephone interviews, constituted semi-structured strategic conversations undertaken under Chatham House Rules. The findings from these interviews are presented below in two sections: views relating to Cardiff Business Council; and, views relating to potential future business engagement structures. In each section there are a mixture of direct quotes and our own summary of the range and weight of views expressed by respondents.

As stated above, this is not a review of the performance of Cardiff Business Council. During a number of the interviews with those participants who have had an involvement with the Cardiff Business Council, however, a range of comments have been received that provide a valuable insight into the arrangements going forward. They are presented below as they provide valuable lessons, drawn from the experience of Cardiff Business Council, about the design of future business engagement structures.

Table 1: Summary of Interview Findings – Cardiff Business Council

Cardiff Business Council	
Themes	Comments
Remit	<p>There is a lack of clarity on what the remit and objectives of the Cardiff Business Council are.</p> <p>The remit and objectives ‘should be made clear at the start of each meeting’ to properly focus discussions and priorities.</p> <p>Some respondents understood the role of the Cardiff Business Council to be to secure private sector investment into Cardiff by shaping how the Council spends its economic development resources.</p>
Representation	<p>There has been a lack of transparency regarding the appointment of the Advisory Board.</p> <p>Membership of Cardiff Business Council Advisory Board ‘...is not representative of broader business community in Cardiff’.</p> <p>‘The businesses represented are largely from older sectors, particularly around property’, which tends to influence the priorities.</p> <p>The creative technology industry ‘...is not represented or understood by the Cardiff Business Council’.</p> <p>The consensus view is that it is important universities are represented around the table as they provide skills training and a critical economic contribution to Cardiff. This view was not unanimous.</p> <p>It was felt that the existing Advisory Board is too big.</p> <p>Very big business is not particularly interested in active engagement with Cardiff Business Council, as they look for regional and direct Welsh Government engagement.</p>
Operation	<p>Too little openness – Members are ‘...often told of decisions made and actions taken after the event’.</p>

	<p>'It is sometimes not clear what the remit of the Cardiff Business Council is, and there should be reminders stated at each meeting what the purpose of the Council is.'</p> <p>It was felt that the Advisory Board has successfully avoided parochialism.</p> <p>It was generally felt that Cardiff Business Council has avoided being run by Cardiff Council officers and been business led.</p> <p>It was felt that Cardiff Business Council has been highly visible.</p>
Funding	<p>It was felt that there has been some success in securing businesses funding, but that calculation of total business contributions are boosted by contributions from organisations such as the universities.</p> <p>Some businesses have signalled that they are unlikely to renew their membership due to their experiences to date.</p> <p>Welsh Government contribution was secured.</p> <p>The consensus view was that the Cardiff Business Council is some way from being self-financing.</p> <p>It was perceived that there is a decreasing City of Cardiff Council contribution due to resource constraints.</p>
Actions	<p>It was felt that there has been some success in securing businesses funding, but that calculation of total business contributions are boosted by contributions from organisations such as the universities.</p> <p>Some businesses have signalled that they are unlikely to renew their membership due to their experiences to date.</p> <p>Welsh Government contribution was secured.</p> <p>The consensus view was that the Cardiff Business Council is some way from being self-financing.</p> <p>It was perceived that there is a decreasing City of Cardiff Council contribution due to resource constraints.</p>

Table two below summarises views expressed by the broader group of participants relating to future regional business engagement structures. As in table one, these are presented as a mixture of direct quotes and our own summaries of general views expressed by recipients. These comments have contributed significantly to the recommendations presented at the end of this report.

Table 2: Summary of Interview Findings – Cardiff City Region Business Engagement

Cardiff City Region Business Engagement Structure	
Themes	Comments
Ownership Arrangements	<p>There was no clear consensus view as to who should own a regional business engagement structure.</p> <p>The general view expressed by respondents was that 'the form of ownership should most importantly be dictated by the function it performs'.</p>
Legal Structure	<p>It would need some process of accountability (maybe officer/official representation) if it were funded by public money.</p> <p>Must be politically neutral.</p> <p>There was a strong feeling, particularly by other local authorities,</p>

	<p>that it must be a new body, not an expansion of Cardiff Business Council, so as to win confidence of wider group of interests beyond Cardiff – business interests as well as political interests.</p> <p>‘Democratic accountability of the body could be secured if its Chair became a member of the City-Region Board and as a result was answerable to that’.</p>
Leadership and Board Member Representation	<p>There should be an open and transparent appointment of a Chair and a Vice Chair.</p> <p>There should be an open and transparent process of appointing membership of any new advisory board.</p> <p>The number of councillors/politicians who sit on it should be limited.</p> <p>‘The existing Cardiff Business Council is too big, so membership of the regional body should be kept as small as possible’.</p> <p>There should possibly be official/officer representation from Welsh Government and local authorities.</p> <p>The people who sit on any new regional business body will be critical to its success.</p> <p>Needs to be more representatives of all industries, including creative technology and other growth industries – there should be less emphasis on property-based enterprise.</p> <p>‘It is important that universities are represented as they provide training and knowledge’.</p> <p>SMEs must be represented to be representative of wider regional businesses.</p>
Membership	<p>‘Perhaps a two tier structure of advisory board members and wider membership’ would be a mechanism to secure large and small business involvement, but there would need to be clear terms of reference for each.</p> <p>Big businesses do not see it as mission critical to engage.</p> <p>Difference of opinions about range of sector representation – business definitely, less clear on universities and other quasi-public sector bodies.</p> <p>‘Would need to include a mixture of small and large businesses’.</p> <p>One respondent stated that ‘Cardiff Business Council does not need wider membership drawn from outside Cardiff, it has everyone it needs to represent the city region, but should be Cardiff [businesses only]’.</p> <p>Generally, however, the consensus view was that it should be representative of the city region business community – drawn from a wider range of businesses than just those that are Cardiff based.</p>
Geographical Coverage	<p>Overwhelming support for regional coverage to include all local authorities across the Cardiff City Region.</p> <p>Many respondents ‘...fully support regional business engagement structure, but it cannot be parochial’.</p> <p>It was felt that a regional business engagement structure should sit alongside a regional governance body, i.e. City Region Board.</p> <p>‘Regional business engagement is critical’.</p>

<p>Welsh Government and Local Authority Involvement</p>	<p>Overwhelming view was that businesses must be an equal partner, and not subservient.</p> <p>Local authorities general supportive and see merits of regional working on business engagement.</p> <p>Strong view that regardless of regional structures, local authorities should retain their own business forums – critical to engage with their own SMEs.</p> <p>‘For large businesses relationships with Welsh Government are more important than local authorities, but for small businesses relationships with local authorities likely to be more important. It is important that there are links to both.’</p>
<p>Partnership Arrangements</p>	<p>Must work closely and have formal link to a city region governance structure – perhaps with the Chair sitting on the governance structure.</p> <p>Must connect with local business forums.</p> <p>Critical to link with WG – the region’s USP.</p>
<p>Funding Arrangements and Resources</p>	<p>Generally it was felt that a regional business engagement body should have its own small secretariat, but views were divided over whether it should be hosted by a local authority or other partner, such as a university, or be totally independent.</p> <p>Split views on whether it should be an advisory/strategic body or also have an economic development/inward investment delivery function.</p> <p>It was felt that if it does not engage with delivery, and is purely a strategy development and policy influencing body, then it does not need a big budget.</p> <p>There were mixed views from the business community about their ability to justify providing funding ‘There would need to see strong business case’. Businesses ‘do not see it as part of CSR spend’.</p> <p>‘Some business are simply unable, or prohibited, from funding it’, so it cannot be a condition of business involvement.</p> <p>It was also felt that giving any regional business engagement body responsibility for raising its own funding could be ‘a distraction to more mission critical issues’.</p>
<p>Role</p>	<p>‘Must have very clear and transparent terms of reference and success criteria’.</p> <p>It was felt that the role, criteria and powers of Chair and Vice Chair must be very clear.</p> <p>‘It must not be talking shop’ and ‘it must help set strategy and policy’.</p> <p>It should seek to develop and influence strategic policy-making.</p> <p>‘It must demonstrate clear impact on strategic decision-making in the City Deal context’.</p> <p>There were a range of views on whether it should assist in delivery, or simply influence policy and leave it to local authorities and Welsh Government to deliver.</p> <p>Some respondents felt it should have the regional economic development budget (marketing etc.) at its disposal to direct, though this was by no means a universal view.</p> <p>Key areas of interest highlighted included: the Metro, skills agenda, enterprise support, digital infrastructure.</p>

4. Experience of Cities and Business Engagement

Globally, cities and city-regions are looking to take advantage of their relationship with businesses in order to secure their best possible futures. Best practice examples, which are summarised in Appendix 1, show how they do this by:

- Being business friendly and investment ready;
- Drawing inspiration and lessons from the private sector, and borrowing their techniques and tools;
- Collaborating with business for hugely beneficial outcomes, particularly through innovation partnerships;
- Seeking support from the corporate world to negotiate desired future outcomes with higher tiers of government and improve positioning within the global economy;
- Welcoming diverse and international populations - open city regions are innovative;
- Remaining mindful of their distinctiveness from business, and the separate but complementary roles that each have to play.

The last point is vital to creating an effective partnership with business in the work of the city region. In commissioning this analysis Cardiff has shown that it recognises the unique contribution the right kind of private sector partner and structure of engagement can make to:

- Overcoming constraints which can bind city or city region authorities, because the private sector can think beyond short term electoral cycles; can look beyond political geography/electoral boundaries; and, has a strong bargaining position with central government as 'customers' rather than subordinates;
- Developing strategies and advocate for policies to enhance a city's competitiveness and productivity, in collaboration with local government and other city stakeholders;
- Improving the branding and marketing of a city or city region;
- Applying the discipline of private-sector business planning to the task of redefining and revitalising city/regional economic development.

The project team has significant collective knowledge of national and international examples of city and business engagement practices and UK City Deal experiences. This existing knowledge has been supported by additional supplementary research for this project. Our review of exemplary public-private partnering arrangements nationally and internationally clearly demonstrates that engaging such cross-sector leadership in a business-disciplined development of comprehensive city/regional growth planning creates better strategies and enhanced capacity for generating long term economic prosperity.

Designed properly, and with the right partners, such private sector engagement in city regions can be much more dynamic and proactive than traditional Chambers of Commerce and add value to the economic development and inward investment activities of the public sector. All of the successful cities and city regions we have reviewed have effective relationships with some kind of business leadership team that articulates the regional business voice to media and higher governments. With the right structures, business leaders can and should contribute to their communities and regions by using their business skills to help solve public-policy problems. Playing its role in cross-sector coalitions, focusing on tipping point critical issues, business leadership can complement, not replace, the role of city or local

government. The public sector needs to learn to involve business in new ways – and to recognise that business itself is changing, particularly in its relationship with cities, which everywhere are becoming the places in which the knowledge economy is agglomerating and clustering.

In summary, as access to knowledge, talent and innovation is becoming ever more important to enterprise, so too is business ‘urbanising’. This reinforces the urgency of ensuring the city region enjoys a close and deep relationship with business – and, increasingly, universities as key anchor institutions in the area’s knowledge and innovation economy. To both maximise the new opportunities and meet the challenges of this new economy, more effective forms of public-private partnering will be required – and ones moreover that engage with business at the earliest opportunity and in more meaningful, collaborative ways, so as to create a shared vision of the economic future.

City Deals were launched in December 2011 and further developed in a second round that extended the programme beyond the initial eight core cities to a further twenty second tier cities. Further context to the City Deal experiences across the UK is included in Appendix 2, but it is important to note here that City Deals have tended to innovate business engagement models and have recognised the requirement for effective partnership between the constituent local authorities and the private sectors at regional level. Eschewing the ‘business club’ patterns of conventional business engagement, there is a focus on creating regional strategic forums that mesh closely with the structures and governance of a city region.

Within the various City Deal structures adopted across the UK, business engagement is critical and requires high-level partnership with key business leaders and representatives of business and commercial sector bodies. These must be integrated into strategic decision-making and it is no longer sufficient for business engagement to be largely symbolic and promotional and hospitality based. Representation must also be capable of addressing the interests of the SME sector as a significant employer and potential growth component, as well as capable of attracting significant inward investment. This is a difficult balance and can only be achieved by demonstrating effective strategic business leadership in partnership with the local authorities and other public sector agencies. Effective economic planning requires a genuine melding of public and private sector investment and development, working towards shared economic objectives. In England LEPs have tended to meet this requirement and a similar forum is required in the Cardiff City Region.

5. Conclusions

In the context of the City Deal process the existing business engagement structures adopted by the City of Cardiff Council, specifically the Cardiff Business Council, does not represent the wider city region business community, and requires spatial as well as sectoral repositioning. The creation of a Cardiff city region 'Business Leadership Board', to serve as the regional business engagement structure, is critical. Although the design of the regional governance structure is beyond the remit of this report, and is subject to wider discussions and review, it is important that the proposed city region Business Leadership Board has a close connection with whatever model emerges.

We believe the city region Business Leadership Board should have a Chair and a Vice Chair. The Chair, or in their absence the Vice Chair, should be afforded full membership of the regional governance group and this connection would be the principle means of ensuring the business community is represented as an equal partner where governance and policy issues are determined in relation to the City Deal.

The Business Leadership Board should consist of around 10-12 members, to include:

- Chair and Vice Chair appointed by a public appointments process;
- Representatives of the local business forums drawn from across the current 10 local authority areas⁴;
- Representatives drawn from large Cardiff city region based enterprises;
- Representation from wider business representative groups, such as FSB and CBI;
- A senior officer from Cardiff City Council;
- A Welsh Government representative;
- A political representative drawn from the City Region Board, on a rotating basis to ensure cross-party support.

The city region Business Leadership Board should primarily deliver business advocacy and seek to ensure business community policy influence over City Deal and wider city region governance decisions. Subject to the availability of an optimal funding arrangement, the Business Leadership Board may also be able to provide additional delivery mechanisms for specific city region economic development functions.

In order to avoid duplication and confusion of multiple agencies, we do not believe the regional Business Leadership Board should become a member-based organisation. Instead, it should draw business engagement via the successful pre-existing business forums across the Cardiff city region. This also avoids the administrative burden, cost and timescale of establishing a large member-based organisation, and allows the Business Leadership Board to quickly establish its presence as the primary business engagement structure to support the City Deal process.

⁴ Although we note that Cardiff does not have an existing local business forum, we understand that there are ongoing discussions with regard to the creation of a Cardiff Business Improvement District (BID). In such an eventuality, we believe that a representative of the Cardiff BID should become the Cardiff local business representative on the city region Business Leadership Board. This is because the BID would be an existing, legitimate and elected local business body.

Critical to the success of the Business Leadership Board will be demonstrating in an open and accountable way the existence of a key interface between the business community, Welsh Government and the city region local authorities. Access to Welsh Government and decision-making proximity is likely to be a key factor in determining business involvement. This process of 'connected agglomeration' should be facilitated by an annual report of the Business Leadership Board and an annual high-level forum between the members of the Board, Welsh Government Ministers and Council Leaders. Cities collaborate to compete, and this engagement is critical for the success of the Cardiff City Deal process.

In the context of the City Deal discussions, the remit of a business engagement structure has changed both spatially and sectorally, meaning that the role of the Cardiff Business Council has been overtaken by wider opportunities. Given this; the need to win wider regional business and political confidence in the regional Business Leadership Board; and, the need to limit potential confusion caused by multiple business engagement bodies; we believe the City of Cardiff Council, working with its partners from the city region local authorities and Welsh Government, should seek to establish an Action Plan for a smooth transition to the new body, to include the identification of available funding sources.












Summary of key recommendations:

- **In light of the city region and City Deal opportunities, the City of Cardiff Council, should establish an Action Plan to manage a smooth transition from Cardiff Business Council;**
- **Working with Welsh Government and its local authority partners from across South East Wales, the City of Cardiff Council should seek to set up a new Cardiff city region Business Leadership Board;**
- **The city region Business Leadership Board should act as the primary regional business engagement mechanisms, and should exist predominantly as a channel for business advocacy and policy influence over City Deal and city region governance decisions;**
- **Membership of the Business Leadership Board should be drawn from across the city region, with representatives of existing local business forums. Cardiff's representative could be drawn from the proposed Cardiff BID should this proceed, as it will be an existing, legitimate and elected body;**
- **The Chair of the Business Leadership Board should become a full member of the regional governance structure that is currently being designed. Together with an annual report and meeting with Welsh Government Ministers and local authority leaders, this will become the primary mechanism for ensuring business engagement.**

Appendix 1: Business and Cities – An International Perspective

The table below summarises a range of international examples of the role effective business engagement and involvement can play in city region development.

What role for business groups in the city development system?

	Negotiate Advocate with Gov	Attract & retention	Reg collab	Bus know how	Comms & media	CSR	Int best practice	Pay for activities	X Party collab	Wider particip
	✓✓✓	✓✓	✓✓	✓✓✓	✓✓✓	✓	✓✓	✓✓	✓✓✓	✓✓
	✓✓✓	✓	✓✓	✓	✓✓	✓	✓	✓	✓✓	✓✓
	✓✓✓	✓✓✓	✓✓	✓✓✓	✓✓✓	✓✓	✓✓	✓✓	✓✓	✓✓✓
	✓✓	✓✓	✓✓✓	✓✓✓	✓✓	✓	✓✓	✓	✓✓	✓✓✓
	✓✓✓	✓✓	✓	✓✓✓	✓✓	✓✓✓	✓✓	✓✓✓	✓✓	✓✓
	✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓	✓✓✓	✓✓	✓✓	✓✓
	✓	✓✓✓	✓✓✓	✓✓✓	✓✓	✓	✓✓✓	✓✓	✓✓	✓✓
	✓	✓✓✓	✓✓	✓✓✓	✓✓	✓	✓✓	✓✓	✓✓	✓✓
	✓	✓✓✓	✓	✓✓	✓✓✓	✓✓	✓✓	✓✓	✓✓✓	✓✓✓
	✓✓✓	✓✓	✓✓	✓✓✓	✓✓	✓✓	✓✓	✓✓	✓✓✓	✓✓
	✓✓✓	✓✓	✓✓✓	✓✓	✓✓✓	✓✓	✓	✓✓	✓✓	✓

From Clark (2014)⁵.

Barcelona

Barcelona Global provides an important example of international best practice. In order to provide solutions that improve the competitiveness of the city, Barcelona Global looks to:

- Strengthen the Barcelona brand, associating it with sectors and activities of the highest quality and value added;
- Facilitate the attraction, retention and landing process of foreign investment and talent in Barcelona;
- Bring together innovative talent and business decision centres and institutions;
- Encourage dialogue between economic sectors and across different groups as a way of detecting development opportunities;
- Collaborate with other institutions, organisations and public authorities on various types of projects and initiatives.

⁵ Clark, G. (2014). *The Role of Cities in Business Innovation*. Presentation to Barcelona City Innovation Summit. November 2014

Amsterdam

I amsterdam.

The Amsterdam Economic Board, which was established in 2011, covers the metropolitan region and not just the city. It exists to ensure that Amsterdam is one of the top five European metro regions, and secures a position as a global hub of commerce, people and information. It seeks to:

- Encourage cross sector collaboration; provide information and support on business, finance and housing;
- Focus on eight regional clusters (creative industry; logistics; financial and business services; flowers and food; ICT/ e-Science; Tourism and Conventions; Life Sciences and Health; High Tech Materials);

Membership includes CEOs, scientists, academics and public sector representatives. It is funded by a mixture of government, industry and knowledge institutions.

Miami



The Beacon Council's Foreign Direct Investment Initiative seeks to ensure world-class international business promotion, despite being decentralised and diffused with informal mechanisms. It is a county-level agency with 10-15 full-time staff, and in 2013 had a budget of \$5 million. Examples of projects have included:

- Lead trade missions to numerous cities based on clear selection criteria, including Germany, South Korea, Japan in 2014;
- Sponsors international trade and culture events, highly visible on global circuit;

It has attracted over \$500 million in investments, and demonstrates that public-private cooperation and coordination can be highly effective. It also shows the benefits of a narrowly focused trade agency that avoids overlap and duplication, as an alternative to heavily coordinated trade promotion capability.

Stockholm



Stockholm - The Capital of Scandinavia is a shared brand name for the Stockholm region. It provides communication of scale to support Stockholm business region development and is the official investment promotion agency for region. It is responsible for marketing and provision of information, advice and assistance to

investors and companies. Membership is made up of the region's municipalities, academia and companies. The goals for Stockholm region are:

- To become the leading sustainable growth region in Europe;
- To become the world's most innovation driven economy by 2025;
- To secure regionally 43% of foreign investment in Sweden;
- To ensure Stockholm is ranked first in European Investment Region of the Future.

Toronto Region Board of Trade



The mission of the Toronto Region Board of Trade is to advance the success of members and the entire Toronto region. It facilitates opportunities for knowledge sharing, networking, business development, and city building. There is also a focus on thought leadership, effective policy and advocacy work for businesses and people who 'want to be centre stage on issues that have an impact on the economic, social, and cultural vitality of the Toronto region'. It provides a forum for connecting with decision makers, sharing expertise and 'Making a difference. For yourself. For your business. For the city as a whole'. It also seeks to foster powerful collaborations and advocates for the region's strong economic climate, quality of life, and global competitiveness.

Appendix 2: Business and City Deals – A UK Perspective

In considering business engagement strategies in the UK and comparing Wales with England, we have focused on models developed in the core cities. Whilst Cardiff lacks the population and economic scale of the larger conurbations, its proximity to and relationship with the South East Wales group of local authorities is analogous, for example, with those experienced in Birmingham, Manchester, Leeds and Bristol. One of the first comparisons evident is that Wales has lacked an overarching, independent economic development agency following the abolition of the WDA. In contrast, in England the longer survival of Regional Development Agencies (RDAs) provided continuity of regional economic planning. Following the abolition of the RDAs in England after the 2010 election, business engagement has largely been the responsibility of the Local Economic Partnerships (LEPs) in which local authorities partner the key business interests in their region. Initially, these were effectively voluntary affiliations attracting no Department for Business, Innovation and Skills funding, and were generally recognised to have little impact in comparison with their RDA predecessors with their relatively significant budgets⁶.

In the light of growing regional disparities and the effective flat lining of the UK economy, the UK Government recognised the need for a more interventionist approach and launched the Local Growth Fund in 2015 following recommendations from the Heseltine (2012) *No Stones Unturned Report*. Following their shaky start LEPs have matured and in the majority of regions have provided a focus on local economic strategies and variably successful business engagement models. These have given a more significant role for local authorities than was evident in the RDA structure. In addition, in England the early development of City Region and Combined Authority approaches has ensured closer local authority collaboration than has been evident in the South East Wales region to date.

The LEPs have not been without their critics. In its survey of business experience of LEPs in England, the CBI found that 45% had no engagement with their local LEPs. They also found that the lack of real powers limits the LEPs impact. Certainty, they say, is vital to business engagement – businesses are unwilling to commit time and resources into improving business environment without certainty. It has also been felt that LEPs have tended to be dominated by local authority representatives.⁷ Despite these criticisms, the advantages accruing from these various structures are central to the City Deal models that have emerged in England and point to a dominant pattern of business engagement that is evident when examining the governance arrangements of these significant economic partnerships that have emerged.

Key elements of the frameworks developed are:

- **Strategic Investment Funds:** these combine local authority budgets and lever private sector investment within a vehicle which is strategically independent but managed collaboratively by the constituent authorities. (e.g. Greater Birmingham and Solihull Finance; Manchester Revolving Infrastructure Fund; Bristol Economic Development Fund; Leeds City Region Investment Fund).

⁶ Pugalis, L. (2011). 'The regional lacunae: a preliminary map of the transition from regional agencies to local economic partnerships'. *Regions Magazine* Vol 281, Issue 1, pp 6-9.

⁷ CBI (2014). *Governing the UK's Growth Landscape*.

- **An overarching governance body:** whilst there are differing models depending on city region, combined authority and LEP arrangements the common element is the designation of a clear leadership structure. In many areas it is the LEP that has taken on this role building on existing management of funding streams and business engagement patterns. There is no equivalent structure in the Cardiff City Region and our proposals address this gap as an urgent requirement to provide the main platform for governance and strategic leadership.
- **A local authority leaders forum:** to ensure political commitment to collaboration and strategic planning.
- **A local authority officer forum:** to ensure effective collaborative strategy and programme delivery.

It is also worth noting at this point the key actions that have emerged within the English City Deals. Whilst each has a uniquely local flavour the identification of the key challenges has been relatively uniform. The following four components are almost universal:

- **Tackling the skills deficit:** as a major strategic element of enabling employment and economic growth.
- **Developing infrastructure:** especially transport and communication/IT networks.
- **Growing housing supply:** both as an engine of growth and to meet population needs.
- **Addressing low carbon futures:** to ensure long-term sustainability.

Four City Deals go further than the others that have been established (Manchester, West Yorkshire, Glasgow and Greater Cambridge) in establishing full-scale City Region Infrastructure Funds. Cardiff wishes to progress this type of City Deal. The common features of this type of City Deal are:

- Economically focused infrastructure development (targeted at net economic growth).
- Balance in terms of improved economic opportunities across the city region.
- Investment at a scale that makes a difference.
- Significant degree of self-help funding in the overall cost of the fund.
- 'Payment by results' mechanisms – links additional central funding to delivery of additional national growth (therefore local risk).
- 'Gateways' at five-yearly intervals – independent assessment of performance to secure funding from UK Government.

There are clear opportunities for Cardiff to learn from this trajectory of development evident in England as well as our review of international practice and the perspectives of respondents to our programme of interviews. It would be a major achievement to be able to echo the words of Andy Street, Chair of Greater Birmingham and Solihull LEP and Cllr Albert Bore in their introduction to their City Deal proposal:

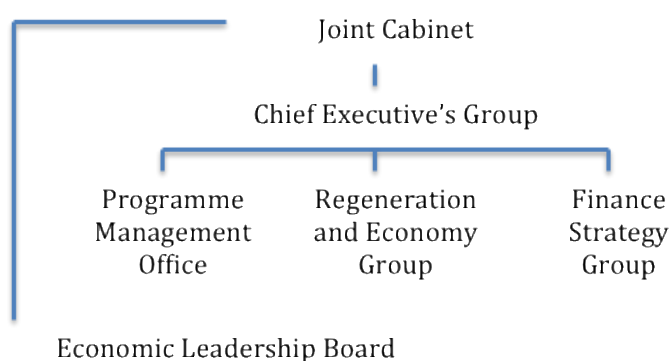
For the first time, the building blocks for success are now all in place: a strong private and public sector partnership, combining the talents of both parts to maximise their full potential; a transformational strategy for

growth⁸.

The CBI has stated that future City Deals should be agreed over the same geography at LEP areas, but it believes that ‘...the shift to a new set of governance structures is by no means done – making the new landscape work for business remains a substantial challenge’. It also believes that governance arrangements must be able to accommodate decision making at different levels⁹, which suggests the need for business engagement to also take place at different levels.

The combined authority option seen in Manchester, for example, is not a prerequisite for a City Deal as in the case of Glasgow. Established in August 2014, the Glasgow Deal created a joint cabinet, which includes all the leaders of the constituent local authorities who vote on the basis of one member one vote.

Table 3: Glasgow’s City Deal Governance Arrangements



In the case of Glasgow an Economic Leadership Board is being created, to assist the Joint Cabinet, providing links to industry, and dealing with the co-ordination and maximisation of wider economic development activity. Industry leader Lord Haughey was appointed to Chair the Economic Leadership Board in January 2015. The key point is that governance is needed to enable decisions to be made, and any alternative vehicle that can achieve this may be appropriate.

⁸ Greater Birmingham LEP (2012). *Greater Birmingham. A city region powered by technological innovation. The Local Economic Partnership City Deal Proposal.*

⁹ CBI (2014). *Governing the UK’s Growth Landscape.*

**CITY OF CARDIFF COUNCIL
CYNGOR DINAS CAERDYDD**



CABINET MEETING: 12 NOVEMBER 2015

REVIEW OF THE NON OPERATIONAL ESTATE

REPORT OF DIRECTOR OF ECONOMIC DEVELOPMENT

AGENDA ITEM: 3

PORTFOLIO: LEADER (ECONOMIC DEVELOPMENT & PARTNERSHIPS)

Reason for this Report

1. Following an independent review of the Council's Non Operational Estate to seek authority to centralise all income generating property under the management of the Strategic Estates department and to establish a discrete Investment Estate with specific new governance and management arrangements.

Background

2. The Council's Non Operational Estate comprises circa 600 properties which the Council leases to external companies and organisations in the following categories:
 - 84 leased shops on market rents
 - 51 ground leased shops
 - 18 commercial properties (mainly strategic sites in the city centre)
 - 25 pubs and clubs
 - 6 hotels on ground leases
 - 96 industrial ground leases
 - 143 workshop units comprised in 9 separate estates
 - 54 community assets (e.g. community halls, churches and sports facilities)
 - 63 tenancies Cardiff Indoor Market
 - 83 other let properties (e.g. advertising hoardings, electricity substations, agricultural lettings etc.)
3. The Non Operational Estate is predominantly managed by the Council's Strategic Estates department on a commercial basis and it produces a total gross income to the Council of £5.2m, before deducting management and maintenance costs. This income is used to support the Council's core revenue budget.
4. The portfolio of this estate is diverse with a mixture of commercial properties at market value and community buildings leased historically at

peppercorn rents. At present there are some inconsistencies in terms of how the properties are managed with some still controlled directly by Council service areas and not by Strategic Estates. In addition, the diverse nature of the Non Operational Estate can cause confusion in terms of the purpose for holding an asset and the subsequent processes required for management/disposal.

5. An independent review of the Council's Non Operational Estate was undertaken in January 2015 by property consultancy Jones Lang LaSalle (JLL) and a copy of the report is attached as Appendix 1. JLL made a series of recommendations which are considered in this report. These included rationalising the estate by selling low yielding, management intensive properties and to reinvest the capital by acquiring better yielding assets. JLL further advised that reinvestment of capital receipts in the estate is required to retain and improve the asset value and that the current approach undertaken by the Council was unsustainable in the medium to long term (see conclusions of section 4.3 of Appendix 1).
6. In January the PRAP Scrutiny Committee received a presentation from JLL. The Chairman of the Committee asked that a number of their views be taken into account. These included:
 - That the community and social benefits be taken into account as well as financial considerations.
 - That the community benefits of the market rented shops be taken into account in the decision making process.
 - Where community assets are considered for transfer that sound business cases should be in place and there must be a community capacity to take on these buildings.
 - It was requested that full ward member consultation is undertaken where disposal of assets is proposed.
 - That the Council's strategic sites in the city centre be retained.

Issues

7. At the present time there is no defined rationale or governance to effectively manage the Council's Non Operational estate. As a consequence decisions in terms of lettings, disposals and estate rationalisation can be ad hoc with varied authorities being applied.
8. Given the range of assets currently included in the Non Operational Estate the purpose for holding an asset is not clear.
9. Investment to modernise the estate is sporadic, and maintenance expenditure for the upkeep of the estate is not undertaken on a structured basis. The condition of the estate is variable with some of the more modern properties being in good condition and with some in need of extensive maintenance work. The current maintenance backlog for this portfolio is estimated to be circa £2m. Maintenance work is financed from the Asset Renewal Programme on a standard prioritised basis each

year but this does not address the work needed and is not a sustainable solution.

10. Some properties within the Non Operational Estate are held across service areas and are utilised to support revenue budgets. This results in sub-optimal management of the estate.

The Proposed Approach

11. The Non Operational Estate has been assembled over many years and consists of many properties that are a legacy of the Council's previous operational activities. In particular, the estate consists of properties that have good commercial purpose and others that are retained primarily for community purposes. It is therefore proposed to re-categorise the Non Operational Estate and to split the estate to create a new 'Investment Estate', with the residual properties being managed as part of the operational estate.
12. The proposed properties to be included in the Investment Estate are presented as draft in Appendix 2. This will create a portfolio of properties that are held solely for income generation purposes.
13. It is proposed to establish a new governance arrangement to manage decision making relating to the Investment Estate to ensure that the portfolio is managed within a strict commercial framework. This will involve the disposal of poor performing assets in terms of yield (return on investment); re-gearing of some existing arrangements; investment in properties that have the potential to generate further income; and the purchase of properties that will deliver a better yield.
14. To enable this, it is proposed that all capital receipts from the disposal of assets within the Investment Estate are ring-fenced to be reinvested in the Investment Estate with a view to generating increased income.
15. It is proposed to establish a new governance arrangement to deal with the efficient management of the Investment Estate. This will involve a new Investment Board consisting of officers from Strategic Estates, Legal and Finance. Day to day management will be undertaken by Strategic Estates with external advice through an appointed commercial advisor. Recommendations for disposal, investment, re-gearing and acquisition will be presented quarterly to the Investment Board. Decisions will be reported quarterly to Asset Management Board and subsequently to Cabinet. In addition to the above a forward plan of actions and a report on the performance of the Investment Estate over the previous 12 months will be included in the annually published Corporate Asset Management Plan and will be subject to the Council's normal scrutiny processes.
16. In the first instance Strategic Estates will build on the initial review undertaken by JLL and for each of the assets that are included in the Investment Estate (see Appendix 2) will determine which of the following three actions is appropriate:

- Retain: good investments, hold as they provide a good return;
 - Remodel: consider how existing investments can be improved, i.e. re-gear existing leases on better terms or invest in the asset.
 - Release: the asset does not deliver an appropriate return on investment and should be sold. The capital receipt from this sale is then ring-fenced to either invest in an existing asset or purchase a new better yielding asset.
17. It is also intended that the Investment Board directs facilities management spend in relation to these assets, in particular spend on maintenance/asset renewal.
 18. Properties that are currently part of the Non Operational Estate that will not form part of the new Investment Estate will be managed as part of the Council's Operational Estate and will be subject to the normal decision making processes and member engagement of the Operational Estate. The intention is to remove all properties that will have local member interest from the initial Investment Estate schedule (a draft of which is presented at Appendix 2). The assets that remain in the Investment Estate should be held for the sole purpose of generating an income and as such should have little or no local community value or interest.
 19. The Investment Estate will be fluid and could from time to time involve the transfer of properties from the Operational Estate into the Investment Estate and vice versa. Where a property transfers from the Operational Estate into the Investment Estate, this would be subject to the normal decision making process associated with the Operational Estate and would involve local member consultation. Where a current Investment Estate asset is being transferred out of the Investment Estate and into the Operational Estate, this decision will be taken by the new Investment Board, as any transfer into the Operational Estate will only result in a greater level of scrutiny and local member engagement.
 20. Decisions taken by the Investment Board will be subject to an appropriate ethical decision making framework to ensure strong compliance with the Council's ethical standards and to protect the Council's reputation.

Scrutiny

21. This report has been the subject of pre-decision scrutiny by the PRAP Scrutiny Committee on the 3rd November 2015 and the letter received following the meeting is attached as Appendix 3.

Reason for Recommendations

22. To enable Cabinet to approve the establishment of a governance structure and series of actions to enable Strategic Estates to effectively

manage this strategic property asset with a view to creating a more commercial and better yielding investment estate.

Financial Implications

23. The Council's investment properties generate rental income to support the Council's overall budget.
24. The report proposes steps to be taken to ensure all non-operational property is managed by strategic estates, and categorised into commercial and operational. This then with a view to seeking opportunities to increase return where possible and disposing of low yielding and management intensive assets which are not in line with Council objectives. In determining whether properties are retained or not, consideration should also be given to the Council's responsibility for maintenance and whether the Council can afford to undertake such works.
25. The report proposes earmarking of any capital receipts /or lease premiums from the disposal or re-gearing of the commercial estate to new or existing commercial assets with a view to creating new assets or increasing income to offset the loss of income. This can only take place where receipts are not committed for other purposes e.g. in supporting the affordability of the capital programme.
26. Where rents are charged below commercial terms, or where disposal of assets takes place, there will be a detrimental impact on revenue income unless it results in reduced management and maintenance costs or increased income from re-investment or re-gearing of existing leases. The report proposes that the impact of this be considered when setting the Council's revenue budget.

Legal Implications

27. The Council has an underlying fiduciary duty to ensure value for money from the acquisition, management and disposal of public assets

RECOMMENDATIONS

Cabinet is recommended to:

1. Agree to the principle of all commercial income producing properties to be held corporately, managed by Strategic Estates, with associated budgets to be realigned accordingly.
2. Agree to the establishment of a new Investment Estate as detailed in Appendix 2 and to approve the proposed governance and operational arrangements set out in paragraphs 11-17 of this report.
3. As part of (ii) above to agree to the principle of ring fencing and reinvesting all capital receipts generated from the disposal of assets in

the newly formed Investment Estate to improve the yield of existing assets or to purchase better quality and better yielding assets.

4. Delegate authority to the Director Economic Development, in consultation with the Leader of the Council, the Section 151 Officer and the Director of Legal and Governance to take all decisions in regard to the management of the Investment Estate and to provide an annual report as part of the Corporate Asset Management Plan.

NEIL HANRATTY

Director

6 November 2015

The following Appendices are attached:

Appendix 1: Independent Review of the Non Operational Estate

Appendix 2: Draft Investment Estate Schedule

Appendix 3: Letter from PRAP Scrutiny Committee



Public Sector Consultancy

Review of Cardiff City Council Investment Property Portfolio

December 2014



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Appendix 1 Master Property Schedule

Appendix 2 Summary Schedule

Appendix 3 Rent Reviews 2014-2015

Appendix 4 Lease Renewals 2014-2015

Appendix 5 Rent Reviews 2016-2017

Appendix 6 Lease Renewals 2016-2017

Appendix 7 Rent Reviews 2018-2019

Appendix 8 Lease Renewals 2018-2019

Appendix 9 JLL Retail 2020 - The New Retail Notebook – 5 key lessons from the future

Key Recommendations

Renewal of the Councils Investment Asset Strategy

1. The corporate property strategy to be submitted, setting out the vision for the asset base and how each classification of assets would be treated.
2. We propose streamlining the existing investment portfolio and a future growth agenda focused upon improving the quality and quantity of the portfolio.
3. We recommend that there is a future focus upon acquiring prime assets which fit the growth agenda of Cardiff, a “Core City” at the heart of the Cardiff Capital City Region.
4. The Council to leverage it’s position through land ownership, marriage value and planning to create value. However, efforts must be made to ensure that private sector development and investment is encouraged and does not perceive the Council as a “blocker”.
5. The investment mandate to be informed by a detailed gap analysis.

Categorisation of the Existing Assets

6. We recommend the disposal of the following categories of properties:
 - Rack Rent Shops (84 No)
 - Workshop Estates (9 estates)

Note: the sale of workshop schemes at Douglas Buildings and Royal Stuart Workshops to be held in abeyance pending the outcome of the Cardiff Bay Master plan.

7. We recommend the selective sale of property assets from the following categories, but only where there is a strong business case:
 - Ground Rent Shops
 - Pubs and Clubs
 - Industrial Ground Leases
 - Other Properties
8. We recommend that alternative modals of ownership or management are explored for the following categories:
 - Community Assets
 - Central Market
9. All other properties, including the majority of those assets referred to in recommendation 7, to form the nucleus of the re-engineered investment portfolio.

Agreement of Implementation Plan

10. We recommend agreement upon a disposal register and target timescale for disposal.
11. We recommend a three month window be agreed for a short sharp asset management programme to include:
 - Clean legal title
 - Resolution of outstanding lease events
 - Planning/development opportunities
 - Collation of technical reports
 - Production of Energy Performance Certificates
 - Clearance of rental arrears
 - Minor repairs and dilapidations
 - Other management issues
12. A decision will need to be made on whether or not to offer freeholds to tenants. Our recommendation would be to avoid such tenant sales except where there is an isolated property/ground lease.
13. We recommend primary consideration be given to the following methods of sale:
 - Auction
 - Informal tender
 - Private treaty
14. In terms of lot size, our recommendation is to consider larger portfolios or estate sales rather than individual property sales. This is likely to be by way of informal tender or private treaty with auction offering a solution for standalone properties.
15. The Council needs to consider whether to pursue a joint venture or asset backed vehicle. Our view is that this is likely to prove more attractive for development or regeneration rather than for asset realisation.

Operational Management of the Estate

16. The proposed streamlining of the portfolio set out above should bring significant operational benefits to the Estates Department and in the medium term, free up their time to offer more proactive management of the core portfolio.
17. Our recommendation would be to create transparency of the estate management costs and benefits by combining responsibility for lettings and day to day management of investment properties in one department.
18. There is the opportunity to investigate a new model of estate management with a public/private model for outsourcing.

1 Instructions

JLL is instructed to provide a high level strategic overview of the Council's non-operational (investment) property estate.

By way of background, it is envisaged that the Council will be subject to significant financial pressures over forthcoming years. This will be a key driver towards ensuring that the Council makes the best use of its existing assets and re-assesses income earning opportunities from the let estate to generate additional income and investment value.

The main focus of this report is to consider the above issues. However we are also instructed to provide a broad-based 'gap analysis' of employment sites and buildings in Cardiff and consider new models of ownerships for the ownership and strategic management of the investment estate. Finally, we have reviewed the Council's estate management function which will include their work in relation to both the investment and operational estate.

This report seeks to build upon the internal review already undertaken in 2012 which set out a framework and rationale for the investment portfolio. The outcome of this review will be used to inform a new 'Property Strategy' which the Council intends to publish in October 2014.

We are grateful for the time and cooperation received from the Estates team.

2 Market Overview

2.1 General Market Overview

There has been an overall improvement in the property market in 2013-14 as we have seen the UK economy move into a period of economic recovery. As the outlook has improved, so there has been rising demand from both investors and occupiers for good quality buildings and sites in Cardiff.

With limited speculative development over recent years, there are now gaps in the supply of new and modern stock in both the office and industrial sectors. There has been a welcome return to speculative development in the office market over the past twelve months with the two dominant developers being J R Smart (Builders) Ltd and Rightacres Developments Ltd. These developers are bringing forward schemes at Capital Quarter and Central Square respectively.

In the retail sector, the City has now adjusted to the £675 million extension to St David's shopping centre which opened in 2009. The extension is now almost fully let and the arrival of John Lewis' first store in Wales and the overall quantum of floorspace in St David's 2 has changed the dynamics of the retail centre. The prime shopping location has now shifted southward toward The Hayes and fringe locations on Queen Street have had to readjust their focus with the arrival of local supermarkets, health and leisure and other convenience stores.

There has been little or no new development in the industrial sector although Viridor has completed a new £150 million waste to energy power generation plant at Trident Park, Ocean Park. In addition, Pinewood Studios Wales has acquired the 177,000 sq ft former G24i plant at Wentloog, Cardiff. This has added further to the strong creative industries cluster that has emerged within the City, most notably the relocation of the BBC Drama Village to Roath Basin.

2.2 Cardiff Capital City Region

Cardiff has a population of 346,000 (2011 Census) which represents an increase of 12% (36,000) since 2001. The City has a relatively young population with the smallest proportion of over 65s (13%) of any Council area within Wales.

Cardiff accounts for 32% of total employment in South East Wales and its economy is considered to be relatively strong and buoyant in a UK context. Cardiff's employment workforce totals nearly 189,000 with 88% of jobs being in the service sector (source: Deposit Local Development Plan).

Cardiff and the Vale of Glamorgan generate 22% of the Welsh GVA (Gross Value Added). Unemployment in Cardiff was 4.5% in March 2013. The recession has caused the loss of approximately 4,700 jobs in 2008-2010, however Cardiff has one of the highest percentages of high growth firms in the UK in 2002-2010.

The Capital City forms the focal point of the Cardiff Capital City Region which combines the ten Local Authorities of South East Wales, ranging from the Severn Bridges in the east to Swansea in the west and northward to the Heads of the Valleys Trunk Road.

Cardiff provides the administrative, political and commercial centre for the City Region with the linear nature of the valleys and coastal belt helping to reinforce the 'hub' nature of the City Centre in a regional context. Cardiff has recently joined as the tenth member of Core Cities UK.

There are a number of emerging policies in Wales which take a wider perspective and which will put Cardiff at the centre of economic development policy in the years to come. The emerging policy of 'City Regions' has seen a board appointed to consider matters of governance and investment priorities. The Sir Paul Williams review on local Government reorganisation set out recommendations in January 2014 for a reduction in the number of Local Authorities from the current 22 to 10-12 Councils, with a proposal that Cardiff merges with The Vale of Glamorgan Council.

Additionally, we have seen an on-going programme of planning reform which seeks to establish a National Planning Framework (NPF) as well as a Strategic Development Plan (SDP) for the Cardiff Capital City Region (together with SDPs for Swansea Bay and the A55 corridor).

Other national policy frameworks including The Wales Infrastructure Investment Plan (WIIP) and Dr Grahame Guilford's independent review of EU structural funds 2014-2022, which recommended the development of an 'economic prioritisation framework' for Wales.

The EU Assisted Areas were revised in July 2014 and these have been extended within Cardiff to include a greater portion of the City Centre. This was agreed because the Central Cardiff Enterprise Zone had been established over 140 acres of the City Centre, located both north and south of the Central Train Station.

There are significant infrastructure works proposed over the next 10 years with the most important being:

- **Main Line Rail Electrification** – the UK Government has committed to the electrification of the main line between London Paddington and Cardiff Central, although it has been reported in the press that the price has recently increased from c.£1 billion to £1.6 billion. In addition, there has been agreement to extend electrification westward to Swansea and northward into the Valleys although there remains a dispute as to who will eventually pay for this additional investment.
- **Metro** – allied to the electrification of the Valleys lines, the Metro project has been developed as a transport and regeneration project. This report outlined how an integrated transport network could help create a cohesive City Region and looks to provide an enhanced network using rail, light rail, trams and bus rapid transport to encourage higher density development and regeneration around Metro stations.
- **M4 Relief Road** – in November 2013, the Brynglas Tunnels were identified by the Prime Minister as a "... foot on the windpipe of the Welsh Economy" and funding powers were granted to Welsh Government of c. £500 million. In July 2014, the Business Minister announced that the 'black route' had been chosen with construction due in the period 2018-2022. There has been a lobbying campaign against this route and it is possible that an Inquiry will be required to confirm the route.
- **Extension to Peripheral Distributor Road (PDR)** – the contract has been placed for the construction of a one mile stretch of the PDR between the Queen's Roundabout at the southern end of the Central Link Road and the Docks entrance adjacent to the heliport. This will remove congestion within Ocean Park but will highlight the need for further investment to complete the eastern bay link in order to complete the PDR.

All of the above infrastructure projects will be of significant benefit to Cardiff, with mainline electrification and the M4 Relief Road having the most impact in terms of growing economic development within Cardiff. By contrast, the Metro is all about improving communications and spreading wealth within the city region. It is therefore a project which should take place after the improvement to external communications as it will not necessarily be as impactful in terms of improving GDP.

2.3 Investment Market Overview

The last twelve months have seen a significant improvement in the investment market for commercial property. In part this has been fuelled by an increase in available funds for investment and also a shift away from London and the South East, which is now considered by many property investors to be overheated and not offering the same value as stronger regional markets.

The office sector has been the strongest performer in Cardiff with c. £200 million of transactions undertaken in the past twelve months. Cordea Savills acquired Belmont House, Legal & General acquired Hodge House and Fidelity bought Fusion Point II. There has also been an influx of overseas capital with Crickhowell House acquired by Kuwait investors and Willcox House, Celtic Gateway sold to Hong Kong based investors.

Prime yields remain stable at 5.75%-6.5% whilst good secondary yields are in the region of 7.5-9% with secondary/tertiary yields at 10%+.

In the retail sector, we have seen a strong level of demand for well let retail investment properties in Cardiff City Centre with, for example, the TK Maxx investment on The Hayes selling at 5.75% net initial yield and 63/77 Queens Street (Topshop, Topman, Zara and River Island) sold at 5.6% net initial yield.

The hotel and leisure sector has also been active over the past 18 months with investors looking for alternatives to the core property sectors due to competition, the lack of traditional stock and the availability of longer term lease commitments, often with index linked rent reviews. For example, the leisure complex on Mary Ann Street (including Cineworld and Gala Casinos) sold for £19 million reflecting 6.89% whilst Novotel on Atlantic Wharf and the Ibis Hotel on Tyndall Street sold for 6.5% and 5.5% respectively.

In summary, the weight of money from institutional investors remains strong and this should support pricing for the next six months. However, the UK General Election may create some uncertainty in this regard. To date, there has been a substantial risk premium between prime and secondary investments however, this margin should reduce over the next two years as the outlook improves.

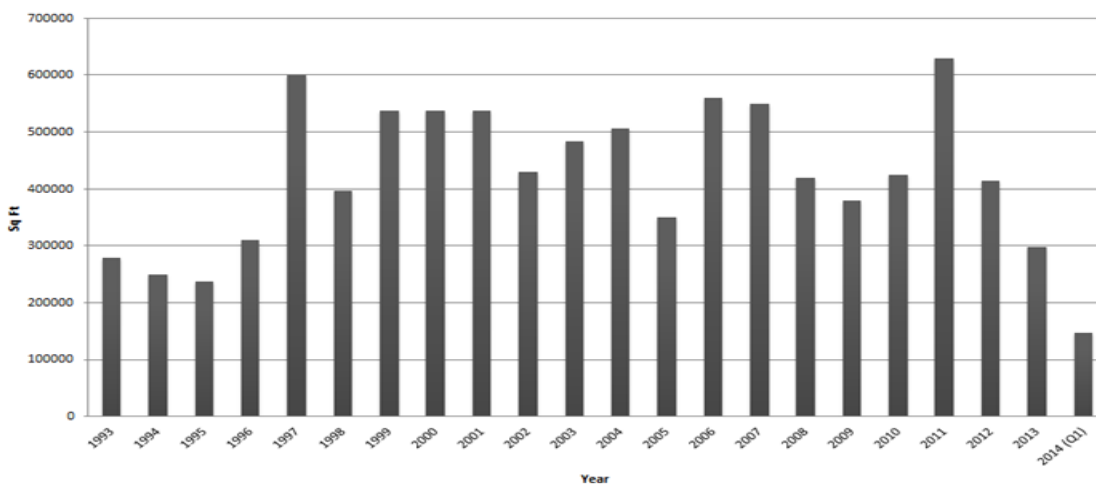
Alternative investment sectors, including student accommodation, healthcare and hotels have all grown in popularity however; the key criteria remain the investment fundamentals of covenant, lease length and rental.

2.4 Occupational Markets

There has been some concern that the occupational markets have lagged behind the investment markets.

Offices: - Cardiff office take-up was strong in Q1 2014, in part due to a disappointing year end in 2013. It is, however, unlikely that 2014 will see take-up see the long term average of 400 sq ft per annum.

Office Take-Up – Cardiff 1993-2013



The key Grade A transactions relate to ITV and Welsh Government's Life Science Hub, who collectively acquired 23,000 sq ft at 3 Assembly Square. In October 2014, Alert Logic moved into No.1 Capital Quarter whilst Finance Wales and Balfour Beatty were other occupiers to be attracted to this building.

JR Smart has announced plans to construct a further 85,000 sq ft at Capital Quarter whilst Rightacres has confirmed the speculative development of 135,000 sq ft at The Central Square scheme, fronting the River Taff. BBC Wales has confirmed Capital Square as its preferred location for a new 150,000 sq ft headquarters building which will involve a very significant IT fit-out. The other occupier enquiry which has dominated recent news coverage is that of Deloitte which may confirm the transfer of 500 back-office jobs from London to Cardiff, mirroring a similar announcement recently made in favour of Belfast.

There remains a critical mass of occupier enquiries for Central Cardiff Enterprise Zone combining both inward investment projects and relocation requirements, including Legal & General, Blake Morgan and Geldards.

Industrial: - In the industrial markets, there has been relatively little activity over the last 7 years due to the economic downturn. However, there is now increased demand across the distribution and manufacturing sectors together with related sectors including trade counter and energy.

In the distribution sector, Aldi stores have secured Planning Consent to develop a 450,000 sq ft Regional distribution centre (RDC) on 35 acres of land acquired by them in 2005 on Capital Business Park, Wentloog.

There has also been an upturn in interest from parcel carriers and other internet related businesses. In 2012, UPS acquired 45,000 sq ft in Wentloog (the former Maskreys warehouse) whilst DHL and Smiths News both upgraded their premises elsewhere along the M4 corridor. DPD Geopost has an outstanding requirement for an 80,000 sq ft cross dock distribution warehouse and is currently considering a site in Wentloog.

As previously noted, Viridor has completed a waste to energy incinerator plant in Trident Park which has the capacity to handle 350,000 tonnes of commercial and domestic non-hazardous waste whilst Pinewood Studios Wales acquired the Wentloog Energy Centre.

At the smaller end of the market, occupancy levels remain high on multi-let industrial estates in both private and public ownership. There is certainly latent demand for additional accommodation, particularly with flexible lease terms and cost effective rents.

3 Planning Context

3.1 Policy overview

Cardiff City Council has reached the final stages of adoption in the preparation of the statutory development plan. The Deposit Local Development Plan (LDP) (September 2013) is timetabled to be reviewed in the Examination Hearings with the Planning Inspectorate for January 2015. The expected adoption date for the Deposit LDP is late May 2015. Therefore, for the purposes of this report, the portfolio of assets identified for disposal or alternative uses would be assessed using the Deposit LDP.

The Vision

The Deposit LDP vision is: 'By 2020...Cardiff will be a world class European capital city with an exceptional quality of life and at the heart of a thriving city-region.'

Cardiff Council has set strategic outcomes that, if achieved would realise the above vision. The outcomes are:

- People in Cardiff are healthy;
- People in Cardiff have a clean, attractive and sustainable environment;
- People in Cardiff are safe and feel safe;
- Cardiff has a thriving and prosperous economy;
- People in Cardiff achieve their full potential;
- Cardiff is a great place to live work and play;
- Cardiff is a fair, just and inclusive society; and
- Cardiff has a thriving and prosperous economy.

The Cardiff Context

Cardiff has the Central Cardiff Enterprise Zone (CCEZ) (identified in figure 1 below) created to incentivise public sector investment, to entice and prioritise this type of investment to Cardiff.

Figure 1 – Central Cardiff Enterprise Zone (CCEZ)



Inward investment trends are improving but continue to trail other leading core cities. The city centre and Cardiff Bay remain the principal office locations complemented by out of centre sites. However, Cardiff lacks a large supply of Grade A office space and the Deposit LDP supports the on-going regeneration of the Bay Business Area, including Mount Stuart Square.

The total industrial stock in Cardiff is approximately 19.2 million square feet and mainly concentrated in the south/eastern area of the city. There is an impression of ageing portfolio with only 6.1% of the stock is less than 5 years old.

Cardiff city centre is the main shopping centre for South East Wales and is ranked the 6th top retail centre in the UK. The development of the extension to St. David's Shopping Centre has significantly boosted the service sector employment and helped achieve this ranking.

The leisure and tourism sector also generates significant economic and cultural benefits for the city. The aspiration is to provide a new conference centre within the city centre, demonstrates the Council's support to continue to develop this sector of the economy.

In summary, the strategic goals of the Deposit LDP are as follows:

- To respond to evidenced economic needs and provide the necessary infrastructure to deliver development;
- To respond to evidenced social needs;
- To deliver economic and social needs in a co-ordinated way that respects and enhances Cardiff's environment; and
- To create sustainable neighbourhoods that form part of a sustainable city.

Relevant Deposit LDP Policies

The core economic policies in the Deposit LDP that will deliver these strategic objectives are below:

Policy EC1 (Existing employment land) seeks to protect the city's existing employment areas, outside of the Central and Bay Business Areas, to be protected for B Use Class employment generating uses, together with ancillary or complementary uses referred to in policy EC2.

Policy EC2 (Provision of complementary facilities for employees in business, industrial and warehousing developments) sets out that the provision of open space, public realm, leisure, food and drink, and child-care facilities will be appropriate in office, industrial and warehousing developments, provided the facility is of an appropriate scale and nature, intended primarily to meet the needs of workers in the vicinity, therefore not attracting significant levels of visitor traffic into the area, or exacerbating existing traffic conditions.

Policy EC3 (Alternative use of employment land and premises) is extremely important when assessing alternative use of business premises. The following criteria must be addressed and met to be permitted:

- "i. The land or premises are no longer well-located for business, industrial or warehousing use; or*
- ii. There is no need to retain the land or premises for business, industrial or warehousing use, having regard to the demand for such land and premises and the requirement to provide for a range and choice of sites available for such use; and*
- iii. There will be no unacceptable impact on the operating conditions of existing businesses."*

Policy EC4 (Protecting offices in the Central and Bay business areas) states that the alternative use of offices in the Central and Bay business areas will only be permitted where it can be demonstrated that there is no need to retain the site or premises for office use, having regard to the demand for offices and the requirement to provide a range and choice of sites available for such use.

3.2 How the portfolio can meet the strategic goals of the LDP

The Council is to effectively respond to the role as capital city of Wales, where National Government sits, providing a range of economic opportunities to drive forward the prosperity in the region.

The Deposit LDP identifies that the city centre must remain the major retail and cultural destination as a place to work, visit and live. In addition, the regeneration of Cardiff Bay must continue, maximising opportunities for commercial and other forms of development.

The Deposit LDP has identified the following specialist sectors and research & development to be promoted:

- ICT;
- Energy and environment;
- Advanced materials and manufacturing;
- Creative industries;
- Life sciences; and
- Financial and professional services.

The policies contained within the Deposit LDP seek to provide a range and choice of employment land / premises to create growth and attract inward investment.

Recommendations

In order to deliver and meet all of the strategic objectives and policies of the Deposit LDP, Cardiff Council Economic Development Department should have a mechanism in place to consult with Strategic Planning Policy and Development Control officers, prior to disposing of any Cardiff Council owned assets.

It is also recommended that for assets of significant importance that a planning brief would be prepared to assist developers / purchasers and to ensure that the aspirations of the Deposit LDP are met.

A joined up approach, with good communication between all relevant departments is vital in meeting the vision of the Deposit LDP.

4 Portfolio Review

4.1 Methodology

Following our appointment, a project initiation meeting was held with the Council on 19th September to discuss the proposed methodology and establish the property data required. Present at the meeting were Messrs Neil Hanratty, Charles Coates and Steven Watkins from the Council and Chris Sutton, Martin Little and Paul Tarling from JLL.

We agreed the broad scope of the review and the materials/information that would be required. The Council subsequently provided a number of spreadsheets detailing the properties within the portfolio from which we have produced a composite version for the purpose of the review.

We were also provided with a copy of a review of the non-operation estate that the Council prepared in 2012:

- A copy of a review produced by Savills in 2013 in respect of the workshop estate;
- A chart detailing the Council Senior Management structure dated 1st April 2014;
- A document detailing the structure of the Economic Development Service Area; and a plan showing the location of the assets.

As agreed in the initial meeting, the first week was spent in assembling and reviewing the available information to categorise the properties in order to produce a definitive schedule. Martin Little and Paul Tarling also met with Steven Watkins again on 22nd September in order to better understand aspects of the estate management structure.

Chris Sutton held a separate meeting with the Leader of the Council on 25th September to listen to his perspective on the issues.

In the second week, Martin Little and Paul Tarling viewed a representative sample of the properties within the portfolio and we completed a desk top study of the available information.

Chris Sutton, Justin Millett, Martin Little and Paul Tarling met with Steven Watkins and Steven Myers from the Council again on 6th October to review the property categories and discuss our initial thoughts. The remainder of this week was spent reviewing our initial conclusions and finalising our recommendations.

We began compiling the report the week commencing 13th October with several iterations being necessary in the light of additional information received with regard to the base property data.

4.2 The composition of the portfolio and sector categorisation

The investment portfolio is a legacy estate rather than one which has been consciously constructed as part of a proactive investment strategy and is typical of most local authority property assets. It comprises 565 properties (including 143 industrial units on 9 workshop estates) which the estates team divide into 10 generic classifications.

Tables showing a breakdown of the classifications are set out below and a copy of the composite schedule and summary data can be found at Appendix 1-8.

Generic Classification	Number of Properties	Outstanding Rent Reviews *	Outstanding Lease Renewals*
Rack rent shops	84	34	19
Ground rent shops	51	10	1
Commercial Properties (mainly city centre)	18	3	0
Pubs and Clubs	25	7	2
Hotels	6	1	0
Industrial Ground Leases	96	24	2
Workshops	143 units on 9 estates	0	15
Community Assets	54	23	10
The Central Market	1	0	0
Other Properties	83	21	16
Total	561	123	65

For the purpose of the review we have broken these generic classifications down into 25 separate sub categories as follows:

Sub Category	Number of Properties	Outstanding Rent Reviews*	Outstanding Lease Renewals*
Advertising	2	2	0
Agricultural	4	3	1
Army Cadet facility	1	0	1
Arts, performance and entertainment facilities	4	3	1
Car parking	12	1	1
Care homes and hostels	15	6	2
Church and associated premises	5	2	0
Community centre	9	2	2
Education and training	6	0	1
Garage	4	2	3
Heliport	1	1	0
Hotel	6	1	0

Sub Category	Number of Properties	Outstanding Rent Reviews*	Outstanding Lease Renewals*
Indoor Market	1	0	0
Land	11	5	2
Licensed and Leisure	25	7	2
Light Industrial	89	21	1
Museum	1	0	0
Offices	11	1	1
Residential	13	0	0
Retail (including mixed use)	143	46	20
Scout associated land and buildings	19	10	5
Small business workshop	143 units on 9 estates	0	15
Sport associated facility	22	6	4
Storage Premises	2	1	1
Utilities associated buildings and infrastructure	12	3	2
Total	561	123	65

* It should be emphasised that the apparently large number of outstanding lease events (rent reviews and lease expiries) is not untoward and there are often similar levels of outstanding events in private sector portfolios.

There are many reasons why events are not actioned which will include properties where the rent is already in excess of current market value with little prospect of an uplift or where only a minimal increase can realistically be expected. We have examined the circumstances of each event and while there are a number that need to be resolved we are satisfied that there are good reasons for the majority.

In these circumstances it is often prudent to leave the event outstanding in lieu of future negotiations. It should also be noted that many of the outstanding events relate to community type assets which we understand are considered by the Council to be a low priority in view of the availability of resources.

The key data and our observations in respect of the various components of the portfolio are set out below:

Rack Rent Shops



Location/Property Type

The majority of these properties are post war retail parades in suburban locations serving residential estates.

Tenant Profile

The tenants are predominantly independent traders. There is limited prospect of increasing the quality of the tenant mix or attracting national multiples with voids and empty rates liability likely to be an ongoing problem.

Number of Properties

84

Rental Income

Gross = £493,636 per annum
Net = £61,025 per annum

Annual Expenditure

£382,851 (business rates, maintenance and security)

Maintenance Backlog

£883,900

Outstanding Lease Events

34 rent reviews
19 lease expiries

Other Management Issues

The shops are all let on internal repairing leases with the Council retaining responsibility for external repairs. These properties account for the majority of the estates department annual maintenance budget and are in need of significant investment.

The nature of the tenant profile and the leasehold structure requires a disproportionate amount of officer time to deal with management issues, relative to the amount of rental income received.

Market Context

Generally secondary/tertiary, multi-let neighbourhood shopping parades, let to smaller local businesses on tenant's IRI leases.

Potentially saleable but management intensive and with a current high level of irrecoverable costs. Gross income is £493,636 pa with a net income of only £61,025 pa, however value will in some instances be underpinned by vacant possession value.

A period of intensive asset management and preparation (say, 3-6 months) required prior to marketing to present the properties in their best light and to identify/understand any redevelopment potential. To achieve best value it may be necessary to demonstrate that a higher level of net rent is achievable.

Target purchasers are often more difficult to identify for this type/quality of retail stock.

Recommended methods of sale would be private treaty, auction or a portfolio sale, in whole or part.

Whilst owner-occupier sales could be considered, this would be management and time intensive. It would lead to split ownerships in parades, creating future management issues.

We recommend that the minimum lot size is individual parades unless there are special circumstances.

If sold, restrictions could be placed on the tenure in terms of future use or redevelopment, with claw-back or profit share provisions, but this is likely to impact on value.

Conclusions

Attached as an Appendix is a copy of a JLL report that forms part of an ongoing retail research programme - the Retail 2020 Study. "The New Retail Rulebook: 5 Key Lessons from the Future" is the latest release from the study, launched in May 2010 with the aim of identifying key trends that are rapidly changing the global retail landscape. The report covers all factors expected to impact the retail sector by 2020, across the full spectrum of economic, technological, demographic and cultural changes. The findings have been shaped by numerous client and retail industry meetings including expert interviews, data-mining and a top table Think Tank.

We draw your attention to remarks on pages 18-20 regarding weak secondary and tertiary retail locations which are, in effect, becoming obsolete. In our view, the rack rent shops fall within this category. They are a deteriorating asset and a significant drain on management time and resources.

Notwithstanding this, we appreciate that there will be political concern regarding the need to support "convenience" retail for the benefit of local communities in some locations. However; in the face of changing market dynamics we do not believe that there is sufficient justification for retaining these assets as part of an investment portfolio with the exception being those properties identified within the schedule as being part of a proposed redevelopment scheme (e.g. Beechley Drive and Maelfa).

Where market requirements and conditions permit however, consideration could be given to the development of 'investment quality' convenience retail facilities which are more appropriate to modern needs.

Recommendations

Sell these assets - with exceptions for regeneration purposes only.

Ground Rent Shops



Location/Property Type

These properties are a mixture of suburban retail parades and individual shop units, some of which are mixed use with residential accommodation above.

Within this category are a number of city centre properties.

Tenant Profile

The tenants are predominantly independent traders but there are also a number of good quality national multiples including Lloyds Pharmacy, Greggs, William Hill and BHS.

Number of Properties

51

Rental Income

Gross = £52,326 per annum

Net = £33,154 per annum

Outstanding Lease Events

10 rent reviews

1 lease expiry

Other Management Issues

None.

Market Context

Ground rents are, generally, highly sought after investments. Investors consider ground leases to provide very secure income with the prospect of a significant reversion on expiry, with values enhanced where there are regular ground rent reviews.

Very marketable interests in their current form and would achieve strong capital values, albeit there is a range of prime to tertiary properties which influences value.

The longer these assets are retained the higher the capital value, however long leasehold ownership dis-incentivise tenants for investing in their property as their unexpired lease term erodes.

Recommended methods of sale would be private treaty or auction and the properties would be suited for a portfolio sale in whole or part. These are however long term interests and a considered, strategic approach can be taken to any sales programme.

Lease restructuring to provide revised (e.g. widened user provisions) or longer lease terms in return for a rebased ground rent or a premium can also be considered.

If sold, restrictions could be placed on the tenure in terms of future use or redevelopment, with claw-back or profit share provisions, but this is likely to impact on value.

Conclusions

With the exception of one property, all are let on long term leases.

They require very little in terms of management resources or capital expenditure and therefore represent a good passive investment.

Recommendations

Retain – consider individual disposals on a case by case basis.

Commercial Properties



Location/Property Type	These properties are predominantly located in the city centre and comprise office, retail, mixed use premises and car parking.
Tenant Profile	The tenants are generally of high quality including strong retail covenants such as Marks & Spencer, Boots, Tesco and Toys R Us together with major investor/developers including Land Securities and Capital and Regional.
Number of Properties	18
Rental Income	Gross = £1,368,620 per annum Net = £1,363,101 per annum
Outstanding Lease Events	3 rent reviews
Other Management Issues	Other than lease events management input is minimal.
Market Context	<p>Core strategic assets predominately in the city centre and include offices, retail, mixed use premises and car parking.</p> <p>Generally prime to secondary assets, with secure income, which are readily saleable and would create strong investor interest.</p> <p>There is minimal management or irrecoverable costs. These assets are a strategic hold unless there are special circumstances, or a significant capital receipt is required.</p> <p>Recommended methods of sale would be individual private treaty or a portfolio sale in whole or part.</p> <p>If sold, restrictions could be placed on the tenure in terms of future use or redevelopment, with claw-back or profit share provisions, but this is likely to impact on value.</p>
Conclusions	These properties represent the strongest assets in the portfolio both from an income perspective and in terms of their strategic location.
Recommendations	These properties should be retained as a strategic investment.

Pubs and Clubs



Location/Property Type	<p>The majority of these properties are in suburban locations or on arterial roads and vary widely in age and type of building.</p> <p>Three properties are located in the city centre.</p>
Tenant Profile	<p>Most pubs are let to established national pub operators such as S.A. Brain, Greene King, Eldridge Pope and Punch Taverns, all of whom are good quality tenants with a strong covenant.</p> <p>The remainder are mainly let to local sports clubs and private members clubs.</p>
Number of Properties	25
Rental Income	<p>Gross = £370,934 per annum Net = £362,510 per annum</p>
Outstanding Lease Events	<p>7 rent reviews 2 lease expiries</p>
Other Management Issues	Other than lease events management input is minimal.
Market Context	<p>A mixture of ground leases and occupational leases.</p> <p>Good secondary to tertiary units let to a mixture of national and local operators.</p> <p>Some management obligations but relatively low irrecoverable costs and these assets are a good, strategic hold unless there are special circumstances, or the Council requires a capital receipt.</p> <p>Recommended methods of sale would be individual private treaty, auction or a portfolio sale in whole or part.</p> <p>There are a number of active occupational requirements in leisure sector at it may be possible to improve the strength of tenant line-up.</p> <p>Given the location and age of some of these assets they could be suitable for redevelopment either for the existing or alternative, higher value uses and this would require careful consideration.</p> <p>If sold, restrictions could be placed on the tenure in terms of future use or redevelopment, with claw-back or profit share provisions, but this is likely to impact on value.</p>
Conclusions	Only three of these properties are strategically important in terms of location being city centre premises however, as a portfolio, they

represent a strong investment proposition requiring minimal management input.

Recommendations

Retain – selective sales where a strong business case can be established and/or where development opportunities arise.

Hotels



Location/Property Type	All but two of these properties are strategically important in terms of location being city centre premises. The remaining two are in suburban locations.
Tenant Profile	All tenants are recognised national or international brands such as Holiday Inn, Marriott or Ibis.
Number of Properties	6
Rental Income	Gross = £273,774 per annum Net = £271,450 per annum
Outstanding Lease Events	1 rent review
Other Management Issues	These are all held on long leasehold interests and, other than lease events, management input is minimal.
Market Context	<p>Good quality prime/secondary hotel ground rent investments that would be highly sort after.</p> <p>These properties offer secure income with the prospect of a significant reversion on expiry, with values enhanced where there are regular ground rent reviews.</p> <p>Marketable interests in their current form and would achieve strong capital values.</p> <p>The longer these assets are retained the higher the capital value. However long leasehold ownership potentially dis-incentivises tenants from investing in their property as the unexpired term erodes.</p> <p>Recommended methods of sale would be private treaty or auction and the properties would be suited for a portfolio sale in whole or part. These are however long term interests and a considered strategic approach can be taken to any sales programme.</p> <p>Given the age of the buildings and unexpired lease terms these are prime sites for redevelopment either for existing or alternative uses.</p> <p>Individual sales to tenants could be explored and lease restructuring to provide revised (e.g. widened user provisions) or longer lease terms in return for a revised ground rent or a premium can also be considered.</p> <p>If sold, restrictions could be placed on the tenure in terms of future use or redevelopment, with claw-back or profit share provisions, but</p>

this is likely to impact on value.

Conclusions

We view these properties in the same category as the 'commercial properties' and for the same reasons we regard them as a good investment proposition.

Recommendations

Retain.

Industrial Ground Leases



Location/Property Type	The industrial ground leases are not strategically important in terms of location and mainly comprise multi-unit clusters in the Hadfield Road area although there are also some isolated sites.
Tenant Profile	There is a mix of local and national covenants as tenants. There are however a significant number of national companies including Jewson, Evans Halshaw, Hyder, Speedy Hire, Robert Price, ATS Euromaster, Booker Cash & Carry and Railtrack.
Number of Properties	96
Rental Income	Gross = £966,699 per annum Net = £937,070 per annum
Outstanding Lease Events	24 rent reviews 2 lease expiries
Other Management Issues	These properties require a relatively low management input however; many of them are on a 5 yearly review pattern so an efficient letting strategy with timely management of lease events is essential to maintain the quality of the income stream.
Market Context	<p>Ground rents are, generally, highly sort after investments. They provide secure income with the prospect of a significant reversion on expiry, with values enhanced where there are regular ground rent reviews.</p> <p>Very marketable interests in their current form and would achieve strong capital values, albeit there is a range of prime to tertiary properties which influences value.</p> <p>The longer these assets are retained the higher the capital value, however long leasehold ownership does potentially dis-incentivise tenants for investing in their property as their unexpired lease term erodes.</p> <p>Recommended methods of sale would be private treaty or auction and the properties would be suited for a portfolio sale in whole or part. These are however long term interests and a considered strategic approach can be taken to any sales programme.</p> <p>There is less rationale for industrial ground rents to be aggregated together for future strategic goals and therefore individual sales could be considered.</p> <p>Consider lease restructuring to provide revised (e.g. widened user</p>

provisions) or longer lease terms in return for a rebased ground rent or a premium can also be considered.

If sold, restrictions could be placed on the tenure in terms of future use or redevelopment, with claw-back or profit share provisions, but this is likely to impact on value.

Conclusions

These ground leases represent a strong investment portfolio however consideration should be given to actions which would reduce the level of management input required.

This can be achieved by offering longer leases either in exchange for a premium payment or with fixed rental increases to RPI or CPI indexation, or by widening the review periods in exchange for a higher rent or premium.

Recommendations

Retain – selective sales where a strong business case can be established and/or where development opportunities arise.

Workshops



Location/Property Type

The majority of these estates comprise purpose built estates consistent with this type of use and are of reasonable quality. Douglas Buildings, Royal Stuart and Ely Brewery Workshops are however former warehouse and industrial buildings which have been subdivided to create work shop space.

Douglas Buildings and Royal Stuart Workshops have been provisionally identified as strategically important sites as part of an ongoing master planning study for Cardiff Bay.

The Willowbrook estate, St Mellons offers modern technology workspace / office premises and, in our view, represents the best of the workshop portfolio.

Tenant Profile	These properties are predominantly let to local and regional businesses and start-up businesses.
Number of Properties	9 estates comprising 143 units
Rental Income	Gross = £585,492 per annum Net = £395,796 per annum
Annual Expenditure	£174,719
Maintenance Backlog	£351,100
Outstanding Lease Events	15 lease expiries

Other Management Issues

The management of the workshop estate is somewhat convoluted as a result of the division of responsibility between Estates and Economic Development. We appreciate that this structure has evolved to accommodate internal budgetary requirements however, from a management perspective it is unsatisfactory.

Good estate management practice requires transparency in regard to property budgets where the relationship between income and costs can be fully considered.

The arrangement that currently exists provides Economic Development with all the benefits in terms of the net income while Estates are left with all the liabilities including a substantial maintenance burden as the workshops are let on internal repairing terms.

Market Context

Generally good secondary/tertiary multi-let estates which provide smaller (- 5,000 sq ft), starter industrial/workshop units, predominantly let to smaller local businesses.

Saleable but management intensive and with a relatively high level of

irrecoverable costs. The gross income is £585,492 per annum against a net income of £395,796 per annum; however the value will be underpinned by vacant possession value.

A period of intensive asset management (3 months) is recommended prior to marketing to present the properties in their best light and to identify/understand any redevelopment potential.

To achieve best value it would be necessary to demonstrate that a higher level of net rent is achievable.

There are a number of active investor requirements for multi-let industrial investments. Recommended methods of sale would be private treaty or auction and the properties would be well suited for a portfolio sale in whole or part.

Whilst owner-occupier sales could be considered this would be management and time intensive and would lead to split ownerships on estates, creating future management issues and having a negative impact on investment value. We recommend that the minimum lot size is individual estates unless there are special circumstances.

Across South Wales, there is a track record of public sector industrial estates being sold with the WDA asset sales of the 1990's to the likes of Ashtenne, IO Group, TBI and Hodge Properties involving over fifteen million sq ft of floor space. In addition, local authorities have sold off all or part of their workshop estates including RCT Council to Valad and Caerphilly to Ashtenne.

There has been no significant impact upon job creation as the private sector purchasers have worked hard to maintain full occupancy. The key aspect in terms of job creation is the initial development of the scheme and, arguably, if the Council KPI was job creation then the most effective route forward would be to sell the existing workshops and recycle the money into new schemes.

The sales programmes above have however highlighted the risk of estate fragmentation in terms of a purchaser selling off individual units with a detrimental impact on estate management. This can be avoided by disposals on a ground lease basis which would also protect against redevelopment (e.g Gabalfa Workshops).

Conclusions

We note the Council offers workshop units as a facility for start-up and small business occupiers as part of the economic development remit. In our opinion, the subject units would still be available in the market if sold to the private sector and this is, therefore, not a justification for retaining the status quo.

Recommendations

Sell these assets – except Douglas Buildings & Royal Stuart Workshops pending Cardiff Bay review.

Community Assets



Location/Property Type	The properties that fall within this classification are diverse comprising such assets as community centres, scout halls, care homes and sporting facilities.
Tenant Profile	There are no tenant names identified for these properties within the schedule but their specified use indicates the nature of tenants which are in the main community groups or organisations that serve this purpose.
Number of Properties	54
Rental Income	Gross = £107,838 per annum Net = £91,861 per annum
Outstanding Lease Events	23 rent review 10 lease expiries
Other Management Issues	The large number of outstanding lease events clearly indicates that there are management issues in dealing with these properties. This is probably exacerbated by the sensitivities of dealing with non-commercial tenants for which we would expect there to be significant political interest.
Market Context	<p>Community related properties including scout huts, sports facilities and community centres.</p> <p>These are unlikely to have significant commercial value in their existing use, however if suitable for redevelopment, significant capital receipts could be achieved.</p> <p>We have not recommended that these assets are sold to investors or developers unless there are special circumstances. Please refer to our section on alternatives methods of ownership.</p> <p>Recommended method of sale would be auction or private treaty once the alternative use potential has been fully explored.</p> <p>If sold, restrictions could be placed on the tenure in terms of future use or redevelopment, with claw-back or profit share provisions, but this is likely to impact on value.</p>
Conclusions	<p>These are clearly not investment quality assets from a commercial perspective and their inclusion within the investment portfolio is difficult to justify from this viewpoint. Nevertheless, the socio economic role that they play within the life of the city is not something that can easily be dismissed.</p> <p>We have considered very carefully whether divesting these assets would be a rational decision but it is difficult to see how they could</p>

be owned by anybody other than the public sector or possibly a third sector body or organisation.

The contribution to net rent is not insubstantial although the management of lease events is clearly an issue which may be attributable to the fact that they are “community assets” and therefore a low priority when it comes to the pursuit of rental increases?

The classification of a property as a community asset should not preclude the recovery of rent or pro-active management of lease events on market terms. If rents were ring-fenced for return to community benefit then it is entirely possible that the management of this element of the portfolio could be self-financing.

Consideration should be given to an alternative structure for holding and managing these particular assets which reflect their unique position, possibly through a community asset transfer, community trust or similar venture.

Recommendations

Retain due to community benefit. Consider alternative ownership model such as a community asset transfer.

Central Market



Location/Property Type

Central Market is a late Victorian building located in the city centre.

Tenant Profile

There are no tenant names identified for the individual stall holders however we assume that the nature of this property means that they will all be independent traders.

Number of Properties

1

Rental Income

Gross = £209,000 per annum
Net = £161,960 per annum

Maintenance Backlog

£176,100

Outstanding Lease Events

There are no tenancy agreements.

Other Management Issues

Indoor markets often represent a difficult challenge from a management perspective primarily due to the landlord/tenant relationship which is often fractious requiring a disproportionate amount of officer time.

We understand that the Council has recently commissioned an independent study into the operation of the market that will examine the issues and serve as a "health check".

Of particular concern is the fact that there are no regular tenancy agreements, an uncomfortable position for the Council to be in as a landlord.

Market Context

Very management intensive and with a relatively high level of irrecoverable costs. The gross income is £209,000 per annum with a net income of £161,960 per annum.

There are likely to be political sensitivities however, if declared surplus, we anticipate that there would be demand from specialist operators as a going concern.

The recommended method of sale would be targeted private treaty. If sold, restrictions could be placed on the tenure in terms of freehold/ground lease or claw-back or profit share provisions. These measures would however impact on value.

Conclusions

Central Market represents a unique asset in terms of the retail offer for the City however it requires significant investment and management issues are understood to be time consuming and a significant drain on resources.

The management of market premises is a specialist discipline and consideration should be given to outsourcing the running of the market to a private management company on terms which would encourage capital investment.

Steps should also be taken to regularise the position in respect of tenancy agreements and bring all stall holders into a modern tenancy structure, which is conducive with good management practice.

Recommendations

Retain – consider alternative management arrangement.

Other Properties



Location/Property Type	The properties within this part of the portfolio are those that don't fit comfortably within the generic categories set out above and include some of the more unusual assets such as advertising, electricity sub stations, gas governors and agricultural type properties.
Tenant Profile	There are no tenant names identified for the individual properties within the schedule.
Number of Properties	83
Rental Income	Gross = £230,621 per annum Net = £203,896 per annum
Outstanding Lease Events	21 rent reviews 16 lease expiries
Other Management Issues	We understand that the Council is currently in discussion with a private sector company regarding the leasing of advertising space throughout the city. As such this warrants a specific sub category as it will undoubtedly form an important component of the strategic investment portfolio in the future.
Market Context	<p>A mixture of miscellaneous property which does not fit the generic categories including advertising, electricity substations, gas governors, agricultural properties, car parking residential units and care homes. Some of these assets have limited commercial value.</p> <p>A high level of irrecoverable costs. The gross income is £230,621 per annum with a net income of only £203,896 per annum.</p> <p>Care Homes/Hostels – A mixture of occupational and ground leases. Would have commercial value to operators or investors.</p> <p>Recommended method of sale would be auction or private treaty. A sector specialist may be required to advise on sales with vacant possession or subject to occupational leases.</p> <p>Residential – Predominantly ground leases which could be sold readily as a portfolio or to individual tenants unless there is any rationale for a strategic hold.</p> <p>Given the location and age of some of these assets they could be suitable for redevelopment either for the existing or alternative, higher value uses and this would require careful consideration.</p> <p>If sold, restrictions could be placed on the tenure in terms of future use or redevelopment, with claw-back or profit share provisions, but</p>

this is likely to impact on value.

Conclusions

As with community assets, many of these properties are such that they should stay within public sector ownership. However, some including a number of residential properties and garages, contribute little to the overall net rent serving no strategic purpose and may be considered for disposal on a case by case basis.

The utilities type assets including sub stations, way leaves and gas governors etc are a specialist property type and as such we would recommend that any outstanding or future rent reviews are outsourced to a consultant with the requisite experience to ensure that appropriate levels of rent are being paid.

Residential care homes are also a specialist property asset and again we would recommend that external advice is sought in respect of any outstanding lease events.

Recommendations

Retain – consider disposals on a case by case basis. Specialist advice to be sought in areas such as care homes and utilities.

4.3 Management Review

Properties under management

By its nature a local authority estate often contains a number of high quality income producing properties balanced against a number that are not prime investment quality. The latter may be held for economic regeneration purposes, community benefit or as a legacy of operational need such as gas governors, way leaves and electricity sub stations etc. These types of property often represent a significant burden in terms of management time and/or financial resources. This is a particular problem in view of the current constraints on local authority budgets and therefore part of the rationale for this review.

The investment portfolio within the ownership of Cardiff City Council is therefore typical of local authority estates, combining a range of property across the main commercial sectors together with other specialised uses.

The management of the investment portfolio is the responsibility of the valuation section of the Strategic Estates team. We understand that some management functions, primarily the letting of the workshop units, is dealt with by a different service area which falls under the remit of the Economic Development team. This division of responsibility only relates to lettings with day to day management being the responsibility of "Estates" once a tenancy has been agreed.

It is not unusual to find this type of arrangement in local authority structures where property has a regeneration purpose however; efficient property management is usually achieved through a single management team or structure and we would question the efficiency of this arrangement in relation to the workshop estate.

Structure of Property Management

We have been provided with details of the Strategic Estates team structure which currently comprises a Principal Valuer, two Senior Valuers, two Assistant Valuers, one part time Valuer, one Development Valuer and one Estate Management officer together with a number of support staff.

The team has recently lost two valuers as a result of a reduction in staff and budgetary constraints and this has inevitably put the team under pressure in terms of dealing with the estate, some elements of which are particularly demanding in terms of staff time. Consequently the majority of the Estates team work can be viewed as reactive rather than proactive which is not conducive to maximising the potential of the assets.

Lease Events

The existing team undertake the day to day management as well as professional work. We have noted from the data provided that a large number of lease events appear to be outstanding within the portfolio.

There are 65 outstanding lease expiries on the schedule with a total income in excess of £207,875 per annum. There are 123 outstanding rent reviews (which may also include properties with expiries) with a total income in excess of £1,195,742 per annum. We have commented above on the reasons for many of the outstanding events still being shown as 'live', such as political sensitivity or no prospect of rental uplift. In our experience, it is often pragmatic to leave certain events outstanding in lieu of future negotiations when there is little prospect of any meaningful settlement and the estates team will also be mindful of sensitivities surrounding certain property categories particularly where there is a community interest.

For clarity we have sought to break down the lease events from 2014 until 2019 on a 2 year basis:

- In 2014 and 2015 there are 23 rent reviews (total income £728,570 pa) and 18 lease expiries (total income £75,801 pa).
- In 2016 and 2017 there are 10 rent reviews (total income £214,126 pa) and 6 lease expiries (total income £43,310 pa).

- In 2018 and 2019 there are 16 rent reviews (total income £253,046 pa) and 14 lease expiries (total income £88,741 pa).
- There are therefore 49 rent reviews and 38 lease expiries being a total of 87 events (ignoring outstanding lease events before 2014).

The above lease events include the full spectrum of uses and lease types which are managed by the estates team. In addition there will be potential asset management opportunities.

Estates surveyors deal with general management and professional work which places different priorities on them. We expect that professional work may potentially be put to one side where resource is required on day to day management. If surveyors continue to operate on this basis then it is preferable to allow specialism of particular sectors/uses. This may work where there are clusters of similar property e.g. industrial ground rents or rack rent shops so that surveyors have ownership of their area and have comprehensive knowledge, enabling efficient resourcing internally.

There are particular properties/uses where leases may be better dealt with externally. Where specialist properties are dealt with internally there may not be the required expertise or available market data required to efficiently deal with the lease event or maximise the income. In addition a third party maybe more detached in terms of decision making.

We have not had access to the internal estates database but from our discussions with the estates team it would appear that the systems currently in use do not automatically flag up events as a forward action which would go some way to explaining the problem. However, we suspect that there are also probably insufficient staff resources available for dealing with rent reviews and lease renewals in house.

This is not unexpected as these matters can be extremely time consuming and often require a level of market intelligence on specialist sectors such as pubs, hotels or utilities that would not be readily available to the Estates team. Most private sector property managers would not deal with lease events themselves but would instruct specialist lease advisory consultants.

We know from our own experience that the Council sometimes do this but we recommend this as a standard to achieve the best terms, which maximises the value of the portfolio. Nevertheless, it does require an appropriate level of budget to pay for it and the management systems need to be in place in order to identify the events as they arise.

General Management

The Council retains responsibility for maintenance in respect of a significant number of properties within the investment portfolio however, on the basis of information provided it is clear that there is insufficient budget for this purpose. Other than essential or re-active maintenance there appears to be no ongoing asset enhancement. Consequently those elements of the estate where the Council retains responsibility for repairs will inevitably deteriorate affecting asset value, lettings and consequently income generation.

The procurement of facilities management services also appears to carry an inherent burden in the form of a 12% internal management fee, additional to the contractor's fees of 20%. We question what benefit the estates team derive from this arrangement as direct procurement of services under the control of a single management structure would seem to be a more transparent and efficient route.

Disposals

The marketing (advertising) of vacant property is an area of concern as we are told that there is no specific budget allocated for this particular purpose although disposal costs can be charged against a future receipt where the timing is certain. An appropriate marketing budget is an essential requirement of good agency practice and most landlords would normally outsource this type of work.

The inability to carry out a comprehensive marketing strategy with appropriate collateral or to offer financial inducements (other than rent free periods) will obviously impact on the ability to let properties in a timely fashion to the best possible tenants on the most advantageous terms. The consequence is a high level of voids with loss of potential income and an empty rates liability. We understand that the Council currently has an empty rates liability in the region of £75,000 per annum, which would more than offset a useable marketing budget.

Conclusion

The inevitable conclusion of these observations is that the estates team is under-resourced to deal with the investment portfolio effectively and the current arrangements for dealing with the letting of vacant property are not efficient.

We understand that the estates department is tasked with raising £3.5m per annum from the portfolio with derived income used to support the Council's revenue budget. The exception is income from the workshops which is retained by Economic Regeneration and receipts from disposals below £10,000 which are retained by Estates to support operational budgets.

Receipts arising from disposals are used to support the capital programme however, any consequential loss of income must be offset against the remainder of the portfolio as the income target remains the same despite the fact that capital receipts are not reinvested. We believe this situation to be unsustainable in the medium to long term. Without reinvestment of capital receipts, or other injection of investment capital, the portfolio is simply operating as a drawdown facility and will slowly deteriorate over time. To expect to maintain a fixed level of income on this basis into the future is totally unrealistic.

4.4 Gap Analysis

We have not been afforded an opportunity to carry out a detailed study of the availability of development sites and buildings in Cardiff, which would have necessitated a qualitative and quantitative survey of all available sites and buildings together with a workshop with the Planning Department. We are aware that the draft Local Development Plan (LDP) is now close to being adopted. Therefore, the following commentary seeks to provide an overview of gaps in supply.

a) Employment Sites

The key gap in Cardiff is a lack of available employment land which can be brought on-line within a relatively short timescale. There is little, or no, employment land available for business park, science park or general industrial use. The lack of a network of existing attractive strategic sites undermines the efforts of Cardiff to attract mobile projects, particularly in value added industries.

Outside the City Centre, the existing employment offer is dominated by Ocean Park and Wentloog, to the south east of the City Centre together with a number of motorway related business parks. Ocean Park (formerly East Moors) provided the growth location in the 1990s and early 2000s whilst Wentloog has seen significant development over the past 15 years. Whilst land remains available for development at Wentloog, there are issues of access and technical matters relating to flood plain.

There remains demand within Cardiff for a significant employment site or sites, combining business park and industrial estate, to be located on the western side of the City with proximity to both the M4 and The Vale of Glamorgan, (where many business owners live). The business case was made, a decade ago, for an 'international class' business park at

Junction 33 of the M4. The key attributes of such a business park were considered to be scale (minimum 100 acres), the highest quality communications (access to motorway and airport links), University links and a strong physical and environmental appeal.

In the Cardiff Capital City Region, there is also an identified opportunity to create a bespoke science park. This would need to have proximity to Universities and other leading educational institutions. We are aware that there is a cluster of science based businesses, including Reneuron, emerging at Pencoed and it may be that this location is seen as the best fit.

There is the opportunity for special category sites with a provision for specialist uses where the property requirements of that sector are unlikely to be met on other types of sites. We have seen a media cluster emerge at Roath Basin with the BBC Drama Village and the more recent Gloworks building. There is the opportunity to build upon this sector demand, working with the “creative industries” panel of Welsh Government.

There is also a clear opportunity for a bespoke distribution park to be located on the eastern side of the City, between Cardiff and Newport and with strong communication links. The growth in e-commerce has generated increased activity from parcel carriers and other internet businesses. There is the opportunity to capture new investment from parcel carriers, internet fulfilment centres, click and collect stores and even ‘dark stores’ (so called, supermarkets for internet pickers). Such a distribution park would need to be located away from residential areas to facilitate 24/7 working.

At the more functional end of the market, there is a need for further local industrial estates, typically suited to a smaller/local operation and located in a mixed environment within close proximity to existing built up areas. There is demand in Cardiff for new local industrial estates in all parts of the City although it is recognised that these are often not the most attractive land uses. Within the City Region, but outside Cardiff, there may be more appropriate locations for such industries. However, as areas around Dumballs Road, Penarth Road and Newport Road become still more attractive to alternative use redevelopment, so relocation sites are required for some of the lower order uses that would be displaced. During the period that Cardiff Bay Development Corporation operated, secondary estates were created in Tremorfa and, to an extent, the back land in Ocean Park. However, these estates are full and there remains additional demand.

b) Employment Buildings

The core employment location is the City Centre, which offers the most sustainable location in terms of re-use of brownfield land and use of public transport. The Central Cardiff Enterprise Zone has provided an additional focus upon this area and the key schemes of Central Square, Capital Quarter and Callaghan Square are now ripe for redevelopment and c.300,000 sq ft or new speculative development is proposed across these sites.

The availability of a balanced portfolio of new floor space (completed or under construction) will allow existing and emerging businesses to be attracted to Cardiff and, therefore, private sector developers should be encouraged to bring forward speculative schemes potentially through Property Development Grant, if appropriate.

The out of town office market is perhaps the employment market which suffered greatest during the downturn as there had been a significant wave of speculative office development aimed at owner occupiers acquiring through a SIPP Pension Fund. However, after seven years the market has recovered although developers lack confidence to move forward with new schemes and it is likely that this will be the case for some years to come. Land remains available at Cardiff Gate and St Mellons Business Park although there are few opportunities to the west of Cardiff.

In the industrial market, developer J R Smart constructed c.800,000 sq ft of industrial and business unit accommodation, typically in terraces of 15-30,000 sq ft which was then available for sub-division according to demand. This floorspace was constructed over a period of 10 years ending in 2008 and two thirds was sold and one third leased. This floor space is virtually all occupied and vacancy level on smaller units in Cardiff is low. However, rental and capital values have not yet reached their peak and we are therefore probably 2-4 years away from any major speculative development of this nature.

As the property market improves, new development is likely to take place for those uses where there is little alternative in terms of existing second hand buildings. Therefore, new development is likely to be dominated by extensions to existing buildings and unusual or quirky building requirements, such as cross dock distribution, high eaves height or waste to energy type projects – these occupiers are unlikely to find a cost effective solution in an existing industrial shell.

4.5 Ethical Agenda/Policy

We have been asked to provide comment regarding the issue of an ethical lettings policy for the property portfolio. This is a subject that has recently become an area of concern for many Councils as they seek to address the social problems associated with pay day loan companies, betting shops and the sale of alcohol etc. Such uses tend to disproportionately affect low income families struggling to cope with the effects of the economic recession.

Property management is tightly controlled in terms of legal practice and robust professional guidelines which ensure ethical procedures from a business perspective. We would argue therefore that this is a political issue seeking to address a perceived social problem from an ethical perspective through management policy.

The issue is slightly at odds with the brief for this review which emphasises the need to drive efficiency and maximise returns from the portfolio in the face of increased financial constraints.

The challenge is to balance profit with social responsibility, something that we used to associate with the practices of the co-operative society which sadly now suffers from a tarnished reputation in this regard. This type of business model represents an approach that would require a completely different ownership structure and is one that would not necessarily fit with the objective except perhaps in relation to the management of community type assets and we have provided separate comment on this elsewhere in the report. We are also unclear as to the legal implications regarding the requirement for local authorities to achieve “best value” and would recommend taking further advice on this.

From a technical point of view it is a relatively simple matter to control or resist perceived “immoral uses” via user restrictions in leases which is standard management practice. To go beyond this and proactively seek to block a defined group of business types as a matter of policy could be problematic. From a commercial perspective it doesn't make financial sense and we would have to question whether it would have any real impact. Unless the Council were in control of all the property in the City then potential occupiers can always choose to lease alternative premises. In our opinion, the planning system is usually the most effective control for this purpose.

Notwithstanding the above comments there will be areas of practice within the management of the investment portfolio where it may be possible to actively encourage an ethical approach either in terms of the use of property or in the procurement of skills and services which would not necessarily be at odds with the objective of maximising efficiency and returns.

Meanwhile uses such as pop up shops that are run by charitable organisations or on a not for profit basis are an example of good practice in this regard and are often used by commercial landlords as a means of mitigating costs in respect of vacant property. Likewise, contractual covenants that ensure the delivery of training or apprenticeship places with building contractors, consultants and other service providers is a well-established concept within the public and third sectors which would not be viewed as onerous by the private sector.

At a more strategic level the Council is in a position to set the bar high when it comes to the quality, sustainability and energy efficiency of it's buildings which would act as a benchmark for future development. This will often come at an additional cost but as matter of policy it is something that the Council can take a view on.

Finally, we have commented elsewhere in this report regarding the strategy for those properties which fall within the category of “community assets” which we would advocate as being prime candidates for transfer to a community interest company. It is from within this part of the existing portfolio where perhaps there is the greatest scope for the delivery of a social or ethical agenda at a grass roots level which the Council can facilitate.

5 Future Strategy

5.1 Disposals

Regional investment markets in the UK, including Cardiff, have seen a sustained period of improvement over the past 12 to 18 months, with an increased appetite from investors, hardening yields and rising capital values. A lack of stock and strong competition for assets in London and the South East has led to investors looking to the regions in search of value and Cardiff has certainly felt the benefit.

Cardiff, as the capital city and the centre of government and commerce in Wales is leading the Welsh market. Prime and good secondary property in Cardiff across all sectors is on the shopping list for a broad buyer spectrum including institutions, property companies, trusts, private pension funds, syndicated investors, private investors and high net worth individuals. Some notable key market trends are:-

- **Yield gap** - There has been a substantial risk premium for secondary stock and the differential between prime and secondary has been at historically high levels. This margin reduced in 2014 with marked yield compression for good secondary assets. For properties with less secure or predictable rental income, the prospect of rising interest rates and uncertainty surrounding a general election has pushed yields higher, leading to a widening gap between different qualities of secondary stock.
- **Portfolios** – packaging assets into portfolios allows property investors to place large amounts of equity in a single transaction and to acquire a diverse range of assets thus spreading risk. This is currently a popular method of disposal and portfolios can command a premium value. Perversely, portfolios perceived as in “distress” often generate greater interest and can command a higher premium.
- **Lot size** – institutional purchasers and a number of active overseas investors are primarily seeking lots of £20 million plus. They have large volumes of capital to invest and only limited resources to make acquisitions, so their preference is to place a large volume of capital in fewer transactions. There is a broad range of sub-institutional investors however, these parties are often less aggressive. A challenging lot size is £3 - £5 million capital value, which tends to be too large for individuals and private investors whilst too small for properties companies and smaller institutional buyers.
- **Increasing availability of debt** – a range of the banks and other lenders have re-entered the market and therefore so have debt funded buyers. However, loan to value ratios remain at 50 - 60% and therefore bidders remain aggressive.
- **Overseas investors** – there is a continued emergence of well-funded overseas investors which have acquired a number of key assets in Cardiff over the past 12 months including Crickhowell House (occupied by Welsh Government) and Willcox House (occupied by Cardiff Council).
- **Occupational market** - there is still uncertainty around the health of the occupational markets and whilst this is improving for any recovery to be sustainable, investors will need to have confidence that there is tenant demand.
- **Irrecoverable costs** – Investors pay close attention to both income and costs. Purchasers prefer tenant’s full repairing and insuring leases and any irrecoverable expenditure in terms of building maintenance and repairs, service charge, insurance, letting voids, empty rates and other liabilities would be deducted from an investment’s gross income stream to provide a net rental income. Investors will be considering their “triple net” yield and the true net income is usually what an investor’s bid is based upon, unless the property value is otherwise underpinned by its vacant possession value.
- **Alternative investment sectors** – have continued to grow in popularity with a range of investors increasing their exposure to areas such as student accommodation, healthcare, renewables and hotels. The main driver is increasing competition for the limited pool of prime conventional assets with other attractions including longer-term, index-linked income streams and more diversified property portfolios.

- **Secure, long term income** – in terms of property investment fundamentals there remains a strong appetite amongst investors for long term income, with tangible prospects for rental growth, which is well secured to good covenants including government bodies such as local authorities. Whilst this might be more pertinent to the Council's operational portfolio, sale and leasebacks possibly on an "income strip" basis, would be very attractive to a variety of institutional and overseas investors and would present the Council with an opportunity to raise significant capital receipts.

5.2 Development Opportunities

The Council's non-operational portfolio is diverse and involves a broad range of properties across a wide spectrum of sectors. As such, it presents significant redevelopment opportunities. To ensure the Council achieves best value across their portfolio it is imperative that development opportunities are fully understood and explored, particularly as part of the due diligence for any proposed sale. This would involve brief discussions with the planning department and the potential for competitive marketing where an opportunity is identified.

Given the size/diversity of the portfolio, the Council's involvement in a number of large scale, high profile regeneration projects (e.g. Central Square, Cardiff Arena/Convention Centre etc.) and the management demands of their operational portfolio and rack rented assets (shops, workshops and central market), there is a risk that opportunities in the middle ground, across the remaining portfolio are not fully explored or are missed.

A clear focus is required to promote schemes and maximise opportunities. Where sites or buildings have a clear development angle then a ground lease disposal may be most appropriate or joint overage or sale with overage/profit share.

5.3 Alternative Models of Ownership - Public/Private Funding Solutions

There is a weight of private sector funding and expertise available for investment in public sector projects and joint ventures and for financing existing or proposed public sector infrastructure. Investors and developers are familiar with local authorities and how they operate and are financed and are willing to make investments and accept risk transfer in a number of ways, depending on the asset class and the nature of the investment required.

From early Private Finance Initiative (PFI) projects (particularly in local authority education and healthcare), the range of market opportunities has evolved and expanded to include joint venture participation for developments and investments and the availability of institutional financing for specific projects, generally supported by a local authority or other government covenant.

These instruments can work either discretely, as part of a wider series of initiatives or alongside the Council using its own prudential borrowing powers.

We provide below an outline of some of the structures that are working for a number of local authorities – to accelerate the delivery of identified objectives, streamline management and/or offer access to alternative sources of finance.

5.4 For development opportunities and investment portfolios

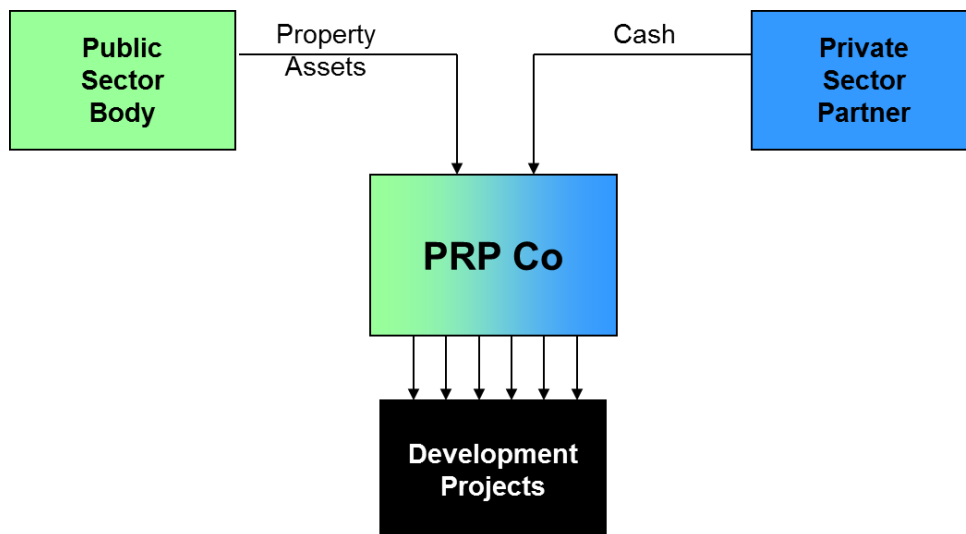
Joint Ventures

There are a number of examples, principally from local authorities or the recently dissolved Regional Development Agencies (RDAs), where public sector owned sites and/or income producing assets – offering development opportunities and/or providing an investment income stream from third party occupiers – have been transferred to joint venture vehicles to transfer and optimise management as well as accelerate the delivery of development, regeneration and other wider local authority objectives.

Principally structured as Local Asset Backed Vehicles (LABVs), the scope can be adapted to the circumstances of each opportunity but in essence:

- the Council would identify an opportunity or series of opportunities that it wishes to see delivered and identify sites (generally but not exclusively in its own ownership) that will enable the delivery of objectives;
- generally a business case process would be undertaken to test viability and engender stakeholder support;
- the opportunity would then be taken to market (generally but not exclusively through an OJEU-led procurement process) with a view to selecting a private sector delivery partner;
- private sector bidders would propose appropriate development solutions and offer to take development, funding, occupancy and other risks against a financial proposal;
- the basis of the financial proposal is the valuation of the assets the Council is making available to the LABV and this, on establishing the LABV, is reflected as the Council's equity shareholding in the partnership (and is cash-matched by the selected private sector partner, alternatively or in part, the Council may extract a capital receipt on establishment);
- LABVs are generally structured as 50:50 deadlocked joint venture vehicles, with the public and private sector partners having equal interests and management & decision making powers; the private sector partner will usually also be responsible for the delivery of management services and the performance of the joint venture.

The basic principles of a LABV are illustrated in the following diagram.



Examples in the local authority environment of development-led LABVs include the following.

Aylesbury Vale District Council (AVDC) – Aylesbury Vale Estates

AVDC established a LABV with Akeman Investment to manage a portfolio of council owned properties and undertake a programme of new developments. The council's commercial portfolio (comprising 292 units generating an annual income of £3.6 million) was transferred into the LABV and included a number of development sites.

The 50:50 joint venture set out to manage, improve and develop the commercial and tenanted properties over an initial vehicle life of twenty years. AVDC's assets were cash-matched by the joint venture partner on establishing the joint venture and the council shares in the rental and any capital returns to the joint venture over its lifespan.

Bournemouth Borough Council (BBC) – Bournemouth Development Company

BBC committed thirteen town centre development sites, all existing car parks, to its LABV, a 50:50 joint venture formed with private sector partner Morgan Sindall Investments Ltd. The joint venture is delivering facilities in support of the council's wider Town Centre Master Vision.

The LABV, established initially for twenty years, has an identified development programme valued at around £400 million. Early projects include the provision of a seven storey, 382 spaces, car park (to create capacity as other car parks are brought forward for development) and a £23 million student accommodation development for Arts University Bournemouth. These projects are part of a wider programme that will deliver a range of residential and mixed use developments, including leisure attractions and shops and offices.

Debt financing options

Local authorities have access to debt financing on attractive terms from the Public Works Loan Board (PWLB) and alternative funding sources rarely exhibit best value in comparison.

There are, however, credible alternatives, where a local authority is prepared to underwrite or guarantee income streams over the long term, from institutional investors offering long term financing products related to bond quality investments.

5.5 For the core operational portfolio

Although beyond the scope of the brief and potentially beyond the contemplation of the Council at this stage, it is appropriate to comment briefly on the potential for raising capital from the core portfolio.

There is a defined market interest, principally from a number of UK pension fund and other sub-institutional investors (UK and overseas based) for investment in government grade income streams. Depending on the exact scope and risk transfer, these can be characterised as public private joint ventures or annuity income arrangements.

The latter might be of interest to the Council if seeking to secure capital at economic rates to undertake capital projects or extract latent value from the Council's existing core occupied portfolio.

In essence, the Council could seek a financing partner to whom it could transfer a 25 year (or longer) leasehold interest in a key asset or assets with the Council as the leasing counterparty in return for an up-front capital receipt. The Council would then meet a "rental" payment stream (generally indexed to RPI) over the 25 year period with the assets returning to the Council at the end of the term.

We anticipate that a transaction of this nature on a good quality asset or portfolio and with the Council's covenant offered would attract an initial return in the range of 4-4.5%. We will be pleased to discuss options for this type of product further if it might be of interest to the Council, this opportunity would also be appropriate for a new build facility where the occupancy or rent roll is guaranteed by the Council.

5.6 Operational Review

With regard to the management of the operational estate, the Council might want to consider the option of outsourcing their estates management function or maybe set up a joint venture company as a means of driving efficiency savings. Any recommendation in this regard would require detailed investigation beyond the scope of this report and warrants a separate study to identify whether this approach would deliver tangible benefits.

As a brief example, Newport City Council recently agreed such a JV company with the Norse Group, who specialise in local authority partnerships of this nature. Newport were faced with similar problems and financial constraints as Cardiff and decided to take the JV route as a means of driving efficiency thereby delivering savings without compromising their existing staff.

Under this arrangement, around 200 council staff transferred to a joint venture company on the same terms and conditions as they had with the Council, which includes pensions. The company was awarded a 10 year contract to manage the council's property assets which includes cleaning and facilities management, building maintenance, management of the Indoor Market, and the provision of strategic property services.

6 Conclusions and Recommendations

This high level review of Cardiff City Council's non-operational (investment) portfolio has highlighted the impressive range and breadth of the property interests held by the Council. The portfolio ranges from the highest quality assets, such as the freehold of St David's shopping centre, to everyday properties, such as workshop units and lock-up shops, through to community assets including rugby clubs and scout halls.

The portfolio has evolved over many years and there are a wide range of reasons why properties have come to be owned by the Council. We recognise that public assets can make a central contribution to the delivery of public services in Cardiff and many properties in the portfolio are integral to the future growth and well being of the capital city.

Cardiff is the focal point of growth in the Cardiff Capital City Region and many of the emerging policies promoted by Welsh Government build upon this central role. These policies include the recommendations of the Sir Paul Williams review in terms of local government reorganisation, city regions growth policies, the establishment of a Strategic Development Plan for the city region and major infrastructure investment proposals in terms of rail electrification and 'The Metro'.

All of these emerging proposals suggest that Cardiff City Council will need to take a proactive role in encouraging investment and development, particularly in the city centre, and will need to allocate sufficient resources to these high level projects.

At the same time, the current era of public sector austerity has highlighted the political and economic imperative to manage assets on commercial terms and to reconsider the priorities of the Council. This streamlining of the portfolio affords the opportunity to provide a more strategic focus to the portfolio for the future whilst also allowing properties to be sold off to raise capital receipts and reduce management issues, including irrecoverable management costs.

Our recommendations fall under the following core headings:

6.1 Renewal of the Council's Investment Asset Strategy

The investment property asset strategy needs to be aligned with the organisational objectives of the Council as set out in the Council's asset management plan. This would set out the vision for the asset base, how each classification of assets would be treated and the overall financial framework in which this will be implemented.

Our recommendation would be set out a strategy for improving the quality and quantity of the investment portfolio. This would be through a focus upon prime assets and the delivery of new development and investment stock. Whilst it is important to encourage the private sector to invest in the city, there will be opportunities where the Council can leverage its position through its existing landholding, the provision of infrastructure and enabling planning to create value.

The new investment mandate could include the acquisition of additional properties specifically for the purpose of income generation, marriage value with existing holdings and to control both existing and new development. The investment mandate would also be informed by a detailed 'gap analysis' of employment properties and sites in Cardiff.

Recommendations:

1. The corporate property strategy to be submitted, setting out the vision for the asset base and how each classification of assets would be treated.
2. We propose streamlining the existing investment portfolio and a future growth agenda focused upon improving the quality and quantity of the portfolio.
3. We recommend that there is a future focus upon acquiring prime assets which fit the growth agenda of

Cardiff, a “Core City” at the heart of the Cardiff Capital City Region.

4. The Council to leverage its position through land ownership, marriage value and planning to create value. However, efforts must be made to ensure that private sector development and investment is encouraged and does not perceive the Council as a “blocker”.
5. The investment mandate to be informed by a detailed gap analysis.

6.2 Categorisation of the Existing Assets

In terms of the various classifications of properties examined in this report, we propose the following hierarchy of strategic value:

Generic Classification	No.	Strategic Value	Sale-ability	Recommendation
Rack rent shops	84	Low	Medium	Sell these assets - with exceptions for regeneration purposes only.
Ground rent shops	51	Medium	High	Retain – consider individual disposals on a case by case basis.
Commercial	18	High	High	Retain.
Pubs & Clubs	25	Medium/High	High	Retain – selective sales where a strong business case can be established and/or where development opportunities arise.
Hotels	6	High	High	Retain.
Industrial Ground Leases	96	Medium	High	Retain – selective sales where a strong business case can be established and/or where development opportunities arise.
Workshops (9 estates)	143	Low/Medium	Medium	Sell these assets – except Douglas Buildings & Royal Stuart Workshops pending Cardiff Bay review.
Community Assets	54	Low	Low	Retain due to community benefit. Consider alternative ownership model.
Central Market	1	High	Low	Retain – consider alternative management arrangement.
Other Properties	83	Mixed	Mixed	Retain – consider disposals on a case by case basis. Specialist advice to be sought in specialist areas such as care homes and utilities.
Total	561			

Recommendations:

6. We recommend the disposal of the following categories of properties:
 - Rack Rent Shops (84 No)
 - Workshop Estates (9 estates)

Note: the sale of workshop schemes at Douglas Buildings and Royal Stuart Workshops to be held in abeyance pending the outcome of the Cardiff Bay Master plan.
7. We recommend the selective sale of property assets from the following categories, but only where there is a strong business case:
 - Ground Rent Shops
 - Pubs and Clubs
 - Industrial Ground Leases
 - Other Properties
8. We recommend that alternative modals of ownership or management are explored for the following categories:
 - Community Assets
 - Central Market
9. All other properties, including the majority of those assets referred to in recommendation 7, to form the nucleus of the re-engineered investment portfolio.

6.3 Agreement of Implementation Plan

Once a disposal register has been agreed then there should be a concerted effort to prepare the identified assets for sale through a short sharp active asset management programme. This would include ensuring clean legal title, resolution of outstanding lease events, consideration of any planning gain opportunities and resolving maintenance backlog. There will be other matters to be considered including technical reports, production of Energy Performance Certificates and clearance of rent arrears and other management issues.

The method of sale will vary from classification to classification, and is explored in more detail in section 5.1 above. However, at an early stage there will need to a decision as to whether to progress tenant sales or not.

Our general advice would be to avoid tenant sales on occupational leasehold premises as this will be protracted and may become somewhat political. However, where there is a ground lease or isolated property then a sale to the tenant may extract a price higher than an open market disposal.

In other instances of public sector disposals of individual properties, we have seen a clear benefit in a sale by auction as this is classified as “best value”, avoids third party intervention and imposes a strict timetable.

There are however estates of workshops and parades of suburban shops which we recommend be sold either on a portfolio or ‘estate by estate’ basis. In considering the method of disposal, the Council should have regard to asset protection in terms of future management and also potential future planning gain. The introduction of overage provisions or long ground leases instead of freehold disposal would offer the Council an element of protection but would also impact upon pricing. Therefore, these measures would need to be considered on a case by case basis.

There is the opportunity to consider a joint venture or asset backed vehicles (LABV) with surplus assets being used to leverage match funding from private sector investment. However, our view is that this is more appropriate where there is

a major regeneration project or area based project rather than a method of disposal. This type of vehicle is a development vehicle rather than investment or asset realisation project.

Recommendations:

10. We recommend agreement upon a disposal register and target timescale for disposal.
11. We recommend a three month window be agreed for a short sharp asset management programme to include:
 - Clean legal title
 - Resolution of outstanding lease events
 - Planning/development opportunities
 - Collation of technical reports
 - Production of Energy Performance Certificates
 - Clearance of rental arrears
 - Minor repairs and dilapidations
 - Other management issues
12. A decision will need to be made on whether or not to offer freeholds to tenants. Our recommendation would be to avoid such tenant sales except where there is an isolated property/ground lease.
13. We recommend primary consideration be given to the following methods of sale:
 - Auction
 - Informal tender
 - Private treaty
14. In terms of lot size, our recommendation is to consider larger portfolios or estate sales rather than individual property sales. This is likely to be by way of informal tender or private treaty with auction offering a solution for standalone properties.
15. The Council needs to consider whether to pursue a joint venture or asset backed vehicle. Our view is that this is likely to prove more attractive for medium to long term development or regeneration objectives rather than for short term asset realisation but we can explore this option in more detail- subject to the outcome of our other recommendations.

6.4 Operational Management of the Estate

In the formulation of this report, we have been provided with an insight into the operational issues surrounding the management of the investment estate. We recognise the severe budgetary constraints that the Estates Department work under and the resourcing issues arising from staff shortages. We appreciate that there will be significant changes arising from the implementation of the new Corporate Property Strategy and this will undoubtedly bring substantial benefits going forward.

Our recommendations above seek to streamline the existing portfolio of properties to both raise capital and reduce the management burden and irrecoverable costs. This will create efficiency benefits for the team in the medium term however is likely to increase yet further the workload in the short term and time required to undertake the preparation for sale of identified disposal assets. This could, in part, be addressed through varying the terms of engagement for a selling agent to require that party to undertake the preparation for sale and active asset management in return for a higher than normal disposal fee payable upon completion and out of proceeds.

While not within the scope of this report, one area of further study for future consideration is to investigate a new model of management similar to that recently introduced by Newport City Council whereby a public-private partnership arrangement was agreed with the Norse Group (Norfolk Property Services). In this scenario, responsibility for the Estates team is transferred to the private sector company alongside a long term contract from the Council to supply management and other services.

Whether there would be any significant advantage to this type of arrangement for Cardiff Council is unknown as their property strategy is significantly different with different requirements. Given that the Newport model is in its infancy we would recommend that this is something that should be evaluated once the model has been in place there for at least four or five years to determine whether the experience has delivered the expected outcomes and whether there would be any merit in Cardiff adopting a similar approach.

Recommendations:

16. The proposed streamlining of the portfolio set out above should bring significant operational benefits to the Estates Department and in the medium term, free up their time to offer more proactive management of the core portfolio.
17. Our recommendation would be to create transparency of the estate management costs and benefits by combining responsibility for lettings and day to day management of investment properties in one department.
18. There is an opportunity in the medium to long term to investigate a new model of estate management with a public/private model for outsourcing.

We thank the Council for the opportunity to provide advice in connection with this matter and we would be pleased to meet with you to address any queries you might have regarding our conclusions and recommendations.

Yours faithfully

Yours faithfully

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Jones Lang LaSalle Limited

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Senior Surveyor
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Draft Investment Estate Schedule

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 75 ST MARY STREET, G/F SHOP UPPER FLOOR OFFICES, G/F SHOP UPPER FLOOR OFFICES, CATHAYS
 CARDIFF HELIPORT, FORESHORE ROAD, HELIPORT SITE, HELIPORT SITE LAND AT TREMORFA FORSHORE FOR -, BUTETOWN
 FLOOD LEVEL GAUGING STATION PENARTH ROAD, FLOOD LEVEL GAUGING STATION, FLOOD LEVEL GAUGING STATION, GRANGETOWN
 CAPITAL RETAIL PARK, LECKWITH ROAD, CAPITAL RETAIL PARK, LAND FOR RETAIL DEVELOPMENT, CANTON
 ST DAVIDS CENTRE, ST DAVIDS 1 SHOPPING CENTRE, ST DAVIDS CENTRE (NEW LEASE), CATHAYS
 WILLIAM HILL, 190-192 COWBRIDGE ROAD EAST, LOCK UP SHOP, LOCK UP SHOP DOES NOT INCLUDE 1ST & 2ND FLOORS OF 192, CANTON
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 COMMERCIAL DEV'T MILLICENT STREET, COMMERCIAL DEV'T, MILLICENT STREET, CATHAYS
 BIG ISSUE CYMRU, 55 CHARLES STREET, PREMISES, PREMISES, CATHAYS
 83-85 BRIDGE STREET, WAREHOUSE AT THE REAR OF, MERGED SEE 51128/51233, CATHAYS
 MARKS AND SPENCER, 72-76 QUEEN STREET, PREMISES (MARKS & SPENCER), PREMISES (MARKS & SPENCER), CATHAYS
 77 BRIDGE STREET, SHOWROOMS & OFFICES, SHOWROOMS & OFFICES, CATHAYS
 CARDIFF INTERNATIONAL ARENA, MARY ANN STREET, CARDIFF INTERNATIONAL ARENA, CARDIFF INTERNATIONAL ARENA, CATHAYS

HOSTEL

SALVATION ARMY HOSTEL, 240 BUTE STREET, SALVATION ARMY HOSTEL, SALVATION ARMY HOSTEL, BUTETOWN
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 LAKESIDE HOUSE NURSING HOME, 37 WEDAL ROAD, LAKESIDE NURSING HOME, LAND FOR NURSING HOME, CATHAYS

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LAND

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 UNIT 11 NEWPORT RD IND ESTATE, UNIT 11 NEWPORT RD IND ESTATE, GELLAW (IPSWICH ROAD) LIMITED, IPSWICH ROAD, PENYLAN
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 UNIT 5 HADFIELD RD IND ESTATE, UNIT 5 HADFIELD RD IND ESTATE, TANNER ELECTRICS, WHITTLE ROAD, CANTON
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 UNIT 1 CLYDESMUIR RD IND ESTATE, UNIT 1 CLYDESMUIR RD IND ESTAT, UNIT 1, CLYDESMUIR ROAD INDUSTRIAL ESTATE, CLYDESMUIR ROAD, SPLOTT

UNIT 6 NEWPORT RD. IND. ESTATE, UNIT 6 NEWPORT RD IND ESTATE, TOTAL FILTRATION, IPSWICH ROAD, PENYLAN
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 UNITS 2 CLYDESMUIR RD IND ESTATE, UNITS 2 CLYDESMUIR RD IND ESTA, BATH BUS CO LTD UNIT 2, CLYDESMUIR ROAD INDUSTRIAL ESTATE, C, SPLOTT
 UNIT 9 HADFIELD RD IND ESTATE, UNIT 9 HADFIELD RD IND ESTATE, ACCESS TRAINING, ST ANDREW HOUSE UNIT TWO, WHITTLE ROAD, GRANGETOWN
 UNIT 31B HADFIELD RD IND ESTATE, UNIT 31B HADFIELD IND ESTATE, ATS EUROMASTER, 6B HADFIELD ROAD, CANTON
 UNIT 28 HADFIELD RD IND ESTATE, UNIT 28 HADFIELD RD IND ESTATE, JOHNSTONES LEYLAND DECORATING CENTRE, HADFIELD ROAD, GRANGETOWN
 LAND FOR HUB LLANDOGO ROAD, LAND FOR HUB - CTRE HSG, LAND FOR .. PROPOSED HUB CENTRE, HOUSING TELE - COMMUNICATION, TROWBRIDGE
 UNIT 5 PLASNEWYDD IND ESTATE PREMISES (MINERVA), UNIT 5 PLASNEWYDD IND ESTATE, CONTEMPORARY TEMPORARY ARTSPACE LTD UNIT 5, PLASNEWYDD INDUS,
 PLASNEWYDD
 Large plot (39 Hadfield), UNIT 39 HADFIELD RD IND ESTATE, ARQIVA TRANSMITTER RELAY STATION, BESSEMER CLOSE, GRANGETOWN
 UNIT 10A NEWPORT RD IND ESTATE, UNIT 10A NEWPORT RD IND ESTATE, RYCAR ACCIDENT REPAIR CENTRE, IPSWICH ROAD, PENYLAN
 UNIT 3 HADFIELD RD IND ESTATE, UNIT 3 HADFIELD RD IND ESTATE, THRIFTY CAR AND VAN RENTAL, HADFIELD ROAD, CANTON
 UNIT 7 PLASNEWYDD IND ESTATE, UNIT 7 PLASNEWYDD IND ESTATE, EX MINERVA DENTAL LTD, OXFORD STREET, PLASNEWYDD
 UNIT 4 PLASNEWYDD IND ESTATE PREMISES (MINERVA), UNIT 4 PLASNEWYDD IND ESTATE, COURTNEY HOUSE, OXFORD STREET, PLASNEWYDD
 UNIT 12 HADFIELD RD IND ESTATE, UNIT 12 HADFIELD RD IND ESTATE, CARDIFF DAF TRUCK CENTRE, WHITTLE ROAD, GRANGETOWN
 UNIT 23 NEWPORT RD IND ESTATE (TO BE VALUED WITH 04453 FOR, UNIT 23 NEWPORT RD IND ESTATE, A C L LIMITED, NORWICH ROAD, PENYLAN
 TRESILLIAN WAY ACCESS WAY LAND (NORTH) , TRESILLIAN WAYIND EST, BUTETOWN
 UNIT 1 LAMBY WAY IND ESTATE, UNIT 1 LAMBY WAY IND ESTATE, WESTERN POWER DISTRIBUTIONS, LAMBY INDUSTRIAL PARK, LAMBY WA, RUMNEY
 UNIT 6 PLASNEWYDD IND ESTATE PREMISES (MINERVA), UNIT6 PLASNEWYDD IND ESTATE, UNIT 6, PLASNEWYDD INDUSTRIAL ESTATE, OXFORD STREET, PLASNEWYDD
 UNIT 27 NEWPORT RD IND ESTATE (TO BE VALUED WITH REFS.04453, UNIT 27 NEWPORT RD IND ESTATE, EVANS HALSHAW, 505 NEWPORT ROAD, PENYLAN
 D BRASH & SONS UNIT 17-18, SPLOTT WORKSHOPS, PORTMANMOOR ROA, CALIBRA HOUSE-17/18 UN, CALIBRA HOUSE-17/18 UNITS SPLOTT INDUSTRIAL ESTATE
 PORTMANMO, SPLOTT
 SENLAN INDUSTRIAL ESTATE, RHYMNEY RIVER BRIDGE ROAD, UNIT 32 NEWPORT RD IND ESTATE, UNIT 32 NEWPORT RD IND ESTATE, PENYLAN
 UNIT 19 NEWPORT RD IND ESTATE, UNIT 19 NEWPORT RD IND ESTATE, LAND TO THE SOUTH OF, NORWICH ROAD, PENYLAN
 UNIT 25 NEWPORT RD IND ESTATE, UNIT 25 NEWPORT RD IND ESTATE, HARSCO INFRASTRUCTURE SERVICES LTD, IPSWICH ROAD, PENYLAN
 UNIT 15 NEWPORT RD IND ESTATE, UNIT 15 NEWPORT RD IND ESTATE, SPEEDY HIRE CENTRES, IPSWICH ROAD, PENYLAN
 UNIT 1 HADFIELD RD IND ESTATE, UNIT 1 HADFIELD RD IND ESTATE, CLIFFORD RYALL & SONS LTD, HADFIELD ROAD, CANTON
 LAND PARCEL TO THE SOUTH, AJ HALL FABRICATIONS,, LAMBY WAY, RUMNEY
 32A NEWPORT RD IND ESTATE 'RHYMNEY RIVER BRIDGE RD, UNIT 32A NEWPORT RD IND ESTATE, 32A NEWPORT RD IND ESTATE, PENYLAN
 UNIT 28 NEWPORT RD IND ESTATE, UNIT 28 NEWPORT RD IND ESTATE, CAR GLASS REPLACEMENT CO LTD, NORWICH ROAD, PENYLAN
 UNIT 4 NEWPORT RD. IND. ESTATE, UNIT 4 NEWPORT RD IND ESTATE, IPSWICH RD, PENYLAN
 UNIT 17 NEWPORT RD IND ESTATE, UNIT 17 NEWPORT RD IND ESTATE, TUF ABRASIVES, IPSWICH ROAD, PENYLAN
 UNIT 2 HADFIELD RD IND ESTATE, UNIT 2 HADFIELD RD IND ESTATE, CERAMIKS LIMITED, HADFIELD ROAD, CANTON

UNIT 3 NEWPORT RD. IND. ESTATE (J D WHITE), UNIT 3 NEWT RD IND EST, AINSCOUGH GROUP, IPSWICH ROAD, PENYLAN
 UNIT 22 NEWPORT RD IND ESTATEE, UNIT 22 NEWPORT RD IND ESTATE, BRANDON HIRE, NORWICH ROAD, PENYLAN
 UNIT 16 NEWPORT RD IND ESTATE, UNIT 16 NWEPORT RD IND ESTATE, IPSWICH ROAD, PENYLAN
 UNIT 20 NEWPORT RD IND ESTATE, UNITN 20 NEWPORT RD IND ESTATE, NORWICH ROAD, PENYLAN
 UNIT 5 NEWPORT RD. IND. ESTATE, UNIT 5 NEWPORT RD IND ESTATE, IPSWICH RD, PENYLAN
 UNIT 18 NEWPORT RD IND ESTATE, UNIT 18 NEWPORT RD IND ESTATE, OLD AUTO ELECTRIC BUILDING, IPSWICH ROAD, PENYLAN
 UNIT 30 NEWPORT RD IND ESTATE, UNIT 30 NEWPORT RD IND ESTATE, IPSWICH ROAD, PENYLAN
 UNIT 24 NEWPORT RD IND ESTATE (FOR ASSET VALUATION INCLUDE R, UNIT 24 NEWPORT RD IND ESTATE, LAND TO THE NORTH OF, NORWICH ROAD, PENYLAN
 UNIT 21 NEWPORT RD IND ESTATE, UNIT 21 NEWPORT RD IND ESTATE, DRAGON HOUSE, NORWICH ROAD, PENYLAN
 UNIT 7 HADFIELD RD IND ESTATE, UNIT 7 HADFIELD RD IND ESTATE, WHITTLE ROAD, GRANGETOWN
 LAND AT HADFIELD ROAD ADJACENT TO BOOKERS CASH & CARRY, UNIT 21 HADFIELD RD IND ESTATE, ENGLANDS TRUCK CARE, HADFIELD ROAD, CANTON
 UNIT 43 HADFIELD ROAD IND ESTATE, UNIT 43 HADFIELD RD IND EST, AUTOSPRAY UNIT 1, HOLDEN ROAD, GRANGETOWN
 FREIGHTLINER LIMITED LAND NEWLANDS ROAD, FREIGHTLINER LIMITED, FREIGHTLINER LIMITED LAND AT WENTLOOG, TROWBRIDGE
 UNIT 15 HADFIELD RD IND ESTATE, UNIT 15 HADFIELD RD IND ESTATE, 19 WHITTLE ROAD, GRANGETOWN
 UNIT 42 HADFIELD RD IND ESTATE, UNIT 42 HADFIELD RD IND ESTATE, HAYES ENGINEERING, BRINDLEY ROAD, GRANGETOWN
 UNIT 38 HADFIELD RD IND ESTATE, UNIT 38 HADFIELD RD IND ESTATE, BURDENS, BRINDLEY ROAD, GRANGETOWN
 UNIT 44 HADFIELD RD IND ESTATE, UNIT 44 HADFIELD RD IND ESTATE, TEMA FABRICATIONS, COLERIDGE ROAD, GRANGETOWN
 UNIT 40 HADFIELD RD IND ESTATE LECKWITH INDUSTRIAL ESTATE, UNIT 40 HADFIELD RD IND ESTATE, NEWHALL JANITORIAL, HOLDEN ROAD, GRANGETOWN
 UNIT 34 HADFIELD RD IND ESTATE, UNIT 34 HADFIELD RD IND ESTATE, BIFFA WASTE SERVICES LTD, BESSEMER CLOSE, GRANGETOWN
 UNIT 8 HADFIELD RS IND ESTATE BUILDING AGREEMENT(DETAILS TO, UNIT 8 HADFIELD RD IND ESTATE, THE CAR SHOP, WHITTLE ROAD, GRANGETOWN
 UNIT 27 HADFIELD RD IND ESTATE, UNIT 27 HADFIELD RD IND ESTATE, ROBERT BEVAN & SON MOTORCYCLES, HADFIELD ROAD, GRANGETOWN
 UNIT 17 HADFIELD RD IND ESTATE, ACT SKILLS ACADEMY, HADFIELD ROAD, GRANGETOWN
 WILLIAMS ALEXANDRA FOUNDRY WENTLOOG ROAD, PREMISES, PREMISES, RUMNEY
 UNITS 1-6 LAMBY WAY INDUSTRIAL ESTATE, LAMBY WAY, RUMNEY
 UNIT 12 LAMBY WAY IND EST, SITE 12, LAMBY WAY, RUMNEY
 UNIT 25 HADFIELD RD IND EST, BESTWAY CASH & CARRY, BRINDLEY ROAD, GRANGETOWN
 FREIGHT TERMINAL, WENTLOOG ROAD, RAILTRACK PLC, RAILTRACK PLC HEADLEASE LAND AT WENTLOOG, TROWBRIDGE
 FITNESS FIRST, FFORDD PENGAM, PREMISES, PREMISES, SPLOTT
 UNIT 2, PLASNEWYDD INDUSTRIAL ESTATE, VERE STREET, UNIT 2 PLASNEWYDD IND ESTATE, UNIT 2 PLASNEWYDD IND ESTATE LAND FOR SNOOKER CLUB EXTENSION,
 PLASNEWYDD
 CAPITAL BUSINESS PARK, PHASE 1C, KNOWN ALSO AS PHASE 3 HIGH TECH WORKSHOPS, TROWBRIDGE

MARKET

CARDIFF MARKET, ST MARY STREET, CENTRAL MARKET, CENTRAL MARKET, CATHAYS

PUBS - COMMERCIAL

QUE PASA, TRINITY STREET, OLD CENTRAL LIBRARY, LEASE FOR PUB ON GROUND FLOOR AND BASEMENT, CATHAYS
 COPA, 4 WHARTON STREET, LICENSED PREMISES, LICENSED PREMISES, CATHAYS
 THE CORPORATION HOTEL, 188 COWBRIDGE ROAD EAST, CORPORATION HOTEL, CORPORATION HOTEL, CANTON
 THE GRAPE AND OLIVE, 39 WEDAL ROAD, WEDAL PUBLIC HOUSE, WEDAL PUBLIC HOUSE, CATHAYS
 THE NINIAN PARK HOTEL, 49 LECKWITH ROAD, NINIAN PARK PUBLIC HOUSE, NINIAN PARK PUBLIC HOUSE, RIVERSIDE
 THE PENDRAGON, EXCALIBUR DRIVE, PENDRAGON PUBLIC HOUSE, PENDRAGON PUBLIC HOUSE, LLANISHEN

RESIDENTIAL ACCOM

LONGCROSS FARM, WENTLOOG ROAD, LONGCROSS FARMHOUSE, FORMER FARMHOUSE, TROWBRIDGE
185 BURNHAM AVENUE, FLAT, MAISONETTE, LLANRUMNEY

RESIDENTIAL LAND

DUNRAVEN COURT, BRANDRETH RD , PENYLAN, RESIDENTIAL, CARDIFF
RAGLAN COURT, LANGDALE CLOSE, SITE FOR FLATS DEV'T BRANDRETH RD & NO'S 1/2/3+4, PENYLAN
MARLBOROUGH COURT, LANGDALE CLOSE, SITE FOR FLATS DEV'T BRANDRETH RD &, PENYLAN
WESTMINSTER COURT, LANGDALE CLOSE, GROUND LEASED FLATS LANGDALE CLOSE FLAT NUMBERSA 1 -4ALE CLO, PENYLAN
259A ALLENSBANK ROAD, GROUND FLOOR FLAT, HEATH
265A ALLENSBANK ROAD, GROUND FLOOR FLAT, HEATH
261B ALLENSBANK ROAD, FIRST FLOOR FLAT, HEATH
263A ALLENSBANK ROAD, GROUND FLOOR FLAT, HEATH
261A ALLENSBANK ROAD, GROUND FLOOR FLAT, HEATH
259B ALLENSBANK ROAD, FIRST FLOOR FLAT, HEATH
263B ALLENSBANK ROAD, FIRST FLOOR FLAT, HEATH
265B ALLENSBANK ROAD, FIRST FLOOR FLAT, HEATH

RETAIL GROUND RENT

TIVOLI GARAGE, STATION ROAD, PART OF GARAGE, LAND @ R/O TIVOLI CINEMA, LLANDAFF NORTH
69 CAE GLAS ROAD, SHOP & LIVING ACCOMMODATION, SHOP & LIVING ACCOMMODATION, RUMNEY
MR HOMES, 173 PWLLMELIN ROAD, LOCK UP SHOP, LOCK UP SHOP, FAIRWATER
MIKES FOOD STORES, 191 BURNHAM AVENUE, SHOP & MAISONETTE, SHOP & MAISONETTE, LLANRUMNEY
65 CAE GLAS ROAD, SHOP & LIVING ACCOMMODATION, SHOP & LIVING ACCOMMODATION, RUMNEY
187 BURNHAM AVENUE, SHOP & MAISONETTE, SHOP & MAISONETTE, LLANRUMNEY
MORGANSTOWN FORMER CLUB HOUSE, TY-NANT ROAD , MORGANSTOWN, CARDIFF
81 GRAND AVENUE, SHOP & FLAT, SHOP & FLAT, ELY
79 GRAND AVENUE, SHOP & FLAT, SHOP & FLAT, ELY
75 GRAND AVENUE, SHOP & FLAT, SHOP & FLAT, ELY
71 GRAND AVENUE, SHOP & L/ACCOM, SHOP & L/ACCOM, ELY
59 GRAND AVENUE, SHOPS & LIVING ACCOMODATION, ELY NORTH SHOP + L/ACCOM, ELY
MICHAELS HAIR SALON, 56B PLAS MAWR ROAD, LOCK UP SHOP, LOCK UP SHOP, FAIRWATER
A1 GENERAL STORE, 183 BURNHAM AVENUE, SHOP & MAISONETTE, SHOP & MAISONETTE, LLANRUMNEY
LLOYDS PHARMACY, 35 WILSON ROAD, SHOP & LIVING ACCOMMODATION, SHOP & LIVING ACCOMMODATION, ELY
MORGANS SOLICITORS & ADVOCATES, 31 WILSON ROAD, SHOP & LIVING ACCOMMODATION, SHOP & LIVING ACCOMMODATION, ELY
C & M NEWS, 32 FISHGUARD ROAD, FISHGUARD ROAD 32 (SHOP), FISHGUARD ROAD 32 (SHOP), LLANISHEN
SHAWS CARDIFF, 37 WILSON ROAD, SHOP & LIVING ACCOMMODATION, SHOP & LIVING ACCOMMODATION, ELY
LLOYDS PHARMACY LTD, 185 BURNHAM AVENUE, SHOP, SHOP, LLANRUMNEY
MORGANS & MORGANS, 31 GREEN FARM ROAD, SHOP & LIVING ACCOMODATION, SHOP & LIVING ACCOMODATION, ELY
34 FISHGUARD ROAD, SHOP AND FLAT, SHOP AND FLAT, LLANISHEN
LLANGRANOG POST OFFICE, 15 LLANGRANOG ROAD, SHOP AND FLAT, SHOP AND FLAT, LLANISHEN
59 GRAND AVENUE, SHOPS & LIVING ACCOMODATION, 59 GRAND AVENUE, ELY
WATER BOOSTER STATION, MOUNT PLEASANT LANE, PREMISES AT THE REAR OF.., PREMISES AT THE REAR OF.., LLANRUMNEY
1A MARIA STREET, 1A MARIA STREET, ADMIN BASE FOR CARE ATTENDANTS, BUTETOWN
91 GABALFA AVENUE, SHOP & FLAT, SHOP & FLAT, LLANDAFF NORTH

85 GABALFA AVENUE, SHOP & FLAT, SHOP & FLAT, LLANDAFF NORTH
 66 PLAS MAWR ROAD, SHOP & FLAT, SHOP & FLAT, FAIRWATER
 64 PLAS MAWR ROAD, SHOP & FLAT, SHOP & FLAT, FAIRWATER
 WA HARRIS BUTCHER, 62 PLAS MAWR ROAD, SHOP & FLAT, SHOP & FLAT, FAIRWATER
 68 PLAS MAWR ROAD, SHOP & FLAT, SHOP & FLAT, FAIRWATER
 60 PLAS MAWR ROAD, SHOP & FLAT, SHOP & FLAT SHOP&FLAT (GREENGROCER) (FORMERLY NO 52), FAIRWATER
 PREMIER STORES, 125-127 BISHOPSTON ROAD, SHOP AND FLAT, SHOP AND FLAT, CAERAU
 LONDIS, 10 HEOL TRENEWYDD, SHOP & LIVING ACCOMMODATION, SHOP & LIVING ACCOMMODATION, CAERAU
 SPAR, 67 CAE GLAS ROAD, SHOP & LIVING ACCOMMODATION, SHOP & LIVING ACCOMMODATION, RUMNEY
 PIPPY LOU'S PANTRY, 82A PWLLMELIN ROAD, SHOP & FLAT, SHOP & FLAT, FAIRWATER
 FAIRWATER FISH BAR, 58 PLAS MAWR ROAD, SHOP & FLAT, SHOP & FLAT, FAIRWATER
 53 GABALFA AVENUE, SHOP & FLAT, SHOP & FLAT, LLANDAFF NORTH
 125A BISHOPSTON ROAD, SHOP AND FLAT, SHOP AND FLAT, CAERAU
 51 GABALFA AVENUE, SHOP & FLAT, SHOP & FLAT, LLANDAFF NORTH
 49 GABALFA AVENUE, SHOP & FLAT, SHOP & FLAT, LLANDAFF NORTH
 91-93 GABALFA AVENUE, SHOP & FLAT, SHOP & FLAT, LLANDAFF NORTH
 9 LLANGRANOG ROAD, SHOP AND MAISONETTE, SHOP AND MAISONETTE, LLANISHEN
 189 BURNHAM AVENUE, SHOP & FLAT, SHOP & FLAT, LLANRUMNEY
 7 LLANGRANOG ROAD, SHOP & FLAT, SHOP & FLAT, LLANISHEN
 17 LLANGRANOG ROAD, SHOP & LIVING ACCOMMODATION, SHOP & LIVING ACCOMMODATION, LLANISHEN
 11 LLANGRANOG ROAD, SHOP AND FLAT, SHOP AND FLAT, LLANISHEN
 87 GABALFA AVENUE, SHOP & FLAT, SHOP & FLAT, LLANDAFF NORTH
 56A PLAS MAWR ROAD, LOCK UP SHOP, LOCK UP SHOP, FAIRWATER

RETAIL RACK RENT

ROATH PARK REFRESHMENT KIOSK & MOBILE KIOSK, ROATH PARK, LAK, REFRESHMENT KIOSK/MOBILE KIOSK, REFRESHMENT KIOSK & MOBILE KIOSK, CYNCOED
 SUMMERHOUSE KIOSK, BUTE PARK, CASTLE STREET, SUMMERHOUSE KIOSK, SUMMERHOUSE KIOSK BUTE PARK, CATHAYS
 PETTIGREW TEA ROOMS, WEST LODGE, CATHAYS, TEA ROOMS, CARDIFF
 TERRA NOVA CAFÉ, ROATH PARK, LAKE ROAD WEST, ROATH PARK LAKE - CAFE, ROATH PARK LAKE - CAFE, CYNCOED
 FORMER LLANDAFF FIELDS PUBLIC TOILETS, PENHILL ROAD, RIVERSIDE, CAFE, CARDIFF
 REFRESHMENT KIOSK, GORSEDD GARDENS, GORSEDD GARDENS ROAD, REFRESHMENT KIOSK GORSEDD GDNS, REFRESHMENT KIOSK GORSEDD GARDENS FORMER
 PARK RANGERS HUT, CATHAYS
 VICTORIA PARK KIOSK, VICTORIA PARK, COWBRIDGE ROAD EAST, REFRESHMENT KIOSK, REFRESHMENT KIOSK, CANTON
 WILLIAM HILL, 190-192 COWBRIDGE ROAD EAST, LOCK UP SHOP, LOCK UP SHOP DOES NOT INCLUDE 1ST & 2ND FLOORS OF 192, CANTON
 PAVILION CLOTHING, 3 WHARTON STREET, LOCK UP SHOP, LOCK UP SHOP, CATHAYS
 HAYES ISLAND SNACK BAR, THE HAYES, LOCK UP SHOP, LOCK UP SHOP, CATHAYS
 BOSTON BUILDINGS, 70 JAMES STREET, BOSTON BUILDINGS-GENERAL, BOSTON BUILD SHOP/CAFE STORAGE & OFFICES-GENERAL CARD, BUTETOWN
 MARKET CHAMBERS, 5-7 ST MARY STREET, COMMERCIAL PREMISES, COMMERCIAL PREMISES, CATHAYS
 GRILLER, 29 CAROLINE STREET, LOCK UP SHOP, LOCK UP SHOP, CATHAYS
 MALLOY AND BARRY SOLICITORS, 194 COWBRIDGE ROAD EAST, LOCK UP SHOP, LOCK UP SHOP, CANTON
 48 QUEEN STREET, PREMISES (PART OF B.H.S.), PREMISES (PART OF B.H.S.), LLANDAFF NORTH
 ICELAND, 194B COWBRIDGE ROAD EAST, SUPERMARKET (BEJAM), SUPERMARKET (ICELAND), CANTON
 NEWSPAPER KIOSK, NEWPORT ROAD, CATHAYS, KIOSK, CARDIFF

SPORTING ACTIVITIES

WELSH NATIONAL TENNIS CENTRE, OCEAN WAY, OCEAN PARK TENNIS CENTRE, OCEAN PARK TENNIS CENTRE, SPLOTT
CARDIFF CITY STADIUM, LECKWITH ROAD, LECKWITH ROAD, CANTON
GLAMORGAN CRICKET, SWALEC STADIUM, SOPHIA CLOSE, LICENCED CLUB & CRICKET GROUND, LICENCED CLUB & CRICKET GROUND, RIVERSIDE
LLANISHEN GOLF CLUB, HEOL HIR, LLANISHEN GOLF CLUB, LLANISHEN GOLF CLUB, LISVANE
CARDIFF SKI CENTRE, 198 FAIRWATER ROAD, SKI CENTRE, SKI CENTRE, FAIRWATER
THE CARDIFF ARENA ICE RINK, INTERNATIONAL DRIVE, CARDIFF ICE RINK, CARDIFF ICE RINK, GRANGETOWN

UNIVERSITY

SOUTHGATE HOUSE, BEVAN PLACE / , LLYS TAL-Y-BONT ROAD,, UNIVERSITY PREMISES, GABALFA
SENGHENNYDD COURT, SALISBURY ROAD, UNIVERSITY HALLS OF RESIDENCE, CATHAYS
LLYS-TAL-Y-BONT STUDENT PREMISES, BEVAN PLACE, HALLS OF RESIDENCE, UNIVERSITY SPORTS HALL, GABALFA
INFORMATION SERVICES, CARDIFF UNIVERSITY, 41 PARK PLACE, PARK PLACE UNIVERSITY OFFICES, PART OF COMPUTER CENTRE, CATHAYS
CARDIFF UNIVERSITY, CORBETT ROAD, UNIVERSITY PREMISES, LIBRARY & R/O COLUM ROAD , CATHAYS
UNIVERSITY OF WALES COLLEGE OF CARDIFF, PARK PLACE, UNIVERSITY PREMISES (EXTENTION), ADJ. SCHOOL OF BIOSCIENCES, CATHAYS

UTILITIES

ORANGE INSTALLATION RUMNEY HIGH SCHOOL NEWPORT ROAD, ORANGE INSTALLATION RUMNEY HI, ORANGE INSTALLATION RUMNEY HIGH SCHOOL, RUMNEY
TOTAL = 243 ELECTRICITY SUB STATIONS, TOTAL = 243, TOTAL = 243, NOT KNOWN
TOTAL = 417 WAYLEAVES, TOTAL = 417, TOTAL = 417, NOT KNOWN
UNIT 20 HADFIELD R IND ESTATE 'HADFIELD ROAD, UNIT 20 HADFIELD RD IND ESTATE, UNIT 20 HADFIELD R IND ESTATE 01129650 - ADDITIONAL LAND LEC, GRANGETOWN
MERCURY RELAY STATION, HADFIELD ROAD, UNIT 19 HADFIELD RD IND ESTATE, UNIT 19 HADFIELD RD IND ESTATE (FOR ADDIT LEASE SEE 6412) EL, CANTON
CARDIFF WEST SUBSTATION, HADFIELD ROAD, ELECTRICITY SUB STATION, UNIT 19 HADFIELD RD IND ESTATE FOR ADDIT LEASE SEE 6412) ELE, GRANGETOWN
GAS GOVERNOR KIOSK, RIVERSIDE TERRACE, RIVERSIDE TERRACE, GAS GOVERNOR KIOSK MOSTLY UNUSED HIGHWAY VERGE LAND SUBJECT, CAERAU
GAS GOVERNOR KIOSK, MICHAELSTON RD, ST FAGANS, GAS GOVERNOR KIOSK, CARDIFF
GAS GOVERNOR KIOSK TRELAI PARK, GAS GOVERNOR KIOSK, GAS GOVERNOR KIOSK, CAERAU
GAS GOVERNOR KIOSK, HAZEL PLACE, GAS GOVERNOR KIOSK, GAS GOVERNOR KIOSK, FAIRWATER
ELECTRICITY SUB STATION, MINSTER ROAD, ELECTRICITY SUB STN, ELECTRICITY SUB STN MINSTER RD PLAYING FIELDS, PENYLAN

DISCLAIMER: this list is subject to further due diligence and therefore maybe subject to amendment within the relevant criteria for investment properties.

My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

Date: 5 November 2015



County Hall
Cardiff,
CF10 4UW
Tel: (029) 2087 2087

Neuadd y Sir
Caerdydd,
CF10 4UW
Ffôn: (029) 2087 2088

Councillor Phil Bale
Council Leader,
Cardiff Council,
County Hall
Cardiff
CF10 4UW

Dear Councillor Bale,

**Policy Review & Performance Scrutiny Committee: 3 November 2015
Non Operational Investment Property Estate**

On behalf of the Policy Review and Performance Scrutiny Committee my sincere thanks for facilitating consideration of the Council's proposals for dealing with its Non Operational Property on 3 November 2015. Members welcomed the opportunity for pre-decision scrutiny of the proposed governance of our estate, and following their discussion at the Way Forward have asked me to pass on their comments and observations.

Firstly, the Committee wishes to highlight the risk to income of disposing of capital assets. Members were reassured that the new strategy is focussed on generating more money, and the new Investment Estate Board will dispose of a property only where its yield is currently poor. They note the key principles, that where the Council sells a non operational property the proceeds will be ring fenced to remodel existing properties, or purchase new properties with the potential to generate higher rents; and where the yield on a property is good the Investment Estate Board will retain it. Members were also particularly reassured to hear that all Council owned buildings with a community value will be retained within the Operational Estate.

Members wish to take up your offer to report annually on the performance of the Investment Estate Board to this Committee. It is clear that accountability for decisions taken by the Board will sit with professional officers advised by commercial advisers, reporting to yourself, with an annual report of its activities included in the Council's Asset Management Plan programmed for Cabinet consideration. As these properties will be assessed to have no ward Member or community implications, the

Committee's interest will be in the performance of the Board in maximising income from the Council's estate. We would therefore expect to have sight of an annual cash flow statement that details all sources and allocation of funding on Non Operational Property.

When the Committee scrutinises the Investment Estate in the future it will be seeking reassurance that an ethical and community focussed framework for investment has been implemented, and will be looking for a fuller explanation of how the new Investment Estate Board is identifying new assets. It will also seek to consider disposal case examples from the list of investment properties, to reassure itself that the framework is being adhered to.

The Committee feels it is important to preserve the quality of the public realm in prominent locations. It urges that all opportunities for the Council to control development on such sites the Board decides to sell seeks to prevent over development with bland options, as often characterised by student accommodation developments. Members take on board that most property is sold as an investment in a going concern, and any constraints the Council impose will impact on the income generated. They were therefore pleased to hear you are committed to protecting future opportunities to preserve quality of life in Cardiff and maintain the City's liveability profile.

Similarly they feel Cardiff is still short of hotel space, and when you consider selling such property would urge you to preserve some control over the site's future use. The Committee fully endorses the retention of some public houses for income purposes, and others for community benefit.

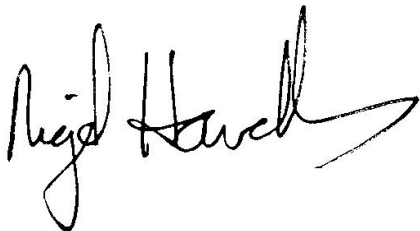
The Committee is pleased to hear that the estate is currently generating a good income, and that the new proposals will refine the Council's ability to develop its property portfolio to a point where it makes money. However it feels the timescales for implementation remain unclear and will retain a close watching brief.

To re-cap, the Committee will be pleased to receive:

An annual report to the Policy Review & Performance Scrutiny Committee on the performance of the Investment Estate Board; supported by a cash flow statement outlining all sources of income and allocation of funding.

Finally, on behalf of the Committee, I wish to thank you and the officers for your continued support for the internal challenge of important issues.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nigel Howells', with a long horizontal flourish extending to the right.

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

cc

Members of the Policy Review & Performance Scrutiny Committee;
Neil Hanratty, Director of Economic Development
Helen Jones, Corporate Property and Estates Manager
Gareth Newell, Head of the Cabinet Office;
Joanne Watkins, Cabinet Business Manager;

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**CITY OF CARDIFF COUNCIL
CYNGOR DINAS CAERDYDD**



CABINET MEETING: 12 NOVEMBER 2015

UPDATE OF COUNCIL'S NO SMOKING POLICY

REPORT OF CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 4

**PORTFOLIO: CORPORATE SERVICES AND PERFORMANCE
(COUNCILLOR GRAHAM HINCHEY)**

Reason for this Report

1. There is a need to update the Council's No Smoking policy to reflect changes in case law and to clarify the agreed approach to be taken in relation to the use of e-cigarettes. The opportunity is also being taken to rebrand the document as a Smoke Free Policy to better reflect the focus now being taken by employers.

Background

2. The Council's No Smoking Policy was developed some years ago in consultation with service areas and Trade Unions. In light of evolving case law and guidance provided by various bodies such as the British Medical Association and Public Health Wales, the policy needed to be updated to reflect such issues, including the emergence and increasing usage of e-cigarettes.
3. Whilst the Smoke Free Premises etc (Wales) Regulations 2007 prohibition on smoking conventional cigarettes in enclosed workplaces is well embedded, the growing availability and use of e-cigarettes has been the subject of much media attention. Evolving case law has meant that employers must make sure their policies are transparent and that there is clarity on the stance being taken on this contentious health issue.

Use of e-cigarettes

4. Electronic cigarettes (e-cigarettes) look very similar to regular cigarettes and different manufacturers use different designs and incorporate a range of ingredients. Manufacturers' advertising of e-cigarettes focuses on them being substitutes for cigarettes and they are often marketed as an aid to stop smoking. However employers must also consider the effects on other members of staff as the long term effects of e-cigarettes are unknown, plus having e-cigarette vapours in the workplace may create an unpleasant environment. They usually heat nicotine, propylene

glycol and flavouring agents into a vapour which the user inhales. E-cigarette manufacturers also promote the idea that using these products – ‘vaping’ as it is sometimes called - does not have the same harmful effects as conventional smoking.

5. E-cigarettes have not been subjected to many independent tests and any impact on health arising from their use may not become obvious for some years. Public Health England recently endorsed the use of e-cigarettes as an aid to help quit smoking. However it is advised that in light of Public Health England’s endorsement of the safety and efficacy of e-cigarettes being based on uncertain evidence, public health strategies should follow the precautionary principle (i.e. treating e-cigarettes the same as tobacco cigarettes) until better evidence is available. This is to limit second hand exposure to the vapour exhaled by the user and to ensure their use does not undermine smoking prevention and cessation by reinforcing the normalcy of cigarettes use.
6. The main aims of this updated and rebranded policy attached as Appendix 1 are to:
 - Protect all staff from the harmful effects of second hand tobacco smoke including the rights of non-smokers to breathe air that is free from tobacco smoke.
 - Ensure compliance with all legislation relating to smoking in the workplace.
 - Clarify the approach to be taken towards the use of e-cigarettes.
 - Clarify arrangements for smoking breaks for those who wish to smoke.
 - Signpost the support available for those who wish to stop smoking.
 - Ensure that all parties including employers, smokers and non-smokers have a clear understanding of their rights and responsibilities and prevent problems arising.

Other Changes

7. Whilst the inclusion of e cigarettes is the major change to the policy, the opportunity is being taken to make sure that everyone understands that smoking (whether using a conventional or an e-cigarette) continues to be prohibited in relation to:
 - Occasions where employees are carrying passengers including young people
 - Council owned or leased vehicles including pool cars
 - all school grounds including playing fields, car parks, etc.

- those working with or near children and young people as smoking in sight of or the vicinity of such individuals could have the potential to normalise smoking.

Reason for Recommendations

8. There is a need to update the current no smoking policy to reflect evolving case law and growing use and availability of e-cigarettes. The opportunity is also being taken to rebrand the policy as Smoke Free Policy to better reflect the overall ethos and approach now being taken by employers.

Financial Implications

9. There are no direct financial implications arising from this report.

Legal Implications

10. The legal implications appear in the text of this Report

HR Implications

11. The proposed changes to this policy reflect evolving case law, with the main addition being clarity on the Council's approach towards the use of e-cigarettes. The Trade Unions have been consulted and support the changes proposed.

RECOMMENDATIONS

Cabinet is recommended to agree:

1. The changes to the policy and rebranding as Smoke Free policy (attached as Appendix 1) be approved.
2. that the revised policy be commended to School Governing Bodies for adoption.
3. that the revised policy be brought to the attention of all employees, elected members, visitors, contractors, etc. by relevant means.

CHRISTINE SALTER

Corporate Director
6 November 2015

The following appendices are attached:

Appendix 1: Council's Smoke Free Policy



SMOKE FREE POLICY

DATE DOCUMENT PUBLISHED	
APPROVED BY	
APPROVAL DATE	
DOCUMENT OWNER	Employee Relations
DATE FOR REVIEW	

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SECTION 1 - INTRODUCTION, ROLES and RESPONSIBILITIES

1.1 Introduction

The City of Cardiff Council is committed to promoting health and wellbeing and, as a good employer, wishes to create a high quality, healthy and safe working environment for employees, service users and visitors. Smoking and passive smoking (breathing other people's tobacco smoke) has been medically proven to cause lung cancer and heart disease, as well as many other illnesses and minor conditions. The Council must, therefore, ensure that everyone is protected from the dangers of smoke in work and rest areas. For clarity, the arrangements of the Smoke Free Policy apply to the use of substitute smoking materials, such as e-cigarettes in addition to conventional tobacco cigarettes.

1.2 Roles and Responsibilities

It is important that everyone clearly understands their roles and responsibilities with regard to the policy.

1.3 Employee responsibilities:

- a) To take reasonable care for the health and safety of themselves and others and to co-operate with the Council as far as is necessary to enable the Council to comply with the requirements of the Health and Safety at Work etc. Act 1974.
- b) Ensuring they understand and comply with this policy and procedure.
- c) To adhere to and facilitate the implementation of the policy.
- d) Ensuring that all those who enter any Council premises are made aware of the policy.
- e) Ensure that they only smoke in their own time.

1.4 Management Responsibilities:

In addition to their responsibilities as employees, managers are also responsible for:

- a) Ensuring employees are aware of the policy and procedures and statutory requirements behind the policy by whatever means are most appropriate.
- b) Fully understanding the Council's Smoke Free Policy and ensuring it is implemented, fairly and consistently.
- c) Ensure that employees are not smoking during their designated working hours.

1.5 HR People Services responsibilities:

- a) Provide all employees with information and advice as appropriate.
- b) Will ensure that this policy forms part of the induction package for new employees.
- c) Review the application of the policy in the light of operational experience.

SECTION 2 - POLICY

Purpose

- 2.1 This policy has been developed by the Council to protect all employees, service users, customers and visitors from exposure to second hand smoke. This assists compliance with the Health Act 2006 in which all enclosed and substantially enclosed workplaces and public places are legally required to be smoke free. Whilst the policy is a constructive means of meeting the needs of non smokers to work in a smoke free environment, it is, at the same time, to be an encouragement to smokers to cease smoking
- 2.2 In addition ,The Smoke-free Premises etc. (Wales) Regulations 2007 make provision concerning the prohibition of smoking in certain wholly or substantially enclosed public places. It is an offence to smoke in no smoking premises or to knowingly permit smoking in no smoking premises. Vehicles used for business purposes are also covered by the law. Smoking is not allowed in any Council owned/leased or pool vehicle. Owners of premises and individuals will have to pay substantial statutory fines if this legislation is breached.
- 2.3 This policy clarifies the Council's stance on e-cigarettes.

Who is covered?

- 2.4 This policy applies to all employees, elected members, contractors, customers, service users and visitors. It is commended to Governing Bodies with the recommendation that the policy is adopted in all Cardiff Schools.

Key Principles

- 2.5 Smoking is prohibited in all Council owned/leased buildings. Whilst legislation does not require provision for smokers, designated smoking areas may be provided and must be located so smoke cannot drift into buildings. Where no designated smoking areas are provided, smokers should refrain from smoking outside door entrances, windows and ventilation fans which have the potential to allow smoke to drift back into offices / workplaces. Any debris associated with smoking should be placed in the receptacles provided.

Exemptions

- 2.6 The only exemptions to the policy are as follows:
- (a) Sheltered and homeless hostel accommodation.

All persons are prohibited from smoking in any communal areas within sheltered or hostel accommodation, including: lounge areas, laundry, corridors, entrance halls/porches etc. However as sheltered and hostel accommodation units are people's homes, there are allowed to smoke in their own unit.

(b) Tied Accommodation

Employees who live in tied accommodation, e.g. school caretakers, will be permitted to smoke in their own exclusive accommodation as this is their home.

SECTION 3 – PROCEDURE

Signage

- 3.1 **NO SMOKING** signage as appropriate and posters will be displayed at all entrance of buildings owned/leased by the Council, and in all Council owned/leased vehicles including pool cars to inform everyone of the legislative requirements and the Smoke Free Policy. This is in compliance with The Smoke - free Premises etc, (Wales) Regulations 2007.

Distribution of Policy

- 3.2 A copy of this policy will be available in all buildings and on the Council's intranet. Visitors and the general public will be expected to abide by the terms of this policy. Receptionists/persons greeting visitors will inform them, if necessary, of the Council's Smoke Free Policy and The Smoke-free Premises etc. (Wales) Regulations 2007. Those with responsibility for the booking of committee rooms and other Council facilities have a responsibility to inform those seeking to book the rooms/facility that they are smoke free.

Vehicles

- 3.3 Smoking is prohibited in all Council owned/leased or pool vehicles and in private vehicles if a non smoking passenger is being carried for work purposes. In addition it is against the law to smoke in a vehicle carrying children under the age of 18.

Domestic Premises

- 3.4 Employees required to visit premises not covered by smoke free legislation as part of their duties (i.e. domestic premises) should advise the person being visited, when arranging a visit, of the Council's Smoke Free Policy. Although the Council has a duty of care to protect its employees, it cannot enforce the Smoke Free Policy in domestic premises. Employees should agree with the person they are visiting, that a non-smoking area be provided for the duration of the visit. Where this is not possible, employees should ask the person being visited to refrain from smoking inside the premises, or in the meeting area/site, for one hour before the visit and for the duration of the visit.
- 3.5 In circumstances where it is not possible to pre-arrange a visit and it is subsequently found that Council employees are being exposed to second-hand smoke, employees should consider, and decide on an individual basis, whether they wish to proceed with the visit and be exposed to second hand smoke. Managers should be informed of these circumstances. There will remain a risk to employees who support service users who are smokers. However, the Council needs to demonstrate that it has done everything it reasonably can to reduce the

risk, without affecting the clients rights while they are within their own home

Staff Required to Sleep-In

- 3.6 Practical and agreed arrangements will need to be put in place to safeguard employees who are required to sleep in as part of their contractual requirements whilst the needs of the relevant service user are met. In these situations staff are not permitted to smoke on the premises nor smoke with or in front of service users

Local Authority owned/run school sites

- 3.7 Smoking is **not** permitted in school premises or on school grounds, including playing fields and car parks under the control of the school, or is managed as part of the school.

Other areas frequented by young people or families

- 3.8 Employees of the Council who work with, or near, children and young persons as part of their employment, must refrain from smoking in sight of and in the vicinity of such individuals whilst engaging in work related activities or duties. Smoking in these circumstances can have the potential to "normalise" smoking, which may have a subsequent negative influence on the behaviour of these young people with a greater likelihood of them trying tobacco products.

Sale of Tobacco Products

- 3.9 The sale and advertising of tobacco and e-cigarette products is **prohibited** in all Council premises.

Electronic Cigarettes (e-cigarettes)

- 3.10 E-cigarettes, personal vaporizers (PVs), and electronic nicotine delivery systems (ENDS) are battery operated devices that mimic tobacco smoking and are often used as a replacement for cigarettes. Following current guidance from the British Medical Association and in accordance with current Public Health Wales advice, the use of substitute smoking materials, such as these, are not permitted in any Council premises. The arrangements of the Smoke Free Policy apply to the use of such materials. Employees using such products are free to use designated smoking areas if they wish, or to use other suitable areas outside of and away from Council buildings. The charging of e-cigarettes and related products are not allowed in Council workplace. Any reference to smoking within this policy also includes the use of e-cigarettes.

Smoking Breaks

- 3.11 On the grounds of equality and fairness towards smokers and non-smokers, all employees who stop work and leave their workstation in order to have a smoke or e-cigarette break must do so in their own time as part of the Council's flexible working arrangements and with the permission of their line manager. Employees must therefore clock out/in for a smoking break. Failure to do so will lead to disciplinary action.
- 3.12 Should the frequency and duration of these breaks become excessive, to the point of adversely affecting service delivery, managers will be expected to discuss this with the individual concerned and may place restrictions on the number of breaks.
- 3.13 Employees not on flexitime who wish to smoke during the working day may do so only during designated breaks, i.e. an official agreed rest period, such as the lunch break or, where possible with the prior agreement of their line manager.

Breaches of the Policy

- 3.14 Breaches of / non-compliance with this policy will be viewed as a serious matter. Employees who wilfully disregard the Smoke Free Policy may be subject to disciplinary action, including dismissal in cases of persistent wilful disregard. Elected Members who breach or do not comply with this policy may be treated in accordance with the Members Code of Conduct.
- 3.15 It is a criminal offence to smoke in a designated smoke free public area and to do so can attract a fine.

Visitors to Council Premises

- 3.16 Where individuals who are not employed by the Council, are noted to be smoking or using e-cigarettes within smoke free buildings (as described in the Smoke - free Premises etc. (Wales) Regulations 2007, the following steps are recommended to be taken in accordance with information provided by the Welsh Government.
- a) Draw the person's attention to the 'No Smoking' signs and remind them that they are committing an offence.
 - b) Politely ask them to stop smoking.
 - c) If relevant, advise the person that it is also an offence for you (as manager etc.) to let anyone smoke.
 - d) Explain to them that the Council has a Smoke Free Policy to ensure a safe working environment for all staff and customers.
 - e) If your warning is ignored, immediately ask them to leave the premises (and, where relevant, inform them where they can smoke).

- f) If the person refuses, implement your normal procedure for anti-social/illegal behaviour in the workplace
- g) Maintain a record of all such incidents and outcomes with name and address of the individual where possible.
- h) Inform the Council's Health Improvement Team of the breach, in order to allow them to investigate and implement formal action. The Improvement Team must be provided with a written statement with details of the incident including names, etc.

Contractors

3.17 The Smoke Free Policy applies to contractors engaged by the Council. Breach of the policy will be dealt with under contract terms and conditions which may lead to termination of the contract.

SECTION 4 – HELP TO STOP SMOKING

The following sources of support are available for smokers who wish to stop.

Smokers Helpline Wales - Free phone - 0800 169 0 169.

All Wales Smoking Cessation Service -Free phone- 0800 085 2219.

The All Wales Smoking Cessation Service is a national service available to smokers and others who would like advice to quit smoking. Just phone to find out where your local stop smoking service is based and information on how to join your local support group to help you give-up smoking.

ASH (Action on Smoking and Health) - www.ash.org.uk

NHS Direct- www.nhsdirect.nhs.uk

NHS Helpline — www.givingupsmoking.co.uk

QUIT www.quit.org.uk Tel 0800 00 22 00

British Heart Foundation — Smoking www.bhf.org.uk/Smoking

SECTION 5 - REVIEW

The policy will be reviewed in the light of operational experience or when legislative changes occur.

**CITY OF CARDIFF COUNCIL
CYNGOR DINAS CAERDYDD**



CABINET MEETING: 12 NOVEMBER 2015

TREASURY MANAGEMENT MID-YEAR REPORT 2015-16

REPORT OF CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 5

**PORTFOLIO: CORPORATE SERVICES AND PERFORMANCE (COUNCILLOR
GRAHAM HINCHEY)**

Annexes A&B to Appendix 1 to this report are not for publication as they contain exempt information of the description in Paragraphs 14 and 21 of Schedule 12A of the Local Government Act 1972.

Reason for this Report

1. To inform members of the Council's treasury management activities since 1 April 2015 and the position as at 30 September 2015.

Background

2. The Council's treasury management activities are governed by legislation and a Code of Practice developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) updated in 2011.

Issues

3. In the budget report of February 2010, Council adopted CIPFA's revised Treasury Management Code by formal acceptance of the Four Clauses of Treasury Management and Treasury Management Policy Statement as Council policy. In accordance with these policies, this report provides members with a mid year update of Treasury Management activities as at 30 September 2015. Council requires the scrutiny of the accounting, audit and commercial issues of its Treasury Management Strategy and Practices to be undertaken by the Council's Audit Committee. The mid-year monitoring report and supporting Annexes are attached as Appendix 1 and is to be referred to Council on the 26 November 2015 after consideration by the Cabinet.
4. The report also updates members on borrowing undertaken by the Council to exist the Housing Finance Subsidy system in April 2015 following confirmation from Welsh Government (WG) and HM Treasury of the terms of the settlement ("buy out").

Reasons for Recommendations

5. Council policy requires the Treasury Management Mid Year Report 2015-16 update to be submitted to Council.

Legal Implications

6. No direct legal implications arise from this report.

Financial Implications

7. The Council's treasury management activities are undertaken in accordance with the policies adopted by Council and under professional codes of conduct established by CIPFA, the Welsh Government and the Corporate Director Resources as part of Treasury Management Practices. This report is part of a suite of reports that members receive on the Council's treasury management activities during the course of a year. Whilst there are no direct financial implications arising from this report, the risks involved with treasury management are continuously reviewed in conjunction with the Council's treasury management advisors.

RECOMMENDATION

Cabinet is recommend to agree that Council be recommended to

1. note the Treasury Management Mid Year Report 2015-16 (Appendix 1)
2. note the final position on Housing Finance reform that allowed the Council to exit the Subsidy system following acceptance of a voluntary agreement between the Council and Welsh Government.

CHRISTINE SALTER

Corporate Director Resources
6 November 2015

The following Appendix is attached:-

Appendix 1: Treasury Management Mid Year Report 2015-16
Annexe A – Investments at 30 September 2015
Annexe B – Investment Charts at 30 September 2015
Annexe C – Maturity Analysis of borrowing as at 30 September 2015
Annexe D – Housing Revenue Account Subsidy (HRAS) System Exit
Annexe E – Glossary of Treasury Management terms

Appendix 1

Annexes A&B to this Appendix are not for publication as they contain exempt information of the description in Paragraphs 14 and 21 of Schedule 12A of the Local Government Act 1972.

Treasury Management Mid-Year Report 2015-16

The City of Cardiff Council



Introduction

- 1.1 Treasury management activities are the management of an organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- 1.2 The Council carries out its treasury management activities in accordance with a code developed for public services in 2011 by the Chartered Institute of Public Finance and Accountancy (CIPFA) as well as Council approved policies and clauses adopted by Council in February 2010.
- 1.3 In accordance with these policies, this report provides members with a mid year update of Treasury Management activities as at 30 September 2015 and covers:-
 - the economic background to treasury activities
 - investments
 - borrowing
 - debt rescheduling
 - compliance with treasury limits and prudential indicators
 - strategy update for remainder of year.
- 1.4 Annexe E includes a glossary which defines key terms used in this report. During 2015/16, Audit Committee has received periodic updates on the position and performance of Treasury Management and the issues included in the report below. In addition Council received in September 2015 the Annual Report on the Outturn for Treasury Management for 2014/15.

Economic Background

- 2.1 Growth forecasts for the UK economy remain positive, however these have recently been tempered by concerns of slower global growth and weakness in stock markets. Inflation measured by Consumer Price Index (CPI) remains low at close to 0%. This is as a result of reduced oil, clothing and energy prices with this supporting increased household spending. However, for any recovery to become more balanced and sustained in the longer term, the view is that there needs to be a move away from dependence on consumer expenditure and the housing market.
- 2.2 The following table gives the Council's treasury management advisors, latest forecast of bank rate and Public Works Loan Board (PWLB) borrowing rates: The start of the increases in Bank Rate are assumed to be towards in the second quarter of 2016/17, with any increases at a more gradual rate than previously expected.

	Sep-15	Mar-16	Mar-17	Mar-18
Bank Rate	0.50%	0.50%	1.00%	1.75%
5yr PWLB rate	2.30%	2.50%	3.00%	3.40%
10yr PWLB rate	2.90%	3.20%	3.70%	4.10%
25yr PWLB rate	3.40%	3.80%	4.20%	4.60%
50yr PWLB rate	3.40%	3.80%	4.20%	4.60%

- 2.3 It can be seen from the table that the cost of borrowing is significantly in excess of the rates that are available from investments. Whilst there have been fluctuations, borrowing rates remain at similar levels to when the Treasury Strategy was approved in February 2015. Whilst geo-political events can have short term impacts on rates, the long term forecast is for PWLB rates to rise due to the high volume of debt issuance in the UK.
- 2.4 Increased confidence in UK growth, higher inflation expectations and reversal of quantitative easing measures could result in increases in borrowing rates. Conversely re-emergence of problems in heavily indebted European economies, geopolitical risks such as in the Middle East, could result in safe haven flows back to the UK, reducing borrowing rates.

Investment

- 3.1 The management of the Council's cash flows may involve temporary lending of surplus funds to low risk counterparties or temporary borrowing pending receipt of income.
- 3.2 The Council's investment priorities are the security and then liquidity of its investments. The Council also aims to achieve the optimum return on its investments appropriate to these priorities.
- 3.3 The Council invests with financial institutions in accordance with criteria approved in the Treasury Strategy. The categories, names, periods and size limits on this list can be extended, varied or restricted at any time by the Corporate Director Resources under delegated powers. Based primarily on Fitch credit criteria and a number of other factors which the Council takes into account, lending to these institutions is subject to time and size limits and credit worthiness continues to be carefully monitored.
- 3.4 Given that bank rates are historically low, and the damping effect on interest rates that the Government's Funding for Lending Scheme and

minimum capital requirements has had on availability of cash to banks, rates of investment return remain low.

- 3.5 At the 30 September 2015, investments stood at £53.45 million. These temporary funds fluctuate daily and arise for a number of reasons, including the timing differences between the receipt of grant and other income and the utilisation of these funds on salaries and other operating costs. It includes the level of reserves, provisions, and other balances. It is also affected by the timing of borrowing and capital expenditure transactions. **Annexe A** shows with whom these investments were held as at 30 September 2015. These were all deemed recoverable.
- 3.6 A selection of performance indicators and benchmarking charts, is included in **Annexe B** as follows:-
- **Counterparty Exposure** displays actual investment against the maximum permitted directly with an organisation. This demonstrates that we are not exceeding any exposure limits.
 - **Remaining Maturity Profile of Investments**. This shows the duration of investments is spread and taking advantage of slightly higher rates for longer term investment up to one year where reasonable to do so.
 - **Investments by Institution**. This expresses the investments held with different institutions as a percentage of the total and shows diversification is sought where possible.
 - **Geographic Spread of Investments** as determined by the country of origin of relevant organisations. All countries are rated AA and above as per our approved criteria, are licensed to take UK deposits. Investments are in Sterling only.
 - **Investments by Financial Sector**. The majority of investments continue to be with banks.
- 3.7 Whilst a difficult figure to forecast due to the uncertainty of the markets, cash flows and the number of variables that impact on the figure, the forecast level of interest receivable from treasury investments for 2015/16 is £300,000 as included in our current projections for capital financing in the Month 6 Budget Monitoring Report. The return achieved since the start of the year is 0.70% compared to the benchmark 7 day London Interbank Bid Rate (LIBID) 0.36%.
- 3.8 The Council currently uses the Debt Management and Deposit Facility (DMADF) as a last resort if no alternative investment opportunities are available. The maximum rates available from the facility are 0.25%.

Borrowing

- 4.1 Long term borrowing is undertaken to finance the Council's Capital Programme and the main sources of borrowing currently are the PWLB

and the Money Markets. The Council does not separate General Fund and Housing Revenue Account borrowing as all borrowing is the liability of the Council.

- 4.2 At 30 September 2015, the Council had £655.9 million of external borrowing predominantly made up of fixed interest rate borrowing from the PWLB payable on maturity.

31-Mar-15			30-Sept-15	
£m	Rate (%)		£m	Rate (%)
418.1		Debt from : PWLB	603.5	
52.0		Market	52.0	
0.4		Other	0.4	
470.5	5.19	Total External Debt	655.9	4.90

New borrowing undertaken

- 4.3 In accordance with previous reports to Council, a settlement payment to WG was made on 2 April 2015 of £187 million to exit the Housing Finance Subsidy System. This payment was made by undertaking external borrowing. In accordance with the requirements of the agreement with WG and HM Treasury, the level of borrowing had to generate a required level of interest payable in the first five years, be taken only from the PWLB and be at special rates of interest determined by the PWLB and HM Treasury.
- 4.4 Details of the background to the settlement and financial implications of the settlement are shown in Annexe D, with the strategy adopted in determining the loans and periods being a balance of:-
- meeting the requirements of the settlement agreement
 - minimising the length of loans
 - consideration of existing Council debt to ensure a spread of loan maturities and maintaining a single pool for Council Fund and HRA debt.
- 4.5 The estimated net HRA revenue benefit p.a after capital financing costs is £3.3 million, with any such benefit to be re-invested in existing and new housing stock in accordance with the HRA Business Plan.

Maturing Loans in Year

- 4.6 Annexe C shows the maturity profile of the Council's borrowing as at 30 September 2015. The main loans maturities during 2015/16 are PWLB loans of £2 million repaid in the first half of this year, with a further £3.6 million of PWLB loans to be repaid by the end of the financial year.

Unless the Council's Lender Option Borrower Option loans (LOBO's) are required to be repaid early, very little debt matures within the next 10 years.

- 4.7 (LOBO) products are loans to the Council where the lender can request a change in the rate of interest payable by the Council on pre-determined dates. The Council at this point has the option to repay the loan.
- 4.8 The Council has 6 such loan totalling £51 million. And apart from the option to increase rates these loans are comparable to PWLB and have no other complications such as variation in interest rates or complex terms.
- 4.9 Interest rates on the Council's loans range between 3.81% and 4.35% which are not unreasonable and are below the Council's average rate of interest payable. Details of the loans are shown in the table below.

£m	Potential Repayment Date	Option Frequency	Full Term Maturity
6	01/03/2016	6 months	23/05/2067
6	21/11/2015	6 months	21/11/2041
6	21/11/2015	6 months	21/11/2041
6	21/11/2015	6 months	23/05/2067
22	21/11/2015	5 years	23/11/2065
5	05/01/2018	5 years	17/01/2078

- 4.10 LOBO's to the value of £24 million are subject to the lender potentially requesting a change in the rate of interest payable every six months, which could trigger early repayment. This is deemed unlikely and any risk is a manageable refinancing risk as LOBO's form a relatively low proportion of the Council's overall borrowing at 7.8%.

Borrowing Strategy

- 4.11 If no further borrowing is undertaken, the value of external loans at 31 March 2016 will be £652.3 million. At the same point, the Council's need to borrow for capital expenditure purposes, its Capital Financing Requirement (CFR) is currently forecast to be circa £714 million (General Fund £436 million and HRA £278 million). As the Council undertakes capital expenditure commitments, its CFR rises and as it sets aside money for the eventual repayment of such expenditure (Minimum Revenue Provision), the CFR falls. The level of CFR is dependant on a range of factors including progress in implementing the Capital Programme during the year so this estimate can change. Without any further borrowing this financial year internal borrowing could be £62 million.

- 4.12 The borrowing strategy outlined in the February 2015 budget report indicated that:-

Whilst investment rates remain lower than long term borrowing rates internal borrowing will be used to minimise short-term costs where possible. The forecast level of internal borrowing as a percentage of the CFR is deemed manageable. However, based on the current forecasts of future capital expenditure plans and high level analysis of the sustainability of internal borrowing from the Council's balance sheet position for future years, external borrowing will be required to be undertaken in the medium term.

- 4.13 Long term borrowing rates are significantly higher than investment rates which mean that the cost of undertaking any new borrowing would have a negative impact on the revenue budget, accordingly no new borrowing has been undertaken to date. External borrowing may be deferred in order to minimise short term costs by using temporary cash balances to pay for capital expenditure however deferring borrowing is only a short term measure and could expose the Council to higher borrowing rates and costs in the future.
- 4.14 Accordingly, it is proposed to take an element of the Council's borrowing requirement (up to £15 million) during the remainder of this financial year with timing of such determined by the Corporate Director Resources in conjunction with the Council's treasury advisors. This has been factored into the Month 6 revenue budget monitoring position, which shows a projected underspend on external interest costs due to deferring the timing of borrowing. The estimate of interest payable on borrowing for 2015/16 is £32 million.

Debt Rescheduling

- 5.1 No debt rescheduling or early repayment of debt has been undertaken during the year to date. The main obstacle is the level of premium (penalty) chargeable on early repayment by the PWLB.
- 5.2 Whilst the cost of Premiums can be spread over future years, options for restructuring that have been considered result in an adverse Net Present Value (NPV). Whilst there may have been short terms savings, these were outweighed by potentially longer term costs. In addition and more significantly, the capital programme and investment requirements set by the Council, has a need to undertake additional external borrowing in future years. This is potentially when interest rates are higher, based on current forecasts. Were this not the case and the Council were to have surplus cash balances for a long period of time, then paying such premiums would be cost effective.

Compliance with treasury limits and prudential indicators

- 5.3 During the financial year to date, the Council has operated within the treasury limits and prudential indicators set out in the annual Treasury Management Strategy in February 2015.
- 5.4 Following Housing Finance Reform the Council complies with an indebtedness cap in the Housing Revenue Account of £316.5 million. This will need to be monitored closely as part of the Treasury Strategy and HRA Business Planning process.

Strategy update for the remainder of 2015/16

- 6.1 As identified in the report above, a key issue for the remainder of this year is the timing of additional borrowing in order to not be exposed to a significant level of internal borrowing at the end of the year. Up to £15m will be borrowed in the second half of the year with the potential benefit of reduced rates available as part of the Council's investment in 21st Century Schools.
- 6.2 A further update on Treasury Management will be included in an update to the Treasury Management Strategy for 2016/017 as part of the Budget Proposals in February 2016.

Annexes

- Annexe A – Investments at 30 September 2015
Annexe B – Investment Charts at 30 September 2015
Annexe C – Maturity Analysis of Borrowing as at 30 September 2015
Annexe D – Housing Revenue Account Subsidy (HRAS) System Exit
Annexe E – Glossary of Treasury Management terms

By virtue of paragraph(s) 14, 21 of Part(s) 4 and 5 of Schedule 12A of the Local Government Act 1972.

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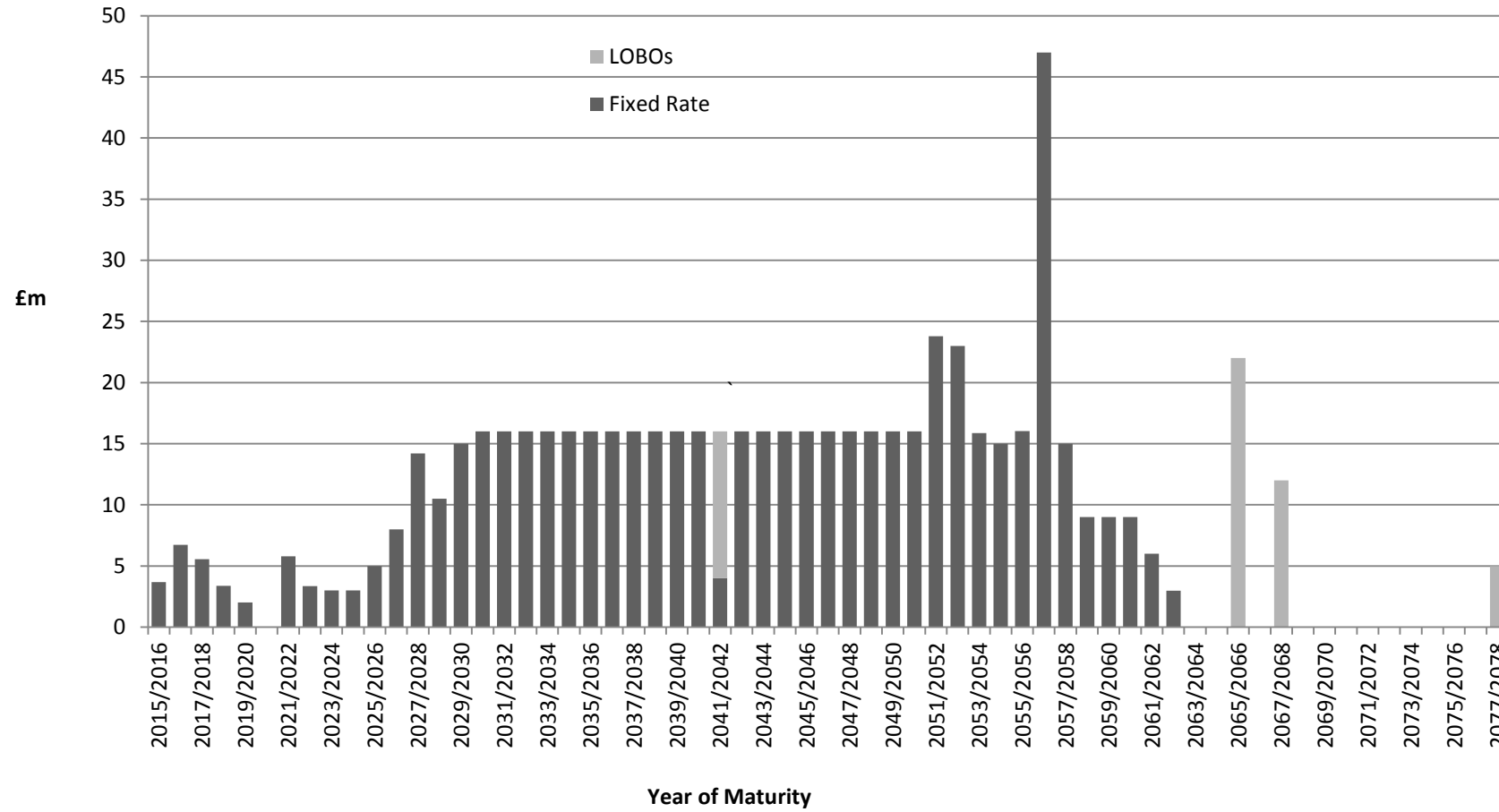
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By virtue of paragraph(s) 14, 21 of Part(s) 4 and 5 of Schedule 12A of the Local Government Act 1972.

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Maturity Profile of Debt at 30 September 2015



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Housing Revenue Account Subsidy (HRAS) System Exit

Background

Up to 01 April 2015, eleven Welsh landlord authorities operated within a centralised HRA Subsidy system which was deemed complex, outdated and where a “negative subsidy” was paid to the UK Treasury each year.

The UK Government and Welsh Government reached a final agreement at the end of March 2015 to allow all Councils with housing stock in Wales to leave the centralised HRA Subsidy system. Councils would become responsible for financing their landlord services and housing investment from their income. This is referred to as “self financing”. English Authorities moved to self financing in April 2012.

The agreement required authorities to buy their way out of the HRA Subsidy system through a one off payment that is referred to as the ‘settlement figure’ and also imposed a limit on HRA borrowing or an ‘indebtedness cap’.

The move to self financing provides the opportunity for Authorities to use their role as a landlord to help achieve their wider priorities and ambitions within the context of the ring-fenced HRA. These could include economic regeneration, improving health and well being, improving community safety and helping vulnerable people to live independently in the community.

The 11 stock retaining authorities, WLGA and WG worked closely in developing the proposals, documents and guidance of Housing Reform in Wales. Council has been updated on Housing reform by various means including:-

- Audit Committee Report - June 2014
- Community and Adult Services Scrutiny Report – June 2014
- Cabinet Report 17 July 2014
- Cabinet Report 20 Nov 2014
- Council Report 27 Nov 2014, included pre member presentation.
- Budget Proposals 2015/16 Report – February 2015

Delegation

An approved delegation was in place to enter into a voluntary agreement in accordance with Full Council and Cabinet approval:-

‘agree to enter into a voluntary agreement to exit the subsidy system and delegate authority to the Director of Communities, Housing and Customer Services in consultation with the Director Corporate Resources and the Cabinet Members for Health, Housing and Wellbeing and for Corporate Services and Performance to

conclude the appropriate detail within the voluntary agreement and sign on behalf of the City of Cardiff Council.'

The voluntary agreement was signed by the Council and Welsh Minister.

Issues

Details of the final settlement at an all Wales level are shown in the table below:-

	(A) LA HRAS payments 13/14	(B) LA Share of settlement debt	(C) Absolute minimum interest requirement for 1st 5 years	(D) LA Capital Financing charge (2%)	(E) Total annual settlement cost C+D	(F) Better off A-E	Better off %
Anglesey	1,683,063	21,168,714	881,677	423,374	1,305,051	378,012	22%
Caerphilly	6,042,229	75,996,095	3,165,237	1,519,922	4,685,159	1,357,070	22%
Cardiff	14,898,985	187,391,886	7,804,872	3,747,838	11,552,710	3,346,275	22%
Carmarthenshire	6,278,600	78,969,050	3,289,061	1,579,381	4,868,442	1,410,158	22%
Denbighshire	3,183,872	40,045,129	1,667,880	800,903	2,468,782	715,090	22%
Flintshire	6,300,786	79,248,094	3,300,683	1,584,962	4,885,645	1,415,141	22%
Pembrokeshire	6,418,905	80,733,735	3,362,560	1,614,675	4,977,235	1,441,670	22%
Powys	5,758,131	72,422,855	3,016,412	1,448,457	4,464,869	1,293,262	22%
Swansea	5,850,103	73,579,632	3,064,592	1,471,593	4,536,184	1,313,919	22%
Vale of Glamorgan	5,021,342	63,155,896	2,630,443	1,263,118	3,893,561	1,127,781	22%
Wrexham	11,631,007	146,288,914	6,092,933	2,925,778	9,018,712	2,612,295	22%
	73,067,023	919,000,000	38,276,350	18,380,000	56,656,350	16,410,673	22%

The new arrangements mean that from April 2015, the City of Cardiff Council will no longer have to pay c £15m from tenant rents to the Welsh Government then UK Treasury each year. Instead, we have made a one off settlement payment as a “buy out” to the Welsh Government / UK Treasury on 2 April 2015. The overriding principle of the subsidy reform is that no Welsh Authority will be worse off under the new Self Financing Scheme and they would be equally better off.

All eleven local authorities signed their respective agreements and made their required payments.

Key items / extracts from the voluntary agreement are shown below:-

Cardiff Council share of Settlement

The fixed settlement value agreed by WG and HM Treasury at an all Wales level is £919 million. Audited returns from the 11 Welsh authorities of Housing Revenue Account Subsidy (HRAS payments for 2013/14 showed that the net payment to WG / Treasury from authorities was £73.067 million in 2013/14, of

which Cardiff's £14.899 million represented 20.39% of the total. Accordingly Cardiff's share of the all Wales settlement debt value was to be this proportion of £919 million i.e. £187.392 million. The Council borrowed this sum from the PWLB on 31 March 2015 and made a payment of this sum to WG on 2 April 2015 when funds were received.

Details of the amount, period, special rate applicable to the loans and annual interest cost are included in the table below.

Loan Amount £	Maturity Date	Interest Rate %	Annual Interest £
3,213,661.00	28/05/2027	3.76	120,833.65
5,000,000.00	28/05/2029	3.88	194,000.00
10,194,360.00	28/05/2030	3.94	401,657.78
10,000,000.00	28/05/2031	3.99	399,000.00
10,000,000.00	28/05/2032	4.03	403,000.00
1,000,000.00	28/05/2033	4.07	40,700.00
7,000,000.00	28/05/2034	4.11	287,700.00
7,105,347.00	28/05/2035	4.14	294,161.37
8,500,000.00	28/05/2036	4.17	354,450.00
6,792,378.00	28/05/2037	4.19	284,600.64
6,000,000.00	28/05/2038	4.21	252,600.00
9,000,000.00	28/06/2039	4.23	380,700.00
9,000,000.00	28/06/2040	4.24	381,600.00
4,000,000.00	28/06/2041	4.24	169,600.00
10,000,000.00	28/06/2042	4.25	425,000.00
11,000,000.00	28/06/2043	4.25	467,500.00
8,000,000.00	28/06/2044	4.25	340,000.00
8,000,000.00	28/07/2045	4.25	340,000.00
8,000,000.00	28/07/2046	4.25	340,000.00
11,000,000.00	28/08/2047	4.25	467,500.00
1,105,640.00	28/08/2048	4.25	46,989.70
4,000,000.00	26/09/2049	4.24	169,600.00
8,500,000.00	26/09/2050	4.24	360,400.00
6,000,000.00	28/04/2058	4.21	252,600.00
2,000,000.00	28/04/2059	4.21	84,200.00
4,000,000.00	28/04/2060	4.21	168,400.00
6,000,000.00	28/04/2061	4.21	252,600.00
2,980,500.00	28/04/2062	4.21	125,479.05
187,391,886.00			7,804,872.19

Cardiff Council Interest and Provision for Debt Repayment

The deal negotiated by WG with HM Treasury had a requirement to ensure that any agreement was 'fiscally neutral' to the Treasury. In order to minimise the overall level of borrowing to £919 million following local authority concerns and

following clarification of the proposal by WG, HM Treasury required interest payments to total £38.3 million at least in the first 5 years. Cardiff's share of interest at 20.39% is £7.805 million.

In order to achieve this, the PWLB / HM Treasury issued specific Welsh HRA interest rates which were above existing interest rates and which were to apply to the borrowing. The requirement to meet the required level of interest for at least five years, meant the Council needed to borrow longer term loans in order to make the settlement payment. Whilst these may not normally be the periods of borrowing that would be undertaken, the period for which loans were taken were those required in accordance with the requirements of WG and HM Treasury to exit the subsidy system.

The Minimum Revenue Provision for debt repayment at 2%, as required by WG guidance, would be £3.7 million as shown in the table above. A prudent approach will be adopted to debt repayment following consideration of WG guidance.

With the annual costs of the settlement at £11.553 million, the Council considered the overall proposal put forward was in line with that originally consulted on by WG in June 2014. The annual revenue benefit to the HRA is circa £3.3 million, based on the Council's HRAS payment in 2013/14.

Cardiff Council Limit on Indebtedness

The Council has agreed that, following payment of the Settlement Payment, its HRA Capital Financing Requirement (CFR) shall not exceed an Indebtedness Limit at the 31 March each year. The CFR is an authority's underlying need to borrow for capital expenditure. It measures historic capital expenditure incurred but not yet paid for receipt of grants, contributions and charges to the revenue account via a prudent minimum revenue provision.

The Indebtedness Limit for Cardiff and detailed approach to its allocation was agreed collectively by WG, WLGA and Local authorities and will be sufficient to cover the following:-

- (a) Existing borrowing (CFR) at 31 March 2014. £96,360,476.
- (b) Borrowing requirements, if any, to meet the Welsh Housing Quality Standard. £0.
- (c) 50 per cent of the borrowing identified for new housing supply - provided by the Local Authority in support of its HRA Business Plan and 2014-15. £20,000,000.
- (d) Share of borrowing headroom. £12,801,703.
- (e) Settlement Payment as per a determination issued by WG in accordance with Section 132 of the Housing (Wales) Act 2014. £187,391,886

The Indebtedness Limit for Cardiff can, therefore, be summarised as follows:

Indebtedness Limit = £96,360,476 + £0 + £20,000,000 + £12,801,703 + £187,391,886

Indebtedness Limit = £316,554,065

Welsh Ministers will use the HRA CFR at the 31 March each year to monitor the Local Authority's compliance with its Indebtedness Limit.

In the event that a Local Housing Authority is found to be in breach of their Indebtedness Limit as at 31 March each year, then the Welsh Government reserves the right to use any funding mechanisms available to pass on any penalty the Welsh Government receives from HM Treasury to the appropriate authority, and require immediate action by the authority to reduce its HRA CFR to within their Indebtedness Limit. The Welsh Government will engage directly with the offending authority to identify the appropriate recovery mechanism.

The Council expects the allocation of any borrowing headroom to be reviewed periodically by WG to ensure its effective utilisation across Wales, particular post achievement of the Welsh Housing Quality Standards by 2020.

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Glossary of Terms - Treasury

Bank Rate

The rate of interest set by the Bank of England as a benchmark rate for British banks.

Borrowing

Loans taken out by the authority to pay for capital expenditure or for the prudent management of the Council's financial affairs, which are repayable with interest.

Counterparty

One of the parties involved in a financial transaction.

Credit Criteria

The parameters used as a starting point in considering with whom the council may place investments, aimed at ensuring the security of the sums invested.

Credit Rating

A credit rating assesses the credit worthiness of an individual, corporation, or even a country. Credit ratings are calculated from financial history and current assets and liabilities. Typically, a credit rating tells a lender or investor the probability of the subject being able to pay back a loan. Ratings usually consist of a long term, short term, viability and support indicators. The Fitch credit rating of F1 used by the Council is designated as "Highest Credit quality" and indicates the strongest capacity for timely payment of financial commitments.

Debt Management Account Deposit Facility (DMADF)

The Debt Management Office provides this service as part of its cash management operations and of a wider series of measures designed to improve local and central government's investment framework and cash management. The key objective of the DMADF is to provide users with a flexible and secure facility to supplement their existing range of investment options while saving interest costs for central government.

Debt Restructuring

Debt restructuring is a process that allows an organisation to reduce, renegotiate and undertake replacement debt.

Diversification of Investments

The process of creating a portfolio of different types of financial instruments with regard to type, price, risk issuer, maturity, etc. in order to reduce the overall risk of the portfolio as a whole.

Duration (Maturity)

The length of time between the issue of a security and the date on which it becomes payable.

External Borrowing

Money borrowed from outside of the Council.

Fitch Credit Ratings

A commercial organisation providing an opinion on the relative ability of an entity to meet financial commitments, such as interest, preferred dividends, repayment of principal, insurance claims or counterparty obligations. The opinion is usually provided in the form of a credit rating.

Fixed Rate

An interest rate that does not change over the life of a loan or other form of credit.

Internal Borrowing

Money borrowed from within the Council, sourced from temporary internal cash balances.

Investments

The purchase of financial assets in order to receive income and/or make capital gain at a future time, however with the prime concern being security of the initial sum invested.

Lender Option Borrower Option Loans (LOBOs)

Loans to the Council where the lender can request a change in the rate of interest payable by the Council at pre-defined dates and intervals. The Council at this point has the option to repay the loan.

Liquidity

The ability of the Council to meet its financial obligations as they fall due.

Market Loans

Borrowing that is sourced from the market i.e. organisations other than the Public Works Loan Board or a Public Body.

Minimum Revenue Provision

This is the amount which must be charged to the authority's revenue account each year and set aside as provision for repaying external loans and meeting other credit liabilities. The prudent amount is determined in accordance with guidance issued by WG. This has the effect of reducing the Capital Financing Requirement (CFR).

Money Market Funds

An investment fund which pools the investments of numerous depositors, spreading those investments over a number of different products and counterparties.

Prudential Code for Capital Finance

The system introduced on 1 April 2004 by Part 1 of the Local Government Act 2003 which allows local authorities to borrow without Government consent, provided that they can afford to service the debt from their own resources and

that any such borrowing is prudent and sustainable. This requires the preparation and approval of various indicators.

Public Works Loans Board (PWLB)

The Public Works Loans Board is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

Security

Protecting investments from the risk of significant loss, either from a fall in value or from default of a counterparty.

Sovereign Credit Ratings

The credit rating of a country. It indicates the risk level of the investing environment of a country, taking into account political risk and other factors.

Specified Investments

A term defined in WG investment regulations, referring to any investments for less than one year, in sterling, and where the principal sum to be repaid at maturity is the same as the principal sum invested. An investment not meeting the above criteria would be termed a Non-specified investment

Sterling

The monetary unit of the United Kingdom (the British pound).

Term Deposits

A term deposit is a money deposit at a banking institution that cannot be withdrawn for a certain "term" or period of time.

UK Government Gilts

Fixed-interest debt securities issued or secured by the British Government. Gilts are always denominated in sterling though the Government occasionally also issues instruments in other currencies in the Eurobond market or elsewhere.

Variable Rate

An interest rate that changes periodically in line with market rates.

Yield

The annual rate of return paid out on an investment in securities, expressed as a percentage of the current market price of the relevant securities.

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**CITY OF CARDIFF COUNCIL
CYNGOR DINAS CAERDYDD**



CABINET MEETING: 12 NOVEMBER 2015

BUDGET MONITORING – MONTH 6 REPORT

REPORT OF THE CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 6

**PORTFOLIO: CORPORATE SERVICES & PERFORMANCE (COUNCILLOR
GRAHAM HINCHEY)**

Reason for this Report

1. To provide the Cabinet with an update of the financial monitoring position for the authority based on the first six months of the financial year and as updated for significant movements to date.

Background

2. This monitoring report provides details of the projected outturn for 2015/16 compared with the budget approved by Council on the 26th February 2015.
3. The presentation of surpluses and deficits in this report follows the convention, which shows an excess of expenditure over budget as a positive and additional income over budget as a negative. Conversely, expenditure less than budget would be shown as a negative while income lower than expected would be denoted as a positive. Negative items are shown in brackets.

Issues

Revenue

4. The overall position indicates a potential surplus of £309,000 as compared to the balanced position previously reported at month four. Financial pressures and shortfalls against budget savings targets in directorate budgets continue to be offset by projected savings on capital financing, an anticipated surplus on Council Tax collection and by NDR refunds on Council properties. Directorate budgets are currently projected to be overspent by £6.1 million however it is anticipated that management actions taken during the year will enable this to be reduced by the year end. The current position includes projected overspends in the Social Services, City Operations and Economic Development Directorates and in Corporate Management. This reflects a number of factors including shortfalls against budget savings targets set as part of

the 2015/16 budget and on-going shortfalls carried forward from the previous financial year. The directorate overspends are partially offset by the £4.0 million general contingency budget which was maintained as part of the 2015/16 budget in order to reflect the quantum, risk and planning status of the proposed savings for 2015/16. A summary of the overall position is attached as Appendix 1 to this report.

5. The projected overspends in directorate budgets include £4.960 million in Social Services, £666,000 in City Operations, £569,000 in Economic Development and £154,000 in Corporate Management. This position reflects a range of factors including increased demographic pressures, shortfalls in income and the anticipated failure to fully achieve the savings targets set as part of the 2015/16 budget together with on-going shortfalls carried forward from the previous financial year.
6. The 2015/16 savings targets for each directorate are set out in Appendix 2(a) to this report together with the projected savings currently anticipated to be achieved. An overall shortfall of £5.717 million is currently anticipated against the £32.473 million directorate savings target with £18.730 million having been achieved to date and a further £8.026 million anticipated to be achieved by the year end. The budget approved by Council on the 26 February 2015 identified red or red / amber achievability risks totalling £10.230 million with £5.854 million of the savings proposals still at a general planning stage. These risks are evident in the projected shortfall currently reported as part of the month six monitoring. A projected shortfall of £2.868 million has also been identified in relation to savings targets carried forward from 2014/15 and these are set out in Appendix 2 (b) to this report. Overall, in total the projected shortfall against savings targets has therefore increased by £394,000 compared to the position reported at month four. The projected shortfalls are reflected in the directorate monitoring positions although where possible shortfalls have been offset by savings in other budget areas. The £4.0 million General contingency budget which was allocated to reflect the risk and planning status of the proposed savings for 2015/16 is also available to offset the shortfall in the current financial year. However, despite this the shortfalls represent a continuing cause for concern particularly as the Council is faced with another very difficult budget round.
7. Actions are being taken by those directorates currently reporting a projected overspend in order to try to resolve the issues that led to the current position or alternatively to identify offsetting savings in other areas of the service. This will continue to be reviewed as part of the challenge process to review the performance of directorates including the budget monitoring position. The financial monitoring position and any actions being taken by directorates to reduce the projected overspends are also discussed in the Chief Executive's monthly meetings with individual directors.
8. The Month Four Monitoring report which was considered by Cabinet on 17 September approved the drawdown of £3.120 million from specific contingencies. This included allocations to the City Operations,

Communities, Housing & Customer Services and Social Services directorates. The budget pressures on which this drawdown was based will continue to be monitored as the year progresses and further draw downs identified where necessary. At present, for monitoring purposes the balance on these contingency budgets is shown as committed as is the £7.7 million budget earmarked to meet costs arising from the Council's Voluntary Severance Scheme in the current financial year. This includes repayments to earmarked reserves as set out in the financial model in the 2015/16 Budget Report.

9. A financial statement showing the spending position for each directorate is attached as Appendix 1 to this report. Comments on the main variances and any significant issues are as follows:

Capital Financing (£1,212,000)

10. A saving of £1.212 million continues to be forecast in relation to the Capital Financing budget. This reflects a number of factors that have resulted from financial opportunities since the budget was approved in February including the impact of continuing to hold borrowing in relation to the Housing Revenue Account and General fund as a single pool of debt. As a result the additional borrowing taken by the Council to exit the Housing Revenue Account Subsidy has reduced the council's overall average rate of debt, which has had the short term impact of reducing the General Fund share of external interest costs. There are also savings on potential external interest costs arising from the use of temporary internal borrowing rather than undertaking actual external borrowing. This is in accordance with the Council's Treasury Management Strategy which advises that internal borrowing will continue to be accessed where possible. The final outturn position will be dependent on a range of factors and these will be closely monitored throughout the year together with advice from the Council's treasury advisors.

City Operations +£666,000

11. The Directorate is currently forecasting an overspend of £666,000, an improvement of £201,000 compared to the position reported at month four. The overall position continues to include projected overspends in Leisure Services, Neighbourhood Services and Waste Disposal & Treatment partly offset by savings in other areas of the Directorate's budget. The projected overspend reflects a significant shortfall against the budget savings targets both in respect of the 2015/16 budget and in relation to on-going shortfalls against 2014/15 savings targets which have yet to be achieved. Total savings of £10.395 million are currently projected to be achieved against the Directorate's 2015/16 savings target of £12.058 million leaving a projected shortfall of £1.663 million. In addition a shortfall of £327,000 is also forecast against the savings targets carried forward from 2014/15. These shortfalls are reflected in the Directorate outturn projection with details of the individual variances set out in Appendices 2(a) and 2(b) to this report. The projected shortfalls are partly offset by in year savings and other measures proposed by the Directorate.

12. The Council's 2015/16 Budget included specific contingencies of £2.515 million in relation to waste disposal reflecting the difficulty of predicting tonnage figures and the consequent impact on disposal costs and £350,000 to offset potential income shortfalls in relation to the Material Recycling Facility (MRF) as a result of volatility in the market for recycle materials. Having reviewed these areas as part of the monitoring process, allocations of £350,000 for the MRF and £1.147 million from the Waste Management Contingency were approved by Cabinet as part of the Month Four Monitoring Report in September. The Waste Management allocation included £537,000 to reflect the impact of increased tonnages and £610,000 to support the interim position to recycle incinerator bottom ash by Viridor in order for the Council to meet its recycling targets. These allocations are reflected in the Directorate's budget for month six and will continue to be monitored as the year progresses and the allocations reviewed where necessary.
13. An overspend of £549,000 is currently projected in relation to Leisure Services. This includes a projected shortfall of £435,000 against the budget saving for the new operating model for leisure centres. Although the procurement process is being progressed, it is not anticipated that any new arrangements will be in place before 1st April 2016. In addition the current leisure centre performance indicates a potential shortfall of £144,000 against the reduced operational subsidy. Other projected overspends include a shortfall of £31,000 in relation to the proposed community asset transfer of Canton Community Centre and £33,000 on unachieved support savings. These are partly offset by savings arising from the redevelopment of Insole Court and an improved trading position at the Riding School.
14. The budgets for Waste Disposal & Treatment are currently projecting an overspend of £369,000. This is after taking into account the allocations from contingency budgets as set out above and a proposed contribution of £215,000 from the Waste Management Reserve to offset the net cost of post sort activities undertaken in the early part of the year. These activities were necessary in order for the Council to achieve its recycling targets but have now ceased following the agreement with Viridor in relation to the recycling of incinerator bottom ash. Additional costs of £112,000 are projected in relation to the Household Waste Recycling Centres (HWRCs) mainly as a result of additional staff agency costs due to procedural decision delays on the two site provision. Other projected overspends include £128,000 at the transfer stations caused by a combination of income shortfalls and increased operating costs and £200,000 reflecting the net cost of the landfill site remaining open. Additional income from other authority contracts has helped to reduce the operating overspend at the MRF to £14,000. These pressures are partly offset by savings of £85,000 on staff and project costs.
15. A shortfall of £453,000 is projected against the budgeted saving in relation to Neighbourhood Services. Whilst plans are in place to deliver the full saving of £600,000 it is anticipated that some of the necessary changes will not be fully implemented until later this year.

16. Waste Collection Services are currently projecting an underspend of £114,000 with an improved position reflecting revised projections on employee and agency costs. The Household Waste Collection Service is reporting a saving of £120,000 due to a planned reduction in equipment costs together with a saving of £101,000 as a result of reduced employee expenditure. These are partly offset by a projected shortfall of £60,000 against the trading surplus target for Commercial Waste and a deficit of £48,000 in Bulky Waste which has been affected by the reduction in Sustainable Waste Management Grant. Overall, Cleaner Cardiff is currently reporting a projected saving of £175,000 with a projected shortfall of £147,000 against the savings targets for the reorganisation of the Street Cleansing Service offset by in-year savings on employee costs and the cleansing of high speed routes. A saving of £13,000 is also currently anticipated in relation to Waste Strategy, Education & Enforcement.
17. A saving of £110,000 is currently projected in relation to Parks & Sport with identified pressures of £81,000 on vehicle costs and the collection of litter offset by savings elsewhere within the service. These include £48,000 as a result of temporary staff vacancies in Parks Development, £39,000 due to the timing of appointments to apprenticeships, a managed saving of £27,000 in the Park Ranger Service, £21,000 of operational savings in Arboriculture and £20,000 from a reduced subsidy for the RHS show. Savings of £36,000 have also been identified in relation to internal recharges and employee support costs. Play Services are currently anticipating a saving of £199,000. This reflects the full year impact of the staffing restructure, the full year effect of the discontinuation of the Outdoor Activities Team as approved in the 2014/15 budget and a delay in the appointment of the temporary Community Coordinators by Communities First.
18. Infrastructure, Operations, Assets & Engineering are currently projecting an underspend of £37,000. This includes savings of £155,000 on employee costs and £130,000 on various maintenance and operational budgets. These are partly offset by projected income shortfalls of £113,000 in relation to skip licences, land charges and defect notices and £52,000 from bridge advertising together with in-year pressures of £83,000 across a range of other activities.
19. A saving of £60,000 is also currently projected in relation to Schools Transport with funding pressures in relation to Additional Learning Needs, P2T 16+ Transport and the Independent Travel Scheme offset by savings on other school transport budgets. Transport Planning, Policy & Strategy are reporting a projected overspend of £2,000 with shortfalls against income targets for temporary road closures and Section 278 work partly offset through maximising cost recovery and freezing vacant posts. The budgeted contribution from the Parking Reserve is still anticipated to be on target. Overall, the Civil Parking Enforcement Account is currently anticipating a balanced position with projected income shortfalls from penalty charge notices and car parking fees and additional costs relating to tariff changes and enforcement support costs offset by income above target in relation to moving traffic offences.

20. Energy & Sustainability Management is currently projecting a saving of £63,000 with reduced employee costs, increased recharges to energy schemes and an anticipated underspend against the Carbon Reduction Allowance budget partly offset by a shortfall against savings targets. Other projected variances within the Directorate include an overspend of £44,000 on Directorate Management and Support due to unachieved savings from previous financial years, an overspend of £20,000 on Registration Services reflecting a shortfall in income from citizenship ceremonies and a projected saving of £7,000 in Animal Services. A balanced position is currently reported in respect of Regulatory Services however this forms part of the new collaboration arrangements and further clarity will be required on this as the year progresses. Planning and Building Control is reporting a projected overspend of £7,000 on operational costs with the increased planning fee target still currently projected to be achieved.

Communities, Housing & Customer Services (£24,000)

21. The Directorate is currently projecting an underspend of £24,000 as compared to the balanced position reported at month four. This includes income above target from Renovation Grants administration fees, underspends within general homelessness budgets and vacancy savings across the Directorate partly offset by shortfalls against savings targets and a projected overspend in the Library Service. Total savings of £1.442 million are currently projected to be achieved against the 2015/16 savings target of £1.643 million leaving a projected shortfall of £201,000. This is reflected in the Directorate outturn projection.
22. A saving of £100,000 is currently forecast in relation to Housing and Communities. This includes a projected underspend of £67,000 in the Disabled Facilities Service largely due to income above target in respect of renovation grant administration fees. An underspend of £88,000 is also projected in relation to Face to Face Customer Services with a projected shortfall against the savings target for the transfer of staff to the Central Library more than offset by vacancy savings within Hub Management and the Housing and Benefit Customer Service establishment. These are partly offset by a projected overspend of £49,000 within Assessment and Support functions with overspends on postage and other supplies and services budgets partly offset by savings in general homelessness budgets. An overspend of £6,000 is also anticipated in Service Development and Improvement. A projected spend of £28.995 million is currently anticipated in relation to the Council Tax Reduction Scheme with in-year fluctuations in the number of applications and changes to the level of support required being funded via drawdown from the specific contingency budget which was set aside for this purpose in the Council's 2015/16 Budget. A drawdown of £673,000 was approved by Cabinet as part of the month four report and is reflected in the Directorate's budget.
23. A saving of £37,000 is also forecast as a result of vacancies and other underspends in Service Management and Support. The Library Service is currently anticipating an overspend of £113,000. This includes a £47,000 shortfall against the budget savings target for the creation of the

new community hub at Rumney with only a part year saving anticipated due to delays in property moves and implementation of revised arrangements. Income shortfalls and other overspends of £66,000 are also currently predicted within the Service. These are mainly in relation to library fines and charges for use of the internet and CD/DVD rentals. There are also additional support costs in relation to the shared reception arrangements at Penylan. Balanced positions are currently reported in relation to the other budget areas within the Directorate.

Corporate Management +£154,000

24. An overspend of £154,000 is currently projected in relation to Corporate Management, an increase of £16,000 compared to the position reported at month four. Total savings of £2.904 million are currently projected to be achieved against the 2015/16 savings target of £2.994 million leaving a projected shortfall of £90,000. In addition a shortfall of £60,000 is also forecast against the savings targets carried forward from 2014/15.
25. Media and Communications is currently projecting an overspend of £86,000, a significant improvement compared to the projection at month four. The improvement reflects managed underspends against the budgets for communication projects which partly offset overspends elsewhere within the service. The overspends are mainly due to anticipated shortfalls in income including the £60,000 saving target from 2014/15. A projected underspend of £8,000 is forecast in relation to Corporate Management and Other Costs with savings on the Council's contribution to the Mid Glamorgan Superannuation Fund relating to past employees and reduced audit fees partly offset by an overspend of £25,000 on the Coroner's Service. An underspend of £14,000 is currently projected in relation to Policy & Cabinet Support reflecting savings on employee costs as a result of vacancies. A shortfall of £90,000 is currently anticipated against the corporate budget saving in relation to voluntary schemes including the purchase of leave, however this will continue to be reviewed as the year progresses.

Council Tax Collection (£1,058,000) and NDR refunds on Council properties (£188,000)

26. A review of the Council Tax position indicates a potential surplus of £1.058 million, an increase of £151,000 compared to the position reported at month four. The projected surplus reflects a number of factors but is mainly due to lower levels of exemptions and single person discounts than was anticipated when the Council Tax base report was approved in December 2014. The surplus represents a variance of 0.4% of the estimated gross debit and may be subject to further fluctuations as the year progresses. A saving of £188,000 is currently anticipated in relation to NDR refunds on Council properties achieved through the appeal process, however further appeals are being taken forward and this may provide an opportunity for an increased saving as the year progresses.

Economic Development +£569,000

27. The Directorate is currently projecting an overspend of £569,000, an increase of £269,000 compared to the position reported at month four. The increase is mainly due to revised income assumptions in Culture, Venues & Events and within Property service budgets. These shortfalls are partly offset by additional income from bus shelter advertising. The projected overspend includes a significant shortfall against budget savings targets both in respect of the 2015/16 budget and in relation to on-going shortfalls against 2014/15 savings targets which have yet to be achieved. Total savings of £1.336 million are currently projected to be achieved against the Directorate's 2015/16 savings target of £1.653 million leaving a projected shortfall of £317,000. In addition a shortfall of £479,000 is also forecast against the savings targets carried forward from 2014/15 mainly in relation to Culture, Venues & Events. These shortfalls are reflected in the Directorate outturn projection with details of the individual variances set out in Appendices 2(a) and 2(b) to this report.
28. Culture, Venues & Events is currently projecting an overspend of £582,000 mainly due to shortfalls against savings targets. This includes a shortfall of £300,000 linked to the planned new management operator for St. David's Hall and the New Theatre. Although the procurement is being progressed it is not anticipated that any new arrangements will be in place before 1st April 2016. An overspend of £64,000 is anticipated in relation to the Events budget where although measures have been taken to increase income a shortfall is still anticipated in relation to commercial activities. The overall position on Venues indicates a potential deficit of £218,000 with projected overspends of £225,000 on Functions and Retail Catering, £118,000 on the Mansion House and £14,000 on the Cardiff Museum offset by savings in other areas. The savings include an additional surplus of £75,000 through increased income generation at the Castle and an additional surplus of £63,000 on City Hall Functions.
29. An overspend of £183,000 is currently projected in relation to Major Projects. This includes £93,000 due to a shortfall in income in respect of the naming rights and additional maintenance costs for the Doctor Who Experience. There is also an anticipated shortfall of £90,000 against the budget saving target for capitalisation of staff costs in this area although this will continue to be closely monitored to identify if there is further scope for capitalisation during the remainder of the year. An overspend of £162,000 is also projected in relation to Property budgets with a projected shortfall of £170,000 against savings targets for increased rental income on non-operational properties and a £17,000 overspend on the Cardiff Market partly offset by employee savings in Valuation & Land Strategy.
30. Business & Investment is currently projecting a saving of £350,000 with additional income of £300,000 anticipated in relation to bus shelter advertising and £50,000 from increased rental income at the Workshops. A balanced position is currently anticipated in relation to the Film Unit. An underspend of £8,000 is also projected in Tourism reflecting savings on

employee budgets. All other divisions within the Directorate are currently forecasting a balanced position.

Education & Lifelong Learning – On target

31. The Directorate continues to report a balanced spend against budget with projected overspends in Management & Support Services and Education Grants offset by savings elsewhere within the Directorate. Total savings of £2.357 million are currently projected to be achieved against the 2015/16 savings target of £2.621 million leaving a projected shortfall of £264,000. This is reflected in the Directorate outturn projection.
32. An underspend of £114,000 is currently projected in relation to Centrally Funded Education budgets. This includes a projected saving of £42,000 in the Music Service where a restructure has enabled costs to be reduced. Other projected savings include £33,000 as a result of costs associated with the WJEC service level agreement being lower than budget and £27,000 in relation to Storey Arms reflecting a combination of increased income and reduced costs.
33. Inter Authority Recoupment and Special Educational Needs budgets are currently projecting an underspend of £68,000. This includes a projected saving of £113,000 in the specialist teams reflecting a combination of efficiencies within the staffing structure and a reduced requirement for support to the delegated teams. This is partly offset by a projected overspend of £45,000 in the Education other than at School service (EOTAS) reflecting a shortfall against the 2015/16 savings target. Both out of county placements and the Pupil Referral Unit are currently projecting a balanced position.
34. A saving of £140,000 is currently anticipated in relation to the Catering Service. This is mainly as a result of additional income which is projected to be achieved through price increases in the current year together with reduced expenditure arising from staffing efficiencies. The savings identified above are offset by a projected overspend of £304,000 in Management & Support Services. This is mainly due to an anticipated shortfall against the budget saving based on the restructure and realignment of management arrangements within the Directorate. An overspend of £19,000 is also projected in Education Grants reflecting an anticipated reduction in grant funding from the Consortium. All other areas of the Directorate's budget are currently projecting a balanced position.

Governance & Legal Services – On target

35. The Directorate continues to report a balanced spend against budget with the £9,000 shortfall against the carried forward 2014/15 savings targets being offset by savings elsewhere within the Directorate. All budget savings targets for 2015/16 are currently anticipated to be achieved. Although Legal Services is currently forecasting a balanced position there are a number of significant variances including a shortfall

of £200,000 against a previous initiative to reduce external legal costs and a further overspend of £63,000 due to in-year costs. These are offset by savings on employee costs as a result of vacancies and by increased income from staff recharges. All other services within the Directorate are reporting a balanced position with no significant variances to report at this stage.

Resources (£176,000)

36. The Directorate is currently reporting a projected underspend of £176,000, an increase of £30,000 compared to the position reported at month four. The overall position continues to reflect a significant saving in Human Resources together with savings in other areas including Finance and Improvement & Information. These are partly offset by projected overspends in Facilities Management and Health & Safety. Total savings of £3.0 million are currently projected to be achieved against the Directorate's 2015/16 savings target of £3.052 million leaving a projected shortfall of £52,000. In addition a shortfall of £155,000 is also forecast against the savings targets carried forward from 2014/15. These shortfalls are reflected in the Directorate outturn projection.
37. Human Resources are currently projecting a saving of £225,000. This includes £100,000 in relation to Cardiff Works where income levels currently exceed the budgeted surplus. The balance is mainly due to savings on employee budgets across the service. Other savings include £38,000 in Improvement & Information, £33,000 in Finance and £26,000 in Commissioning & Procurement all mainly as a result of staff vacancies and other employee savings. A saving of £14,000 is also projected in relation to Partnerships & Community Engagement with savings on employee costs and supplies and services budgets partly offset by a projected shortfall in income for the Cardiff Research Centre. These savings are partly offset by a projected overspend of £112,000 in Facilities Management which includes additional costs in relation to statutory and legislative building maintenance compliance. Overspends are also projected on Building Support and Office Rationalisation. These are partly offset by savings in Security, Cleaning and School Caretaking budgets together with a projected surplus of £76,000 in Building Services. An overspend of £48,000 is also projected in relation to Health & Safety reflecting a shortfall against savings targets carried forward from 2014/15. These are being progressed but will not achieve a full saving in the current financial year. All other areas within the Resources Directorate are currently projecting a balanced position.

Social Services +£4,960,000

38. The overall position for the Directorate continues to show a projected overspend of £4.960 million. Within this figure, overspends of £1.2 million are forecast in relation to Children's Services and £3.760 million in Adult Services. The projected overspend reflects the impact of continuing demographic pressures, especially within Children's Services where there has been a significant increase in the number of placements and cost for looked after children particularly in relation to external fostering.

The overall Directorate position also reflects a significant shortfall against budget savings targets both in respect of the 2015/16 budget and in relation to on-going shortfalls against 2014/15 savings targets which have yet to be achieved. This is particularly the case in Adult Services with this being the major reason for the overspend in that area of the service. In terms of the overall Directorate, total savings of £5.007 million are currently projected to be achieved against the 2015/16 savings target of £8.137 million leaving a projected shortfall of £3.130 million. In addition a shortfall of £1.838 million is also forecast against the savings targets carried forward from 2014/15. These shortfalls are reflected in the Directorate outturn projection with details of the individual variances set out in Appendices 2(a) and 2(b) to this report.

39. Within the overall Directorate position, the Children's Services element of the budget is currently projecting an overspend of £1.2 million which is in line with the position reported at month four. Although there has been some reduction in the level of additional costs in external fostering, this has been offset by increased costs for leaving care support, payments to young people without recourse to public funds and staffing costs. The financial position in Children's Services reflects the allocation of the £950,000 specific contingency budget which was set aside to meet increased costs in relation to placements for looked after children. The allocation was approved by Cabinet as part of the consideration of the month four report on 17th September. Although the Children's Service received an additional budget realignment of £2.4 million as part of the 2015/16 budget process, on-going pressures on the budgets for external placements, leaving care support costs and adoption allowances have all contributed to the projected overspend. These pressures have been alleviated to an extent by mitigating actions taken in respect of guardianship allowances and by savings in Child Health & Disability commissioning budgets and in staff costs across the service. The overall position includes a projected shortfall of £953,000 against the £2.7 million of savings targets approved for Children's Services as part of the 2015/16 budget process and this is reflected in the analysis of the variances below.
40. The Children's Services position includes an overspend of £1.792 million in respect of external placements for looked after children with on-going pressures on external residential placements and a significant increase in the number of external fostering placements although these have reduced slightly in recent months. The projected overspend is after allowing for the drawdown of the £950,000 contingency budget which was set aside specifically to meet increased costs associated with external placements. The projection includes an anticipated shortfall of £626,000 against the budget savings targets for external placements with only partial savings likely to be achieved in relation to payment by results and other initiatives. Other projected overspends include £205,000 on leaving care support costs for children aged 16+ and unaccompanied asylum seekers. An overspend of £133,000 is also projected in relation to adoption fees and allowances reflecting increases in the number of children being placed for adoption. Whilst this results in higher fees and allowances the increase in adoptions will have prevented higher

expenditure on more expensive forms of care. Projected overspends of £315,000 in Business Support & Performance and £101,000 in Management & Service Support budgets reflect a combination of projected shortfalls against budget savings targets, increased commitments and residual costs arising from the managed social work service.

41. A saving of £424,000 is projected in relation to guardianship orders with no increase in the level of residential order allowances anticipated in this financial year. A saving of £194,000 is projected in relation to Child Health & Disability commissioning budgets mainly in respect of domiciliary and respite care. This reflects a significant reduction in expenditure in this area in recent years following a process of reviews and a switch to direct payments. There are also projected savings of £257,000 on the Family Support / Personal Advisor Service and £147,000 on Internal Fostering both of which largely reflect savings on staffing budgets. An underspend of £324,000 is currently projected in relation to social work / case work and safeguarding budgets in Children's Services. This reflects a combination of staff turnover, a realignment of resources within the social work teams and measures taken to reduce the level of agency staff employed in this area.
42. The Adult Services element of the Directorate budget is currently projecting an overspend of £3.760 million which is in line with the position reported at month four. Whilst there has been an increase in the projected shortfall against budget savings targets within Adult Services this has been offset by a reduction in the anticipated level of commitments in relation to deprivation of liberty order costs, an increase in domiciliary care income, a reduction in business support costs and reduced costs of day care. The Adult Services overspend is due to projected shortfalls against the budget savings targets for 2015/16 and the on-going shortfalls from 2014/15. Although some cost pressures have been identified they are not as significant as in previous years and are offset by in-year savings on other budgets within the Directorate. Additional funding for cost pressures in Adult Services was provided as part of the 2015/16 Budget. This included a budget realignment of £3.2 million, additional funding for demographic pressures of £1.6 million, £1.5 million to reflect specific cost and legislative pressures and £625,000 to meet fee increases. Overall the shortfall against the savings targets in Adult Services amounts to £3.975 million with £2.177 million relating to 2015/16 and £1.798 million carried forward from 2014/15. These include significant shortfalls against savings targets on commissioning budgets including domiciliary care and residential and nursing care and have a particular impact on the overall monitoring position for Services to Older People and People with a Physical Disability. Details of the individual variances are set out in Appendices 2(a) and 2(b) to this report.
43. Overall, the commissioning budgets in Adult Services are currently reporting a projected overspend of £3.536 million of which the majority relates to shortfalls against savings targets. The overall position includes projected overspends of £2.198 million on Services for Older People, £932,000 on People with a Physical Disability, £191,000 on Mental

Health Services, £145,000 on People with Learning Disabilities and £70,000 on the Community Alcohol and Drugs Team. Projected overspends arising from demographic and cost pressures are relatively limited with the main pressures linked to an increase in the cost of nursing beds for older people resulting in a projected overspend of £383,000. Specific pressures have also been identified in Services to People with a Physical Disability with projected overspends of £260,000 on domiciliary care and £120,000 on nursing care. An overspend of £70,000 is also projected on the Community Alcohol and Drugs commissioning budget reflecting growth in supported living placements. These cost increases are more than offset by in-year savings elsewhere within Adult Services including savings on other commissioning budgets, certain Internal Services and Assessment and Care Management.

44. Within Adult Services, Internal Services are currently projecting a net overspend of £505,000. This figure includes £480,000 in relation to Learning Disabilities Supported Living and Day Care and £205,000 in residential care largely linked to the realignment of the contract arrangements with Hafod Care and the closure of the Cathedral View Home. In both cases these projected overspends are linked to shortfalls against savings targets. The Cathedral View Home closed in August therefore the full saving will not be achieved until future years. These overspends are partly offset by a saving of £180,000 arising from the reconfiguration of older people day care services and the closure of Gabalfa Day Centre in advance of the work to create a Community Hub at the same location. Separate savings of £234,000 are also projected in relation to Assessment and Care Management reflecting staff vacancies within the service with a saving of £50,000 also anticipated in Support and Performance Management.

Housing Revenue Account

45. Although a balanced position is still anticipated on the Housing Revenue Account (HRA) there are a number of significant changes compared to the position previously reported at month four. The major change is in relation to the Housing Repairs Account where an overspend of £2.0million is now projected as compared with £300,000 at month four. The revised projection reflects a detailed review undertaken by the service area in conjunction with support from Finance. Service area information suggests that increased costs are partly linked to additional maintenance costs as a result of the Wales Housing Quality Standard and fire safety improvements together with a significant increase in tenant demand over recent years. The latest statistics suggest an average of 80,000 jobs in the current year as compared with 66,000 in previous years. In addition, as a result of the WAO report on the accounts for 2014/15 more robust accounting treatment in relation to capitalisation of works has also limited flexibility in relation to being able to allocate spend to the capital budget. The service area have taken mitigating actions to restrict the allocation of jobs to external contractors and are reviewing controls and levels of demand for services. This will continue to be closely monitored as the year progresses. The increased

funding requirement for the Housing Repairs Account has been partly offset by a planned reduction in capital spend thereby reducing the cost of direct revenue financing of capital schemes by £1.091 million in the current year. The anticipated transfer to reserves to support investment and future housing development costs has also reduced with a transfer of £291,000 now currently anticipated.

46. Other variances within the HRA include a projected underspend of £633,000 on employee costs reflecting vacancies and other savings against the staffing budget. An underspend of £74,000 is also anticipated in relation to other premises costs including the cost of utilities. Other underspends include £15,000 on transport costs and £10,000 on estimated support costs. There is also an anticipated reduction of £250,000 to the provision for bad debts. These are partly offset by a projected overspend of £90,000 on supplies and services budgets with additional unbudgeted costs relating to the refurbishment of the City Centre Library Hub partially offset by savings on other supplies and services budgets including insurance and subscriptions. Income forecasts currently suggest a surplus of £308,000 mainly due to a lower than budgeted level of void rent loss.

Cardiff Harbour Authority

47. A new three year budget was agreed with the Welsh Government covering the period 2014/15 to 2016/17. The budget for 2015/16 was set at £6.253 million.
48. The current financial position indicates that the forecasted annual draw down of funding will be £6.205 million representing an underspend of £48,000.

Heading	Budget £000	Projected Out-turn £000	Variance £000
Expenditure	6,680	6,636	(44)
Income	(750)	(754)	(4)
Fixed Costs	5,930	5,882	(48)
Asset Renewal	323	323	0
TOTAL	6,253	6,205	(48)

49. The underspend of £44,000 on the fixed costs expenditure budget includes reduced employee costs due to vacant posts and a saving on environmental expenditure relating to the disposal of waste. All other budgets are currently forecast to be on target although this position could change as the year progresses. Projected income shows a surplus of £4,000 and includes £425,000 from car parking fees, £225,000 from harbour dues, £100,000 from water activities and a further £4,000 from other sources.
50. The Asset Renewal budget is currently indicating a full spend in line with the approved schedule of work.

51. The balance in the Project and Contingency Fund at 1st April 2015 was £697,000. Currently, the only commitment occurs in 2017/18 in relation to the Volvo Ocean Race. The balance will be retained for further improvement work and as a contingency against future spending. Any income generated during the year from the sale or disposal of land will be credited to the fund along with a 50% share of any underspend against the Fixed Cost budget.

Capital

Capital Programme

52. The Council in February 2015 approved a 2015/16 Capital Programme of £298.245 million and an indicative programme to 2019/20. This included a range of assumptions in relation to slippage together with projected spend for other schemes planned to be undertaken in the year. The budget has since been adjusted to £327.836 million following revisions to include actual slippage reported at outturn, incorporation of new grant approvals and confirmation of actual grant awards. This figure includes a settlement payment made to WG on the 2 April 2015 of £187.392 million. This was a one off payment to exit the HRA Subsidy system.

General Fund

53. The projected outturn for the year is currently £86.696 million, a variance of £29.811 million. This is represented by a projected under spend of £2.187 million together with estimated slippage of £27.624 million.

54. A summary of the projected General Fund Capital Outturn position against directorates is shown in the table below.

Capital Programme 2015/16	Budget	Projected Outturn at Month 6	Variance	Variance represented by:	
				(Under) /over spend	Slippage
	£000	£000	£000	£000	£000
City Operations					
Waste Management & Recycling	4,503	2,218	(2,285)	(1,100)	(1,185)
Energy Projects & Sustainability	5,925	4,625	(1,300)	0	(1,300)
Regulatory	216	0	(216)	0	(216)
Parks & Green Spaces	2,243	1,916	(327)	0	(327)
Leisure Services	8,531	8,191	(340)	35	(375)
Bereavement & Registration Services	123	123	0	0	0
Highway Maintenance	9,762	7,372	(2,390)	0	(2,390)
Traffic & Transportation	4,854	4,742	(112)	0	(112)
Strategic Planning	251	251	0	0	0
Harbour Authority	323	323	0	0	0

Communities, Housing & Customer Services					
Citizen Hubs	5,507	5,266	(241)	0	(241)
Libraries	198	198	0	0	0
Housing	3,855	3,855	0	0	0
Economic Development					
Economic Development	2,688	2,233	(455)	0	(455)
City Development & Major Projects	10,098	10,098	0	0	0
Neighbourhood Regeneration	2,454	2,252	(202)	0	(202)
Venues & Cultural Facilities	961	641	(320)	0	(320)
Property & Asset Management	146	146	0	0	0
Education & Lifelong Learning					
Schools General	5,562	5,562	0	0	0
Schools Organisation Plan	40,094	19,175	(20,919)	(722)	(20,197)
Governance & Legal Services					
Welsh Language Centre Grant	335	335	0	0	0
Resources					
Technology	2,049	1,825	(224)	0	(224)
Facilities Management	1,293	1,213	(80)	0	(80)
Central Transport Services	227	227	0	0	0
Corporate	4,284	3,884	(400)	(400)	0
Social Services					
Adult Services Asset Renewal	25	25	0	0	0
Total	116,507	86,696	(29,811)	(2,187)	(27,624)

Capital Schemes Update

55. Delivery of capital projects is complex, may span a number of years and is influenced by a number of external and internal factors such as weather, statutory and non statutory approval processes. Directorates continue to be reminded of the need to set achievable profiles of expenditure and to identify slippage at an early stage.
56. The Month 4 Budget Monitoring Report to Cabinet in September provided a comprehensive review of progress on schemes included in the Capital Programme. The following, does not replicate this, but provides a further update and highlights main variances and issues since that report with a detailed list in Appendix 3.

City Operations

Waste Management & Recycling

57. Following Cabinet confirmation, works to create a new larger Household Waste Recycling Centre at the Lamby Way Depot in Rumney, are now planned to start in February 2016, subject to the procurement exercise and outcome of tenders. This is to begin with civil engineering works to roads and car park with the construction of recycling facilities in the new financial year. With completion expected in the summer of 2016, slippage of £1.165m is initially projected on this scheme.

Energy Projects & Sustainability

58. Further works are proposed to implement LED lighting upgrades within schools where accompanied by a robust business case. Recently completed schemes include Radyr Comprehensive and Glantaf High School funded by Salix loans. Schools undertake the works as well as any commitment to repay the loans from their delegated budgets from energy savings resulting from the schemes.
59. A scheme to generate electricity from Hydropower at Radyr Weir started on site in July. However, there is a significant risk of an increase in costs as a result of the 87% cut in the Government's Feed-in tariff rate which is currently being assessed by the Council. This relates primarily to the need to accelerate the scheme in order to meet a target connection to the Grid by December 2015 in order to secure a higher Feed in Tariff. In addition, detailed surveys of ground conditions resulting in additional temporary works to facilitate the construction are required. As well as progressing with a power purchase agreement to secure additional income, an earmarked reserve held for contingencies in relation to this project, subject to the outcome of analysis, could be used to initially mitigate additional costs until the extent of any additional liability is confirmed.

Leisure

60. A contract was let for £5.984 million for a 66 week period to refurbish Eastern Leisure Centre. To date there have been a number of significant issues, primarily relating to defects with the existing structure of the building which have had to be rectified before progress could be made. These include the need to rebuild defective and structurally unstable brickwork columns and plinth to the front elevation, ensure fire protection to existing steelwork and re-introduction of storm water drainage attenuation system. This was initially omitted as part of pre-contract value engineering, but subsequently insisted upon in order to discharge the associated Planning Condition. These works have utilised the available contingency in the contract with risks still remaining such as the condition of the pool tank and pipework etc. Whilst it is expected that these additional works can be managed within the original contract period, close monitoring of costs is being undertaken by Projects, Design and Development to ensure issues are identified and mitigating actions are

determined in order to deliver the project within the contract sum as well as the fit out of key areas of the refurbished facility.

61. In respect of Insole Court, work continues on the refurbishment with the contract some 12 weeks behind as indicated in the Month 4 Budget Monitoring report. This has been caused by third party wall issues, finding historical artefacts in parts of the building that have required involvement of CADW as well as the general condition of the historic nature of the building and outbuildings. It is currently projected that there will be a cost overrun of £205,000, with all but £35,000 managed within existing budgets for the site including Leisure Property Asset Renewal and Heritage budgets. Every effort continues to be made to mitigate costs by taking items out of the contract if feasible and opportunities to secure additional CADW funding will be sought where relevant to help meet the costs of any overspend.
62. As part of the procurement process for operators to run Leisure Services, the Council has allocated £750,000 to undertake priority one works to the buildings prior to contract commencement. Detailed surveys or costing of works has yet to be determined or considered for prioritisation accordingly slippage of 50% of the budget is assumed at this stage.

Highway Maintenance

63. The main elements of slippage relates to the invest to save scheme to implement LED lighting on Principal Roads, for which trials and consultation are currently taking place in order to ensure an effective scheme is implemented. The delay is to ensure that lessons are learned from the challenges currently being worked through in England.
64. The Bridges and Structures budget of £1.214 million is primarily the Council's contribution to Network Rail towards the cost of the works for Windsor Road bridge replacement. Slippage has been identified due to delays in construction work primarily as a result of adverse ground conditions, utility relocations and redesigns required for what is a complex construction project. Completion is now forecast in the summer of 2016, with slippage of £390,000 initially assumed.

Communities, Housing & Customer Services

Housing

65. In respect of the Disabled Facility Service, the demand for adaptations is considerably in excess of the £2.8 million available capital budget in the General Fund and £1.8 million in the Housing Revenue Account. This is primarily as a result of additional clients on the waiting list for which we have a duty to meet waiting times targets. In order to remain in a position to meet our statutory obligations, virements of £400,000 from existing budgets for discretionary renovation grants and group repair schemes are proposed subject to Cabinet approval. Furthermore additional expenditure can be paid for from repayments of previously awarded grants for private housing renovation. Opportunities to bring forward

funding from future years may need to be considered to meet short term requirements, However before this is undertaken, consideration needs to be given to managing demand for the service and links to the work with other partners to promote the independent living service. Whilst individual costs per adaption are low, there is a need to ensure existing budgets are used effectively and to establish a clear link between expenditure on statutory adaptations and cost avoidance of additional home care costs. Such information will need to be considered as part of the budget setting process for 2016/07 in the context of the overall level of General Capital funding available from Welsh Government and other essential priorities.

Economic Development

66. Welsh Government have made available up to £700,000 of what is known as 'Repayable Funding' to support town centre regeneration in Grangetown. It must be used for purposes which can include reducing the number of vacant and redundant premises and to support diversification by encouraging more sustainable uses for empty premises, such as residential, leisure and for key services. The Repayable Funding can be used to acquire and unlock sites and premises with the intention of packaging and selling a proposal on the open market; to redevelop or refurbish sites and premises; and to provide loans to third parties for repayment all within an agreed timeframe. The funding is recyclable by the Council up to 2031 at which point it must be repaid to Welsh Government.
67. Subject to a legal agreement securing sufficient security, the proposal is to utilise £500,000 of this funding to provide a loan towards the redevelopment of the Tramshed, the former Council vehicle maintenance depot on Clare Road which is listed and has remained unutilised for some time. The redevelopment is already underway with the performance venue expected to be completed for November occupation and business incubator and residential units to be completed in April 2016.

Venues & Cultural facilities

68. As part of the procurement process for alternative delivery mechanisms for St David's Hall and New Theatre, the Council has allocated budgets of £350,000 and £295,000 respectively to undertake priority one works to buildings prior to contract commencement. Detailed surveys or costing of works have yet to be determined or considered for prioritisation, accordingly slippage of 50% of the budget is assumed at this stage.

Education and Lifelong Learning

Schools General

69. The directorate budgets for Property Asset Renewal, suitability, and for design and feasibility works to plan future work to make Whitchurch High Upper School site DDA compliant are forecast to be fully complete.

Schools Organisation Plan

21st Century Schools

70. The projected outturn for 2015/16 at month 6 is £16.265 million. This is a reduction of £327,000 from the month 4 projection. This variance relates to an underspend against the Hywel Dda project budget which had not been confirmed at month 4.
71. There have also been changes to the profile of 21st Century Schools funding streams for 2015/16 since month 4. The Cardiff Council funding requirement for 2015/16 has increased by a net £653,000 to £4.979 million largely due to an amendment of the likely Welsh Government approval timeframe around the Western High Project meaning that previously assumed drawdown of Welsh Government funding for this project will not be possible in 2015/16. This is partially offset by a reduction in the funding requirement for Hywel Dda as mentioned previously.
72. The Welsh Government funding profile for 2015/16 has reduced from £10.241 million to £9.286 million, a reduction of £955,000 from month 4. This reduction relates to £750,000 in relation to the drawdown of Western High funding as discussed above and £205,000 in relation to the Hywel Dda underspend.
73. Within the overall Welsh Government funding total there has also been a significant movement in the split of grant and supported borrowing following further information provided by Welsh Government. £2.525 million of projected capital grant has now been replaced by supported borrowing which is a significant shift from the month 4 position. The split of Welsh Government funding at month 6 is now anticipated to be capital grant of £1.011 million and supported borrowing of £8.275 million.

Capital Receipts

74. The 2015/16 Capital Programme included an assumption of £4.487 million of non-earmarked capital receipts. Of this £1 million was assumed to pay for the Capital Programme and £3.487 million for an in principal Welsh Government Capitalisation Direction to be utilised to meet the revenue costs of Organisational Development, as well as statutory redundancy costs.
75. Plans are in place to secure receipts required by 31 March 2016; however as with any such land transactions, timing is a risk as disposals are subject to a number of external factors.
76. Proceeds to date include sale of land at John Street (Former Johnstons Buildings) and a deposit received for the sale of the former trading standards office at Bridge Street. Proceeds from the sale of Pentwyn Dome and the former Clare Road Transport Depot have been received and are assumed either for reinvestment in earmarked schemes or to pay for previous capital expenditure incurred.

Public Housing

77. Projected expenditure for the year is £210.954 million, including the payment made to exit the HRA Subsidy System. Estate regeneration schemes such as that in Hodges Square are progressing better than anticipated. Schemes such as front door secure by design/fire upgrades are being accelerated and replacement of inefficient boilers, saving tenants energy cost in the upcoming winter, is also progressing well.
78. The Council submitted a bid to Welsh Government for Warm Homes ARBED funding, which has a requirement to be spent by 31 March 2016. The scheme approved is at Brynfedw & Trowbridge for external wall insulation improvements and associated works to properties. It is a mixed tenure scheme of predominantly private owners with grant receivable to the Council of £2.3 million which will be contracted to Melin homes to deliver the works.
79. Some slippage is identified initially across a range of schemes as a result of taking into account the likely timescale for the delivery of projects, with expenditure planned to be managed within any Welsh Government Major Repair Allowance Grant approvals as well as revenue contributions budgeted to pay for capital works.
80. Capital receipts from sale of properties under Right to Buy are £1.25 million, with 100% of the proceeds now used to pay towards works following the movement to self financing for the Housing Revenue Account.

Section 106 schemes

81. The table below shows the Section 106 and other contributions forecast to be spent at the time of setting the budget. This has been revised by directorates and is reflected in the new projection at Month 6:

	Budget	Projection at Month 6	Variance
	£000	£000	£000
Traffic & Transportation	505	439	(66)
Parks & Sport	1,051	824	(227)
Neighbourhood Regeneration	138	26	(112)
Hubs	347	205	(142)
Libraries	12	12	0
Planning	93	93	0
Economic Development	290	40	(250)
Other	5	5	0
Total	2,441	1,644	(797)

82. Further slippage of £289k is reported on S106 schemes within Parks, primarily in relation to a scheme at Parc Coed Y Nant (£110,000) and contributions held for Traffic & Transportation.

Reasons for Recommendations

83. To consider the report and the actions therein that forms part of the financial monitoring process for 2015/16.

Legal Implications

84. It is a Council responsibility to set the budget and policy framework and to approve any changes there to or departures there from. It is an Executive responsibility to receive financial forecasts including the medium term financial strategy and for the monitoring of financial information.

Financial Implications

85. The overall revenue monitoring position currently indicates a projected surplus of £309,000 as compared to the balanced position previously reported at month four with projected overspends on directorate budgets offset by projected savings on capital financing, an anticipated surplus on Council Tax collection and by NDR refunds on Council properties. Directorates are currently projecting an overspend of £6.1 million with overspends reported in relation to Social Services, City Operations, Economic Development and Corporate Management. The overspends reflect a range of factors including increased demographic pressures, shortfalls in income and the anticipated failure to fully achieve the savings targets set as part of the 2015/16 budget together with on-going shortfalls carried forward from the previous financial year. These are partly offset by the £4.0 million general contingency budget which was maintained as part of the 2015/16 budget in order to reflect the quantum, risk and planning status of the proposed savings for 2015/16.
86. The potential overspend in directorate budgets includes a projected shortfall against the savings identified for each directorate as part of the 2015/16 budget together with any shortfalls against savings targets carried forward from the previous year. An overall shortfall of £5.717 million is currently anticipated against the £32.473 million directorate savings targets for 2015/16 with £18.730 million having been achieved to date and a further £8.026 million anticipated to be achieved by the year end. A projected shortfall of £2.868 million has also been identified in relation to savings targets carried forward from 2014/15. The projected shortfalls are reflected in the directorate monitoring positions although where possible shortfalls have been offset by savings in other budget areas. The Budget Strategy Report for 2016/17 which was approved by Cabinet in July identified the significant financial challenges that the Council faces in the medium term. The projected under-achievement of identified savings in 2015/16 together with those carried forward from the previous year underlines the difficulties of achieving year on year savings across the Council.
87. The projected overspend in directorate budgets and in particular the shortfalls against savings targets represent a continuing cause for concern. Actions are being taken by those directorates currently reporting

a projected overspend in order to try to resolve the issues that led to the current position or alternatively to identify offsetting savings in other areas of the service. This will be reviewed throughout the year as part of the overall challenge process to review the performance of directorates including the budget monitoring position. The financial monitoring position and any actions taken by directorates to reduce the projected overspends are also discussed as part of the Chief Executive's monthly meetings with individual directors.

88. It is recommended that the projected surplus of £309,000 be transferred to the Council's General Fund Balance at the year end.
89. The 2015/16 Capital Programme is £327.836 million of which £116.507 million is in respect of General Fund schemes and £211.329 million is in relation to the Council's Public Housing schemes. Against this, the projected outturn for 2015/16 is £297.650 million resulting in a total variance of £30.186 million.
90. The Programme, Projected Outturn and Projected Variance are shown below:

Capital	2015/16 Programme	2015/16 Projected Outturn	Projected Variance
	£M	£M	£M
General Fund	116.5	86.7	(29.8)
Public Housing	211.3	210.9	(0.4)
Total	327.8	297.6	(30.2)

91. Where there is a risk of slippage, directorates, must address any obstacles promptly to ensure budgets allocated are spent in a timely manner. Where this is not possible, early reporting of issues should take place and robust profiles of expenditure should be developed for future years. Any risk of overspend should be managed by directorates with mitigations put in place and early involvement of Financial Services.
92. The Capital Programme update includes a number of schemes planned to be funded by external grants that have strict deadlines for expenditure having to be incurred. It is essential that directorates ensure that no opportunities for utilisation of such funding are lost to the Council by ensuring appropriate resources are directed to these schemes and that consideration has been given to all steps required to ensure contracts are in place and to meet the terms and conditions of such funding.

RECOMMENDATIONS

The Cabinet is recommended to:

1. Note the potential outturn position based on the first six months of the financial year.

2. Reinforce the requirement for all directorates currently reporting overspends as identified in this report to put in place actions to reduce their projected overspends.
3. approve in principle that the projected surplus of £309,000 be transferred to the Council's General Fund Balance at the year end.
4. approve the virement of £400,000 from existing capital budgets for Group Repair schemes and Discretionary Renovation grants to the Disabled Facilities Service.

CHRISTINE SALTER

Corporate Director

6 November 2015

The following appendices are attached:

Appendix 1 – Revenue position

Appendix 2 (a) – Budget Savings position – 2015/16 Savings

Appendix 2 (b) – Budget Savings position – 2014/15 Savings

Appendix 3 – Capital Programme

REVENUE 2015/2016

Service Area	CASH LIMIT BUDGETS			PROJECTED OUTTURN			VARIANCES		
	Gross		Net	Gross		Net	Gross		Net
	Expenditure £000's	Income £000's	Expenditure £000's	Expenditure £000's	Income £000's	Expenditure £000's	Expenditure £000's	Income £000's	Expenditure £000's
City Operations	117,195	(64,645)	52,550	118,533	(65,317)	53,216	1,338	(672)	666
Communities, Housing & Customer Services	229,415	(182,740)	46,675	229,738	(183,087)	46,651	323	(347)	(24)
Corporate Mgt	24,686	(250)	24,436	24,806	(216)	24,590	120	34	154
Economic Development	27,661	(25,349)	2,312	29,309	(26,428)	2,881	1,648	(1,079)	569
Education & Lifelong Learning	308,042	(73,381)	234,661	307,469	(72,808)	234,661	(573)	573	0
Governance & Legal Services	5,464	(964)	4,500	5,477	(977)	4,500	13	(13)	0
Resources	39,713	(22,977)	16,736	38,623	(22,063)	16,560	(1,090)	914	(176)
Social Services	154,028	(16,216)	137,812	159,073	(16,301)	142,772	5,045	(85)	4,960
Capital Financing etc	39,437	(3,592)	35,845	38,225	(3,592)	34,633	(1,212)	0	(1,212)
General Contingency	4,000	0	4,000	0	0	0	(4,000)	0	(4,000)
Summary Revenue Account	10,392	0	10,392	10,392	0	10,392	0	0	0
Discretionary Rate Relief	300	0	300	300	0	300	0	0	0
Total	960,333	(390,114)	570,219	961,945	(390,789)	571,156	1,612	(675)	937
NDR refunds on Council properties	0	0	0	0	(188)	(188)	0	(188)	(188)
Council Tax Collection	0	0	0	0	(1,058)	(1,058)	0	(1,058)	(1,058)
Total	960,333	(390,114)	570,219	961,945	(392,035)	569,910	1,612	(1,921)	(309)

Directorate 15/16	REF	Directorate Savings 2015/16	Total Saving (£'000)	Savings already achieved (£'000)	Projected saving 2015/16 (£'000)	Savings unlikely to be achieved in 2015/16 (£'000)	Comments
City Operations	1	Remove budget for Events Park & Ride - the Park & Ride arrangements put in place for major events will continue to be delivered but on a self-funding basis.	13	13	13	0	This has been achieved in line with the proposal
City Operations	2	Full Year Effect of 2014/15 actions includes efficiencies taken with collections/cleansing and enforcement where they were part completed in 2014/15 and the benefits roll into 2015/16 - reviewing the project support levels required for waste and cleansing. Streamlining cleansing and enforcement operations to deliver neighbourhood services. Multi-functional teams set up to tackle litter and waste presentation issues in specific wards. A neighbourhood service approach informs understanding of local needs and a develop knowledge of historical issues in order to ensure resources are prioritised accordingly. The redesign of the education and enforcement team changes from 2014. Dog fouling issues are now dealt with by ward based teams. Most areas have not seen a difference in the number of teams in their area, but the size of the teams has scaled down slightly in certain areas. In addition, two responsive teams deal with priority issues. Shop fronts have continued to be done daily. A review of commercial prices and expansion into new income areas has been explored.	557	451	557	0	Part of this saving has already been achieved through the deletion of posts in Cleaner Cardiff and the Enforcement Division. The remaining saving is to be generated from increased trade waste income. Current indications are that this will be achieved through additional contracts.
City Operations	3	In House Improvements (council wide) and Neighbourhood Services (council wide) - the saving involves delivering year one modified in- house services through an improved in-house infrastructure services and neighbourhood based approach to service delivery across council functions of several directorates. This cost benefit proposal is not confined to the Environment directorate as it is a cross directorate 'One Council' project to bring resilience to services that manage streetscene, parks, bereavement maintenance of land, open landscape, enforcement activities including waste and parking enforcement, highways maintenance, technical design. It will include savings for directorate areas that support them, e.g. fleet services, facilities management and depots.	600	0	147	453	The revised working arrangements are currently operating on a pilot basis and therefore savings have yet to be achieved. At this stage it is considered unlikely that a full saving will be achieved in the current financial year.
City Operations	4	Early termination of Automated Public Conveniences contract - The Council has seven Automated Public Convenience (APC) Units, which are on a 20 year contract which ends 20 April 2025. The usage of the units in 2013 was approximately 13,160 times, which means each use cost on average £16. An opportunity exists for early termination of this contract which will lead to savings for the Council. A part year effect of £30k is reflected in 2015/16.	30	0	0	30	The termination of the contract takes effect from 31st March 2016 and therefore this saving will not be achieved in 2015-16.
City Operations	5	Redesign of cleansing as part of Neighbourhood Services (Environment only) - as part of neighbourhood services project and in-house improvements the cleansing of all Council land operational methods across the city would be redesigned. This is an approach taken by other authorities in Britain, which often results in a 'Streetscene' service that not only achieves efficiency in back office support and budgetary savings, but also see the services become more responsive to the needs of the local community and allows staff to have more autonomy in responding and addressing these needs. The service changes will be responding to needs of local communities rather than relying on frequency as a measure of quality, savings will be found by bringing service teams together, removing duplicate work, based on local areas, pooling skills and resources such as enforcement and cleansing activities. This will maintain current quality standards and build resilience in these critical frontline services.	450	191	316	134	Part of this saving has already been achieved via the deletion of posts through voluntary severance, vacant posts and reduced hours. Phase 2 of the restructure is due to take place and should realise further savings during the year however it is not anticipated that the full saving will be achieved in this financial year.

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City Operations	6	Revised Waste Strategy - restrict black residual waste collection to either a smaller wheeled bin or less frequent collection for residual waste from September 2015. Weekly recycling, weekly food collections, recycling collections split into twin stream (two bag types) at the kerbside (to be finalised as part of the outcome of the current waste strategy consultation.)	267	0	267	0	A full saving is anticipated with the initiative due to commence in September.
City Operations	7	Waste Disposal interim contract & Prosiect Gwyrdd - in July 2014 Cabinet approved the interim contract for residual waste with the four Council partners. The full year benefits of this are significant in 2015/16 and will run up until the start of the contract commissioning period. In addition the Prosiect Gwyrdd 25 year residual waste treatment contract with Viridor formally commences on 1st April 2016 with a seven month contract commissioning period preceding that bringing about a further savings per tonne for that year.	3,572	3,572	3,572	0	Budgets have been realigned as per the tonnage profile. If tonnages are higher than the profile the increased costs will be funded from the specific contingency budget provided as part of the budget.
Page 15 City Operations	8	Increasing control of the green bag and food liner provision and distribution - remove distribution through local stockists except for local hubs where supply can be controlled. Focus on delivering green bags and food liners directly to the household to reduce over-supply of the freely provided bags.	300	300	300	0	Grant funded budget has been removed and budget reallocated to other eligible expenditure so saving fully achieved. The waste restricting project and new system of bag distribution is expected to reduce the number of bags required during the year.
City Operations	9	Wheeled bin and reusable garden sack - expansion of the deployment of wheeled bins and also provide an "opt in" reusable garden waste sack collection for the remaining bio bag areas.	55	55	55	0	Grant funded budget has been removed and budget reallocated to other eligible expenditure so saving fully achieved. The waste restricting project and new system of bag distribution is expected to reduce the number of bags required during the year.
City Operations	10	Domestic Collections Efficiencies - streamlining collection services across the week in order to ensure resource requirements are more balanced (i.e. same number of rounds/vehicles/staff required each day). This could impact upon collection days and times and is linked to the Waste Strategy outcomes.	160	83	83	77	Part of this saving has already been achieved through the voluntary severance of three posts. At this stage a shortfall of £77k is projected.
City Operations	11	Waste Disposal Stop Post Sort - the allocation is used to support the post sort of waste received to increase recyclables and reduce residual waste and to ensure that Local Authority recycling targets are met. Loss of this budget can only be accommodated if the Waste strategy with residual waste restriction in relation to collections is also implemented.	316	101	101	215	To achieve the statutory recycling levels post sorting was undertaken for the first three months of the year. This has now ceased and will be replaced by IBA processing which yields a higher recycling percentage.
City Operations	12	Remaining two Household Waste Recycling Centres (HWRC) with reduced operating days and hours - the proposal is that both sites will operate five days per week with reduced opening times and that they would be closed on different days enabling access to a HWRC facility seven days a week. Both facilities will open on Saturdays and Sundays to manage the busiest periods of usage at weekends. Bank holiday opening will be maintained for the same reasons. Savings are generated from different working patterns and plant and equipment resources. The proposal enables the retention of sufficient resources and the ability to achieve high recycling and tonnage throughputs with customer care and education to further improve recycling rates.	42	0	42	0	The savings target is expected to be achieved, however this will be monitored closely when the reduced opening hours at HWRC's come into effect for the winter months.
City Operations	13	Management/ Support /Performance restructure - restructure of the Management and Performance team.	100	95	100	0	The majority of the saving has already been achieved through the deletion of two posts following voluntary severance. Remaining saving will be identified during the year.

City Operations	14	Regulatory Collaboration - creation of a single shared service comprising the Environmental Health, Trading Standards and Licensing functions of Cardiff, Bridgend and the Vale of Glamorgan Councils under a single management structure, with all relevant staff employed by one host authority. The model gives the councils the best chance of maintaining service resilience in the face of substantial budget cuts and significant opportunities to increase revenues by adopting a more commercial approach. The anticipated financial and non-financial benefits are set out in the Cabinet report of 9/10/14.	434	217	434	0	The collaboration commenced on 1st May. This will need to be closely monitored however at this stage it is still assumed that the the saving will be fully achieved.
City Operations	15	Renewable Energy Generation - a number of renewable energy schemes will become operational by or during 2015/16. Income will be derived from these through government incentives related to energy generation (feed In tariffs, etc), the sale of energy to the grid and/or other rental income.	85	0	25	60	Additional savings,over the 2014--15 targets from Radyr Weir , the solar farm and various solar panels will contribute to this target but this will be insufficient to achieve a full saving in this financial year.
City Operations	16	Reduction in sport, leisure and culture staffing - Deletion of 13 posts including vacant and VS in Parks (11) and Leisure (1) with the impact mitigated via flexible deployment of staff.	329	293	293	36	Majority of the saving achieved following deletion of vacant posts and VS. A further review is required by the directorate to identify further savings however due to timing it is unlikely that a full saving will be achieved this year.
City Operations	17	Remodelling of the Park Ranger Service - Remodelling of the Park Ranger Service resulting in reduced staffing and expenditure on supplies / services. The Council would discharge basic responsibilities for the management of its 2 Country Parks, 7 Sites of Special Scientific Interest , 4 Local Nature Reserves , 58 Sites of Importance for Nature Conservation , Special Area of Conservation (European Designation), 236 hectares of Woodland and delivery of service level agreements linked to Cardiff Harbour Authority. The proposal would result in reduced community engagement / outreach work and park based community events, removal of site based staff in key parks e.g. Victoria, Bute, Thompsons and Roath, but would retain the current level of engagement for Friends Groups for 2015/16. The impact on anti-social behaviour and byelaw enforcement e.g. dog fouling and cycling; and reduced cleansing standards in addition to a corresponding overall increase in complaints and requests for service would be monitored.	220	220	220	0	The saving has been fully achieved following deletion of vacant posts and VS.
City Operations	18	Parks Apprenticeship Scheme - restructure of the scheme.	72	72	72	0	Vacant posts have been deleted
City Operations	19	Cessation of Cardiff in Bloom and Provision of Christmas Trees - unless sponsorship / alternative funding is secured.	26	26	26	0	Saving expected to be achieved in line with reduced budget.
City Operations	20	Reduced subsidy for allotments - through increased fees and charges and increased occupancy as part of the ongoing Council strategy to make the allotment service self sufficient.	8	8	8	0	Saving achieved.
City Operations	21	Heath Park Car Park Charges - increasing charges. Parking for up to 2 hours is free. The proposal involves increasing charges from £1.00 to £1.50 for up to 3 hours and from £3 to £4 for over 3 hours.	28	28	28	0	Anticipated to be achieved but will continue to be monitored during the year.
City Operations	22	Removal of Bowls Subsidy - in line with the decision taken as part of the 2014/15 budget.	50	50	50	0	The saving has been achieved through reduced FM charges and deletion of p/t gardener and via maintenance buy-back agreements which are in place.
City Operations	23	Closure of public conveniences - permanent closure of toilets which are currently temporarily closed - Cowbridge Road East and Whitchurch Rd / Cathays Terrace. Closure of Llandaff High Street toilets.	53	53	53	0	Saving achieved.
City Operations	24	Outdoor Sport - reduction in support	40	40	40	0	Saving achieved in line with reduced budget.
City Operations	25	Flatholm Island - reduction in net budget	20	20	20	0	Saving achieved in line with reduced budget.
City Operations	26	Canton Community Centre - new management operator for Canton Community Centre to be operational by September 2015 .	53	0	22	31	Although new arrangements are expected to be in place it is not anticipated that a full saving will be made in the current financial year.

City Operations	27	Full year closure of Eastern Leisure Centre for Redevelopment - Eastern Leisure Centre is to close for refurbishment, re-opening during 2016. Decision previously made by Council.	200	200	200	0	Redevelopment has commenced and saving will be achieved.
City Operations	28	Alternative Delivery Model for Cardiff International Sports Stadium - Alternative Delivery Model for Cardiff International Sports Stadium. It is proposed that the saving would be a full year saving, minus the contractual costs and potential for a Council contribution for a sinking fund for track replacement.	305	0	305	0	A full saving is still anticipated from the planned transfer to Cardiff & Vale College.
City Operations	29	New Operating Model for Leisure Centres - the Council has agreed to progress with a procurement process to determine a new operating model for its leisure centres which will be tested against the current in-house provision. Saving expected to be generated for the final quarter of 2015/16. The level of saving is dependent on the procurement process that is being run in respect of leisure centre management throughout the first half of 2015/16. At this stage the level of savings to be achieved can only be estimated until the outcome of the procurement process in Autumn 2015.	435	0	0	435	Although the procurement process is being progressed it is not anticipated that any new arrangements will be in place by 1st April 2016.
Page 163 City Operations	30	Leisure Centres - reduced subsidy to be achieved through a combination of expenditure efficiencies and additional income generation.	340	98	196	144	The directorate has developed an action plan to deliver increased income opportunities and drive out further efficiencies however this is unlikely to achieve a full saving in this financial year.
City Operations	31	Cardiff Riding School - current performance indicates that this facility is now able to operate without subsidy from the Council.	40	40	40	0	Saving achieved.
City Operations	32	Sailing Centre - increase income.	5	5	5	0	Saving achieved.
City Operations	33	Cardiff International White Water - increase income.	30	11	22	8	Current and projected income indicates a shortfall of £8k is likely.
City Operations	34	Increase in Bereavement and Registration Fees - including burial and cremation fees	200	84	200	0	Fee increases are in place and it is currently anticipated that this saving will be fully achieved. This will need to be monitored during the year.
City Operations	35	Bute Park Horticultural Nursery - increase income from the nursery by selling hardy stock and bedding plants throughout the city.	40	27	40	0	Savings on employee related expenditure are being realised. The service has also increased its production of hardy nursery stock and has three tranches identified for retail and wholesale sales for 15/16, 16/17 and 17/18. The service is working with a supply partner, the Horticultural Trades Association in order to identify the most profitable markets for sale and which will result in increased income in 15/16
City Operations	36	Transport Strategy - project completion - project due to be completed in 2015, no longer require funds.	37	37	37	0	Savings realised in line with the proposal.
City Operations	37	Reduction in Central Bus Station Security Costs - the Council is able to reduce the level of manned security due to enhancement of CCTV coverage. CCTV coverage is linked to the Council's and South Wales Police Control Room which is monitored 24/7 and will provide a quick response to any incidents. The bus station is now manned from 10 am - 6pm Mon to Sat, previously manned 9am - 11pm 7 days a week.	54	54	54	0	Savings realised in line with the proposal which involved an agreed reduction in hours which is now in place and the enhancement of CCTV arrangements.
City Operations	38	County Hall Park and Ride change in operator - Cardiff Bus are operating County Hall Park and Ride, on Saturdays and at Christmas. Therefore, there is no longer a requirement for Council casual staff to operate the service.	11	11	11	0	Savings realised in line with the proposal.
City Operations	39	Advertising/Publicity - no longer fund Park and Ride advertising as operated by Cardiff Bus.	12	12	12	0	Savings realised in line with the proposal.

City Operations	40	Reduction in Council Supported Bus Services - Council funds are used to enhance uncommercial bus services i.e. off peak services, early morning and evening which have low patronage. It is the intention to remove the following enhancements to services:- 1) Service 86, Central Station - Lisvane, £10k - withdrawal of Sunday service (commercially operated during week). <i>There are 6 journeys on a Sunday, which operate every 90 minutes, from 10.15 to 17.45 .</i> 2) Service 55, City Centre - Pentwyn, £72k, withdrawal of Sunday & evening service. <i>Sunday service is every hour from 10.30 to 17.30. Evening service is every hour from 18.35 to 22.35.</i> 3) Service 6, Bay Car - £138k, contribution from Council will be withdrawn which will lead to a reduction in off peak services (£190k contribution from S106 will continue). <i>Reduced frequency - details to be confirmed.</i> 4) <i>Bus Service already withdrawn July 2014 Service 612 St Teilos– £17k</i>	236	236	236	0	Savings realised in line with the proposal.
City Operations	41	Bus shelter advertising contract - recharge staff time relating to bus shelters to the advertising contract .	40	0	40	0	Savings to be realised in line with the proposal, not anticipating any issues at this stage
City Operations	42	Private Circuit Rental - reduction in spend due to the change from analogue to digital. BT will no longer support analogue after 2017.	18	0	18	0	Savings to be realised in line with the proposal, not anticipating any issues at this stage
City Operations	43	Storage of telematic equipment - realignment of current storage arrangements in order to release savings.	37	37	37	0	Savings realised in line with the proposal.
City Operations	44	Review of Tunnel Costs - improve planned maintenance and tunnel closures to reduce costs.	72	72	72	0	Service area managed underspends in this area last financial year and not anticipating any issues with this target in 2015/16
City Operations	45	Review of additional staff payments - rationalise stand-by and call out allowances across the directorate.	48	0	48	0	Not anticipating any shortfall at this stage as changes to conditions and pay arrangements related to restructured service which was fully in place by the end of 2014/15.
City Operations	46	School Crossing Patrols – Realign budget - all high risk sites to be supported by a school crossing patrol officer. The saving relates to non-essential posts which have become vacant over recent years. Five posts will be recruited to allow the release of mobile officers that are currently operating at specified crossing sites. These mobile officers cover sickness, annual leave and provide training to the officers. There will be no job losses associated with this saving.	45	45	45	0	Achieved through a combination of releasing vacant posts and managed recruitment/realignment of staffing resources but not involving any reduction in numbers.
City Operations	47	Road Safety - road safety educational literature to be funded by Road Safety Grant (Welsh Government) only, with Council funding to be withdrawn.	7	7	7	0	Savings realised in line with the proposal.
City Operations	48	Riverwalk bridge maintenance reduction - realignment of budget in line with spend.	8	8	8	0	Savings realised in line with the proposal.
City Operations	49	Design Team - revision of costs - infrastructure design costs have reduced due to improved working practices, through collaborative working within the Council and commercialisation.	48	16	48	0	Savings to be realised in line with the proposal and not anticipating any shortfall at this stage.
City Operations	50	Planning - increase in Development Fee income target - increase in planning fees as a result of anticipated new development across the city and anticipated increase in fees (Welsh Government led.)	100	28	100	0	Part related to WG proposals for increased fees and anticipated increase in fee recovery levels. Considered achievable at this stage but to be subject to detailed monitoring.
City Operations	51	Planning - parking cost reduction due to relocation - no longer require parking at Dumfries Place (£13k). Reduction in car allowance budget based on previous year's spend (£10k).	23	23	23	0	Target achieved due to staff relocation to County Hall.
City Operations	52	Highways Income - fee increases in line with inflation.	10	0	10	0	Target considered achievable at this stage due to price increase effective April 15.
City Operations	53	Highways Street Lighting - LED conversion main routes - replace main route lighting with LED to reduce long term energy expenditure.	50	0	50	0	Considered achievable at this stage but progress to be closely monitored.

City Operations	54	Highways - Dimming of Street Lights - this is an Invest to Save Scheme which involves the dimming of 24,000 street lights over a 3 year period. In 2014/15, 8,000 street lighting units are to be dimmed, 16,000 are to be completed in 2015/16 and the start of 2016/17. The dimming involves changing the lamps from yellow to white. This means the light will be cleaner as the white lamp improves the clarity of the light dispersed.	126	0	126	0	Considered achievable at this stage but progress to be closely monitored as to number of units achieved in line with planned timescale.
City Operations	55	Highways Charge for Land Searches - bench marking exercise undertaken - other authorities charge for this service.	50	8	25	25	Considered part achievable at this stage but progress to be closely monitored.
City Operations	56	Commercialisation - improve internal recharging and generate new business .	30	0	30	0	Considered achievable at this stage. Service area to set up working group and develop strategy/identify potential income sources for current and future financial year targets.
City Operations	57	Reduction in printers/plotters - joint use of plotters due to relocation and removal of desk top printers.	10	10	10	0	Savings realised in line with the proposal.
City Operations	58	Reduction in training/subscriptions - essential training only - reflects reduced staff, reduce duplicate subscriptions.	10	10	10	0	Savings realised in line with the proposal.
City Operations	59	Joint purchasing of IT software - joint purchase of IT software licenses for the directorate.	5	5	5	0	Savings realised in line with the proposal.
City Operations	60	Moving Traffic Offences - net Income from Moving Traffic Offences as part of the civil parking enforcement arrangements within the city. This project commenced in December 2014.	450	195	450	0	Considered achievable in line with the proposal but will be subject to detailed monitoring throughout the year as to level of contraventions and recovery levels.
City Operations	61	Parking Strategy - to increase parking charges in accordance with the Parking Policy.	85	0	85	0	Car parking strategy and price review developed. Anticipated related price increases to be in place effective September 15. Currently considered achievable but subject to detailed monitoring as the year progresses and relevant statistics become available.
City Operations	62	Restructure - further staff savings building on the 2014/15 restructure within the directorate.	50	50	50	0	This additional target was achieved as part of the overall service restructure which was implemented by the end of 2014/15.
City Operations	63	Subscriptions - review of the council-wide subscriptions to organisations.	1	1	1	0	No specific saving made on subscriptions but alternative budget reductions have been made.
City Operations	64	Reduction in Agency Expenditure - targeted reductions across directorates based on existing spend analysis.	111	53	111	0	This is currently anticipated to be achieved but is subject to monitoring.
City Operations	65	Discretionary Overtime - targeted reductions across directorates based on existing spend analysis.	88	39	88	0	This is currently anticipated to be achieved but is subject to monitoring.
City Operations	66	Full Year Effect of 2014/15 bus service retendering - retendering process is currently underway - anticipated additional savings in 2015/16 as a result of decisions taken as part of the 2014/15 budget.	153	153	153	0	Full year impact of earlier changes to service levels
City Operations	67	Full Year Effect of 2014/15 withdrawal of non statutory secondary school transport - as a result of decisions taken as part of the 2014/15 budget.	183	183	183	0	Full year impact of earlier changes to service levels
City Operations	68	Taxis for Pupils with Special Educational Needs (SEN) - optimise provision of transport for pupils with SEN by merging taxi services and providing additional training and support strategies to staff.	100	0	100	0	Considered achievable at this stage but will be subject to detailed monitoring within the service
City Operations	69	Replacement of non statutory primary school transport with Commercial operator led services - remove subsidised funding from September 2015. The Council is working to facilitate service provision of eight routes. 1) 614 - Ysgol Y Berllan Deg (Penylan/ Roath/ Cyncoed) 2) 621 - Ysgol Y Berllan Deg (Pontprennau/Pentwyn) 3) 624 - Ysgol Y Wern (Heath/Rhiwbina) 4) 626 - Ysgol Y Wern (Llanishen/Lisvane/Thornhill) 5) 633 - Ysgol Bro Eirwg (Rumney/Trowbridge/Llanrumney) 6) 638 - Ysgol Pencae (Canton/Fairwater/Danescourt) 7) 627-Ysgol Pwll Coch (Grangetown) 8) Ysgol Pwll Coch (Canton)	102	102	102	0	Saving achieved.
City Operations	70	Council Wide external training - 10% efficiency saving on existing budget.	27	27	27	0	This is currently anticipated to be achieved but is subject to monitoring.

City Operations	71	Council wide operational efficiencies - operational efficiency saving including printing, telephones and postage.	79	79	79	0	This is currently anticipated to be achieved but is subject to monitoring.
City Operations	72	Standby Payments to Officers - targeted savings across relevant directorates.	67	37	52	15	This saving will only be partly achieved in 2015/16.
City Operations	Total City Operations		12,058	7,891	10,395	1,663	
Communities Housing & Customer Services	73	Reduction in spend on Benefit Service - the savings will be realised through a reduction in benefit officers and restructuring the Quality and Support Team.	137	137	137	0	This saving has been achieved through a restructure within the Benefits, Finance and Tenancy Services establishment with some deletion of vacant posts.
Communities Housing & Customer Services	74	Advice Contingency - To manage the increased demands placed on the service due to the Welfare Reform changes a contingency fund was created. As a result of the proactive way that the authority manages those affected this can now be reduced.	5	5	5	0	This saving has been achieved through the deletion of a minor contingency budget within Housing Strategy.
Communities Housing & Customer Services	75	Reduction in Spend on Homelessness Service - to achieve this saving, a reduction of one post will be required within the Homelessness service, along with the removal of the Homelessness spend to save budget which in the past has funded schemes to prevent and alleviate homelessness. The service is expecting a major change in legislation in the coming year, however it is anticipated that grant funding will be received to offset this additional work and therefore the loss of one post should not impact unduly on service delivery.	83	83	83	0	This homelessness prevention related budget has been cut but achievability will be monitored throughout the year.
Communities Housing & Customer Services	76	Cardiff Connect (Review of Community Alarm) - Community Alarm Service prices have remained static for a number of years. Current pricing levels have been reviewed against other local authorities (South East Wales Improvement Collaborative (SEWIC) members) and against the cost to deliver the service. Proposals are to increase the cost for the mobile response aspect of the service by £1 per week and to source additional clients.	240	0	240	0	This target is related to a price increase implemented from 1.4.15 and a targeted increase in customer base. A marketing campaign is underway and client base is being tracked on a monthly basis. Achievability to be monitored as the commercial base expands throughout the year.
Communities Housing & Customer Services	77	Alarm Receiving Centre Income - additional income through the creation of an Alarm Receiving Centre	250	0	250	0	It is anticipated that the commercialisation of the service/income opportunities could result in the full achievement of this target but this is subject to monitoring. It is anticipated that any shortfalls due to delays in the initial set up of the ARC will be mitigated by additional income generation through expansion of the customer base.
Communities Housing & Customer Services	78	Reduction in Supporting People Administration - to achieve this saving a review of the administration within Supporting People will be undertaken.	55	55	55	0	This has been achieved through the deletion of a vacant post.
Communities Housing & Customer Services	79	Implementation of Community Hub Strategy - saving is associated with the implementation of the Hub Strategy. The strategy addresses the need for change including financial pressures and changing demand through a range of themes including co-delivering services through Community Hubs, greater community involvement and use of technology.	100	0	53	47	This saving target is linked to the creation of the Community Partnership Hub in Rumney and the closure of Rumney Library. A part year impact is forecast due to the delays in property moves and closures with the transfer of the library currently planned for November 2015.
Communities Housing & Customer Services	80	Development of a City Centre Superhub - Central Library currently accounts for a significant amount of the overall Libraries' budget. In order to achieve the savings and safeguard Central Library, it is necessary to review the delivery options and/or the potential to bring services together.	349	0	233	116	This target is linked to the demolition of Marland House and the transfer of staff and services to the new Superhub at the Central Library. Delays to the proposed property moves and closures means there will be a part year impact in the current year.

Communities Housing & Customer Services	81	Into Work Services - Adult Community Learning funded trainer - this is a realignment of budgets to reflect the courses that are delivered by Into Work trainers through Adult Community Learning.	35	35	35	0	This realignment of funding has been agreed and the target has been achieved.
Communities Housing & Customer Services	82	Improve efficiency in the re-ablement service - the introduction of mobile working and scheduling for care staff in the reablement service will improve reporting and increase rostering and call efficiency. This will result in improvements for staff in terms of scheduling and will enable the directorate to reduce the number of supervisory/back office staff. This will also improve continuity of service for citizens using the service.	208	119	208	0	Reduction in home care manager posts to the value of £119,000 already achieved by VS. Balance of savings to be achieved by VS / VR of front line and back office staff.
Communities Housing & Customer Services	83	Management Restructure in the Reablement Service - reducing two registered manager posts within the Reablement Service to one post following the recent configuration of the service into the two Community Resource teams.	47	47	47	0	One registered manager post deleted following VS.
Communities Housing & Customer Services	84	Re-organising the way Community meals are delivered - we will recommission the current meals service by moving away from the existing pattern of delivering meals at a set time of day for up to five days a week, to linking service users to a wider range of luncheon clubs and other resources in their neighbourhood. Internal and external partnership working has already started to develop a more comprehensive range of lunch provision across the city and service users who continue to require a meal within their own homes will be identified. People who are eligible for this service and need assistance with meals will continue to receive a service.	75	0	37	38	This service is to be reviewed as part of the overall consideration of day care opportunities for older people. Only a part year saving is however envisaged at this stage.
Communities Housing & Customer Services	85	Council Wide external training - 10% efficiency saving on existing budget.	3	3	3	0	This saving has been achieved through the realignment of minor related budgets.
Communities Housing & Customer Services	86	Council wide operational efficiencies - operational efficiency saving including printing, telephones and postage.	35	18	35	0	This is currently anticipated to be achieved but is subject to monitoring.
Communities Housing & Customer Services	87	Discretionary Overtime - targeted reductions across directorates based on existing spend analysis.	12	6	12	0	This is currently anticipated to be achieved but is subject to monitoring.
Communities Housing & Customer Services	88	Standby Payments to Officers - targeted savings across relevant directorates.	9	5	9	0	This is currently anticipated to be achieved but is subject to monitoring.
Communities Housing & Customer Services		Total Communities Housing & Customer Services	1,643	513	1,442	201	
Corporate Management	89	Review of Management Support Budgets - ancillary support budgets.	45	45	45	0	The budgets have been reduced and will be closely monitored to ensure that this saving is achieved
Corporate Management	90	Reduction in Corporate Banking Charges - the outcome of the recent corporate banking retender has enabled a reduction in banking charges.	42	42	42	0	The budgets have been reduced and will be closely monitored to ensure that this saving is achieved
Corporate Management	91	Reduction in Corporate Audit Fees - as a result of the Wales Audit Office work programme for the Council.	30	30	30	0	The budgets have been reduced and will be closely monitored to ensure that this saving is achieved
Corporate Management	92	Reducing Corporate IT / Licensing Costs - savings based on current expenditure levels.	69	69	69	0	The budgets have been reduced and will be closely monitored to ensure that this saving is achieved
Corporate Management	93	Efficiencies within Communications & Media - reduction in the resources associated with Communications & Media. This saving will be found from the campaigns budget.	82	0	82	0	The team is working to the reduced budget though savings have yet to be achieved.
Corporate Management	94	Central Enterprise Zone - reprofile budget for capital charges based on timing of schemes and potential use of the earmarked reserve if required.	630	630	630	0	This budget has been reprofiled and is therefore achieved

Corporate Management	95	Cardiff Bus Dividend - level of dividend based on the anticipated performance within the 2014/15 accounts.	250	0	250	0	Although for the purposes of the month 6 monitoring a dividend is still anticipated there is some uncertainty around this as the Board has still to confirm their accounts for 2014/15. This will continue to be monitored.
Corporate Management	96	Delete top-up received via the Council Tax Pensioner Reduction Scheme - relates to a previous specific grant arrangement in relation to pensioners. Households that receive full council tax reduction and those who receive no council tax reduction will not be affected. Households that receive partial reduction will still be in receipt of council tax support but will not receive a further top up from the Council Pensioner Reduction scheme.	310	310	310	0	This budget has been reprofiled and is therefore achieved
Corporate Management	97	Management and Related Savings - review of the Council's management structures.	650	481	650	0	This is currently anticipated to be achieved but is subject to monitoring.
Corporate Management	98	Council wide operational efficiencies - operational efficiency saving including printing, telephones and postage.	28	14	28	0	This is currently anticipated to be achieved but is subject to monitoring.
Corporate Management	99	Subscriptions - review of the council-wide subscriptions to organisations.	9	6	9	0	This is currently anticipated to be achieved but is subject to monitoring.
Corporate Management	100	Management Delaying - targeted savings managed in conjunction with Human Resources.	200	106	200	0	This is currently anticipated to be achieved but is subject to monitoring.
Corporate Management	101	Voluntary Schemes - proposal to establish and support the take up of voluntary schemes including purchase of annual leave, sabbaticals and voluntary reductions in hours.	300	64	210	90	At present, the indications are that this will only be partly achieved in 2015/16.
Corporate Management	102	Precepts, levies and contributions - target of 2% reduction.	349	349	349	0	This saving has been realised.
Corporate Management		Total Corporate Management	2,994	2,146	2,904	90	
Economic Development	103	Review management structure in the Economic Development Service - restructure of the management of the Economic Development team to release one operational manager post.	87	87	87	0	The post holder has taken VS in line with the budget proposal.
Economic Development	104	Capitalisation of posts in Major Projects - two part-time posts and one full time post in Major Projects to be funded via capital rather than revenue.	163	30	73	90	At present, the indications are that this will only be partly achieved in 2015/16.
Economic Development	105	Review service in Economic Development - restructure of the Economic Development service to release one post.	28	28	28	0	The post holder has taken VS in line with the budget proposal.
Economic Development	106	Reduced revenue budget for the Cardiff Business Council - increase the private sector contribution towards the cost of the Cardiff Business Council.	160	160	160	0	Cardiff Business Council are aware of the proposal and are committed to working within a reduced budget allocation.
Economic Development	107	Budget reduction in Strategic Estates - reduction in operational budgets.	6	0	6	0	The budgets have been reduced and will be closely monitored to ensure that this saving is achieved
Economic Development	108	Increase charges for services provided by Strategic Estates - increase the Service Level Agreement charges made by Strategic Estates to the Harbour Authority and Housing Revenue Account based on the service undertaken.	18	0	18	0	It is anticipated that this saving will be fully realised.
Economic Development	109	Capitalisation of Posts in Strategic Estates - two full-time posts in Strategic Estates that work on the disposal of Council properties generating capital receipts to be funded through capital rather than revenue.	96	0	96	0	This saving is currently projected to be achieved however details have yet to be agreed and this will need to be closely monitored.
Economic Development	110	Rent review income - generate additional income as result of future rent reviews that need to be negotiated in 2015/16.	120	0	0	120	The Directorate have indicated that this saving will not be achieved in the current year.
Economic Development	111	Removal of subsidy for mobility buggies in the city centre - introduce a charging mechanism to recover costs to enable the city centre buggies service to be maintained.	17	0	17	0	This saving will be achieved by selling advertising space on the mobility buggies. The scheme is due to commence in October 2015.
Economic Development	112	Review service in the management of the City Centre Night Time Economy - retain existing patterns of Taxi Marshall service but start the service at 10pm rather than 8pm.	13	0	13	0	It is anticipated that this saving will be fully realised.

Economic Development	113	Review Tourism Information Centre Offer - implement a partnership approach to the provision of Tourism Information Centre services across the city centre through the provision of a series of small satellite information points, including one at the existing city centre site and retain the centre in the bay.	120	120	120	0	The City Centre TIC has been closed and, whilst, there may be some residual costs, it is currently assumed that this saving will be achieved in full.
Economic Development	114	Fee income from management of workshop estate - additional income identified from the Workshop Estate as a consequence of undertaking a rent review exercise and increasing the occupancy level.	20	7	20	0	It is anticipated that this saving will be fully realised.
Economic Development	115	Professional fee income from property disposals - implementation of the property strategy generating additional fee income.	20	20	20	0	It is anticipated that this saving will be fully realised.
Economic Development	116	Neighbourhood Regeneration - this relates to the proposed re-profiling of the Neighbourhood Renewal Scheme (NRS) funding together with identification of capital as the funding source, rather than revenue. Approximately £1m in total will be required over the next three years in the proposed capital programme if schemes in the current NRS programme are completed.	300	300	300	0	This saving will be fully realised.
Economic Development	117	Reduction in spend on post within Regeneration - reduction of staffing budget within Regeneration and Development.	19	19	19	0	This saving has been realised through the deletion of a vacant post.
Economic Development	118	Arts Funding - end of one year grant to Sherman Theatre. End of tapering funding as previously determined by Council.	80	80	80	0	This grant reduction has been communicated to the Theatre and therefore the saving has been achieved in full.
Economic Development	119	Cessation of Events - cessation of Council funding for Callennig, St David's Day and Cardiff Country Fair.	159	159	159	0	The Council's funding for these events are not planned to occur during 2015/16 and therefore this saving has been achieved in full.
Economic Development	120	Transfer of Cardiff Story Museum Ownership -Transfer of ownership of Museum to an appropriate body.	50	0	50	0	It is currently anticipated that this saving target relating to the proposed introduction of a streamlined operating model for the Cardiff Story Museum will be realigned corporately due to the co-location of the Welsh Language Hub and the impact on income generation opportunities.
Economic Development	121	Council Wide external training - 10% efficiency saving on existing budget.	3	0	1	2	It is anticipated that this saving will not be fully achieved in the current year.
Economic Development	122	Council wide operational efficiencies - operational efficiency saving including printing, telephones and postage.	40	7	14	26	It is anticipated that this saving will not be fully achieved in the current year.
Economic Development	123	Reduction in Agency Expenditure - targeted reductions across directorates based on existing spend analysis.	8	0	0	8	This is currently anticipated to be achieved but is subject to monitoring.
Economic Development	124	Subscriptions - review of the council-wide subscriptions to organisations.	1	0	1	0	This is currently anticipated to be achieved but is subject to monitoring.
Economic Development	125	Discretionary Overtime - targeted reductions across directorates based on existing spend analysis.	24	1	3	21	It is anticipated that this saving will not be fully achieved in the current year.
Economic Development	126	Standby Payments to Officers - targeted savings across relevant directorates.	1	0	1	0	This is currently anticipated to be achieved but is subject to monitoring.
Economic Development	127	Increased income through rent reviews of non-operational property - Strategic Estates -Review rental income on properties across the Council owned non-operational estate.	100	0	50	50	It is anticipated that this saving will not be fully achieved in the current year.
Economic Development		Total Economic Development	1,653	1,018	1,336	317	

Education	128	Inter Authority Recoupment - there is a Local Authority responsibility for ensuring that children have access to appropriate educational learning. The rationale for the placement of children is often led by Children's Services or the Health Authority. Further savings opportunities should also be explored through better collaborative working / commissioning with other Local Authorities. The steps to be taken to achieve this level of saving in the 2015/2016 financial year will be to: 1) Modify the Special Educational Needs (SEN) provision strategy so that investments we make in Cardiff schools allow us to cater for as many pupils with statements of SEN as possible 2) Commissioning a joint project with the Vale of Glamorgan Authority, the Health Authority and Children's Services to examine the commissioning of placements. 3) To work with Children's Services in their work exploring the use of Payment by Results funding mechanisms.	250	0	250	0	It is anticipated that this saving will be fully realised.
Education	129	Education Other Than at School (EOTAS) - the Local Authority has the statutory responsibility to provide full time educational opportunity for all pupils of statutory school age. There are occasions when individual tutors have to be engaged to provide ongoing educational support. Historically this has been achieved through the direct employment of tutors. With effect from 1 February 2014 the All Wales Framework Agreement for Educational temporary staff was introduced which included a single provider for the provision of all educational temporary staff and a maximum charge rate. By implementing the framework agreement the service area will make savings on the cost of providing tutors, current rates paid to tutors range from £27.00 to £45.00 per hour.	150	0	50	100	The savings are unlikely to be achieved in the manner suggested in the budget setting process. Alternative ways of achieving the saving are currently being considered.
Education	130	Pupil Referral Unit - an important part of the Council's provision for pupils with behavioural challenges is the Pupil Referral Unit based at Mynachdy. The unit provides educational provision for pupils at Key Stage 3 and Key Stage 4. Although managed through a management board its budget is not part of the schools delegated budget. Savings could be achieved through a rationalisation of provision and further exploration of the sharing of certain costs with schools.	100	0	100	0	The directorate is working to the reduced budget available but the savings have yet to be achieved.
Education	131	Childcare Strategy - the recent restructure of the directorate's management arrangements included the transfer of the management of this team to the Flying Start and Childcare Manager which should provide further opportunities for joint working on certain aspects of provision and more efficient support functions.	150	150	150	0	These savings have been achieved
Education	132	Staffing Realignments and Restructures within Education - the 2014/15 budget savings for the Education directorate included £450k to be achieved through a rationalisation of management arrangements. These further savings will be achieved through making further cuts to management capacity and exploring further opportunities for collaborative working with other directorates and possibly other Local Authorities.	390	100	98	292	Whilst some savings have been achieved, there is a level of uncertainty in respect of the full level of saving. A shortfall of £292k is currently projected.
Page 170 Education	133	Admissions and Education Welfare - increasing demands on school places has led to pressures on the admissions function with a significant increase in the number of appeals having to be administered. The current process, whilst meeting statutory requirements is particularly paper intensive. An online system has been in place now for two years and many more applications are received through this process, however this has not led to any efficiencies. Savings could be achieved through exploring business process efficiencies from the on line application process and potential greater use of the Council Hubs. Additionally the changes made to the Attendance Policy and greater delegation of funds and responsibilities to schools may provide further opportunity to reduce the size of the centrally held Education Welfare Team.	50	0	38	12	It is unclear at this stage as to whether or not the saving accepted will be achieved at the level required for admissions (£12k).

Education	134	Youth Service - the model seeks to maintain a high level of open access provision across the city through achieving input from voluntary, community and third sector groups whilst maintaining a re-shaped pattern of specialist provision which better meets the needs of priority groups. The model:- 1) Builds on current strong community based provision. 2) Develops a participatory budget for funding open access youth work 3) Includes StreetBased and mobile outreach services including the Youth Bus 4) Maintains Duke of Edinburgh Activity via charging participants 5) Council provision from six retained premises. This would achieve a saving of £0.85m in 2015/16 which allows more time for the transition of the service and allows the Council to keep the current local facilities running together with supporting street-based and outreach working until the new services are in place. Further savings of £0.9m to be found over 2016/17 and 2017/18 resulting in a base budget of circa £1m at the end of this period.	850	750	850	0	It is anticipated that this saving will be fully realised.
Education	135	Catering - the Local Authority currently provides the school meals function in all but one Cardiff school. Savings would be achieved through incremental increases in the price of a meal to pupils by 20p in April 2015 and a further 10p in April 2017 together with the examination of alternative models of delivery with schools.	300	143	440	(140)	School meal prices were increased and forecast numbers indicate that the income achieved will exceed the level of saving proposed.
Education	136	Cleaning - the Local Authority provides the school cleaning function to 83 (66%) of the 125 available school cleaning contracts. Savings could be achieved through the exploration of alternative models of delivery, combining the Direct Service Unit (DSU) with the Corporate Cleaning DSU and reducing any level of subsidy to schools.	100	100	100	0	Cleaning has been transferred to FM and the saving was achieved before transfer.
Education	137	School Effectiveness Grant - following a reduction in Welsh Government grant funding, there will be a cut in the match funding element of the School Effectiveness Grant.	79	0	79	0	Whilst the saving can not be delivered as stated this is looking to be achieved through the opportunities available as a result of the Education Improvement Grant
Education	138	Travellers Education - following a reduction in Welsh Government grant funding, there will be a cut in the match funding element of the Travellers Education Grant.	9	0	9	0	Whilst the saving can not be delivered as stated this is looking to be achieved through the opportunities available as a result of the Education Improvement Grant
Education	139	Wellbeing and Compliance -Efficiencies within the delivery of Health and Safety (H&S) and compliance issues.	50	0	50	0	This is currently anticipated to be achieved but is subject to monitoring.
Education	140	Council Wide external training - 10% efficiency saving on existing budget.	45	22	45	0	This is currently anticipated to be achieved but is subject to monitoring.
Education	141	Council wide operational efficiencies - operational efficiency saving including printing, telephones and postage.	79	39	79	0	This is currently anticipated to be achieved but is subject to monitoring.
Education	142	Subscriptions - review of the council-wide subscriptions to organisations.	6	3	6	0	This is currently anticipated to be achieved but is subject to monitoring.
Education	143	Reduction in Agency Expenditure - targeted reductions across directorates based on existing spend analysis.	5	2	5	0	This is currently anticipated to be achieved but is subject to monitoring.
Education	144	Discretionary Overtime - targeted reductions across directorates based on existing spend analysis.	8	4	8	0	This is currently anticipated to be achieved but is subject to monitoring.
Education		Total Education	2,621	1,313	2,357	264	
Governance & Legal Services	145	Mini restructure to reduce administrative, legal and protocol support to County Clerk & Monitoring Officer.	181	181	181	0	Mini-restructure in place and full saving achieved.
Governance & Legal Services	146	Reduce Member Expenses and Support Services - by removing Dictabank services, reduction in training and mayoral expenses.	37	0	37	0	This saving will now be achieved through the mini-restructure.
Governance & Legal Services	147	Staffing Changes to Legal Services - flexible retirement of Operational Manager and deletion of part-time vacant post with consequential redistribution of some duties and need to build in more robust cost of legal advice as part of any business case.	51	51	51	0	Achieved
Governance & Legal Services	148	Saving in law library budget - as a result of revised pricing and analysis of use .	8	8	8	0	The budget has been cut and the saving will be fully achieved.
Governance & Legal Services	149	Additional income from Legal Charges – based on current levels being achieved and in line with continued improvements in the general housing market there is some scope to increase the level of income generated in this area.	30	15	30	0	Full saving anticipated to be achieved.

Governance & Legal Services	150	Council Wide external training - 10% efficiency saving on existing budget.	2	1	2	0	This is currently anticipated to be achieved but is subject to monitoring.
Governance & Legal Services	151	Council wide operational efficiencies - operational efficiency saving including printing, telephones and postage.	6	3	6	0	This is currently anticipated to be achieved but is subject to monitoring.
Governance & Legal Services		Total Governance & Legal Services	315	259	315	0	
Resources	152	Energy Savings (Council Wide) - energy costs are rising and the Council needs to control its consumption and bills more effectively. The strategy for this is for the energy team to support directorates in making targeted savings through good housekeeping.	90	0	90	0	Initiatives will be put in place during the year to achieve this saving.
Resources	153	Staffing Reductions within Exchequer and Development - 1) deletion of Senior Payroll Assistant via voluntary severance (VS) 2) deletion of Payments Officer post via VS and redistribution of work within Exchequer and Development. 3) deletion of post room supervisor post via VS and restructuring within other Exchequer teams. 4) restructure of Accounts Payable and Payroll Control Sections. This will assist with providing cover and enable deletion of vacant part time hours. 5) reduction of hours in Senior Payments Assistant 6) deletion of Payments Assistant post via VS and redistribution of work across the section. 7) review of management post once merger of Exchequer and Business Administration sections is embedded. These changes will help facilitate the creation of a transactional team as explained in the Finance Service review . 8) Deletion of 1 x Grade 3 post in Business Admin and reduction in training budget .	122	122	122	0	This has been achieved.
Resources	154	Projects Accountancy Additional Income - additional internal income from support provided by Project Accountancy to Major Projects across the Council including an additional recharge in respect of city centre major project initiatives.	45	0	45	0	It is anticipated that this will be achieved.
Resources	155	Projects and Technical Accountancy Employee savings - the reduction in the working hours of a Grade 8 Accountant on the closing team .	7	7	7	0	This has been achieved.
Resources	156	Post reduction in Internal Audit - reshaping the work undertaken will allow the reduction one post.	42	42	42	0	This has been achieved.
Resources	157	Reduction to posts in Service Accountancy - The saving will require the loss of four posts in 2015/16 . This will be achieved through a combination of vacancies and voluntary severance and will require a realignment of workload and team structures within the section. There is very limited opportunity to reduce the functions undertaken by Service Accountancy as these are either statutory or necessary in order to provide effective management and control of the Council's finances. As a result the saving will have to be achieved through efficiencies and changes to service delivery whilst maintaining the core functionality.	144	144	144	0	Saving achieved through a combination of voluntary severance and a vacant post.
Resources	158	Charges for credit card payments - the cost of paying by credit card will be passed onto customers. Notice will be given at the beginning of the transaction and customers will have the choice of paying by a different method if they wish.	26	0	0	26	Not likely to be achieved as the cost structure implemented by Banks is changing. However, the shortfall will be mitigated by projected underspends across the Directorate to achieve a balanced position overall.
Resources	159	Rating savings - significant rating savings can be achieved for the Council by successful appeals against rateable values. Most Local Authorities do not have the in house expertise to pursue these on their own and instead engage external companies who charge on a no win no fee basis. In Cardiff we have changed to adopt a similar approach using the in house team and this level of savings reflects the commission to be received from successful appeals.	25	0	25	0	It is anticipated that this saving will be achieved. Schools appeals are progressing this year.
Resources	160	Reduction in overtime budgets within Revenues - as a result of anticipated efficiency savings linked to automation of forms in future, it is proposed to reduce overtime budgets by approximately 50%.	34	15	34	0	This is expected to be achieved either by reducing overtime or by keeping a post in the council tax team vacant.
Resources	161	VAT savings - the directorate has entered into a new framework contract with Deloitte for VAT advice and proactive assistance to facilitate savings. This change in emphasis regarding VAT will mean the VAT accountant is spending more time pursuing these opportunities and it is proposed to charge a commission against the savings achieved in the same way that external companies would do .	31	0	31	0	It is anticipated that this will be achieved.

Resources	162	Private bailiff costs - the net cost of external bailiffs is entirely due to the recovery action that the Council has to take to collect outstanding debts. In recent years we have successfully increased collection rates to the benefit of the Council and thus reduced our bad debt provision. It is therefore proposed to charge these external costs of £14k against the bad debt provision.	14	5	14	0	It is anticipated that this will be achieved.
Resources	163	Implementation of Corporate Debt Approach - Implement a more Corporate and strategic approach to debt management by moving responsibility for the bailiff collection function of Penalty Charge Notices to Revenues and also consideration of the transfer of the accounts receivable function. These changes should enable a more holistic approach to debt management. There should also be opportunities to improve the level of income collected and the amount of internal bailiff fee income generated.	80	0	60	20	This is due to be implemented in October however a full saving is unlikely in the current year.
Resources	164	Commissioning & Procurement Restructure - this will enable a split between the strategic and operational aspects of the activities and will also increase visibility of compliance in Directorates through a more business orientated approach . The separation will also facilitate the approach to a transactional team as highlighted in the Finance Service review .	210	105	210	0	The restructure has been completed and the full saving will be achieved.
Resources	165	Commissioning and Procurement Local Authority Trading Company - to allow the Strategic Commissioning team to trade through the creation of an alternative trading company.	30	0	30	0	A number of commercial opportunities are being pursued and progressed and should achieve income of £30k.
Resources	166	Remove Enterprise Architect Post - deletion of vacant post and consequent reprofiling of work with recognition that Enterprise Architecture resource needs to be built into technology based business plans where appropriate.	52	52	52	0	This has been achieved.
Resources	167	Recharge Mobile & Scheduling Licenses to Directorate Services - recover licence costs through service areas for utilising corporate technology	16	0	16	0	It is anticipated that this will be achieved.
Resources	168	Staffing reductions within Human Resources - the proposal would be to accept the applications for Voluntary Severance where operationally possible, and the subsequent deletion of these posts. Also to delete a number of vacant posts which will provide the £260k savings required for 2015/16. To mitigate the impact of the FTE reduction, residual resources would need to be realigned to areas of priority to ensure delivery against existing SLA's, some support provided may have to reduce or cease altogether. This is being explored as part of the Service Review.	260	260	260	0	Salary budgets reduced. VS's taken/vacant posts deleted.
Resources	169	Mediation Service - this is a new mediation service which will be offered to directorates including Schools to support the Council in resolving disputes, thereby, reducing conflict and time involved in potentially lengthy disagreements. Human Resources People Services has trained mediators who will help resolve difficult situations and issues regarding employees, team leaders and senior managers using the mediator as an impartial third party.	10	0	4	6	A shortfall of £6k is currently anticipated.
Resources	170	Increase in Cardiff Works income - Cardiff Works provides services for recruiting, assessing and employing temporary placements for engagement across the Council and engaging supply teachers and teaching assistants through our Cardiff Supply service. Consideration is to be given to ways of expanding the current placement levels, potentially through engagement with the Council's trading entity .	20	10	20	0	It is anticipated that this will be achieved.
Resources	171	Full Year Effect (FYE) of 2014/15 ICT staff related budget savings - residual savings relating to staff leaving part way through current financial year.	94	47	94	0	It is anticipated that this will be achieved.
Resources	172	Deletion of ICT Grade 3 post - vacant scale 3 post in ICT through increased use of self service functionality on the Help desk.	22	22	22	0	Post is vacant and has been deleted.
Resources	173	ICT recharge to non-general fund areas and external customers - ICT provides a service for non-general fund areas such as the Housing Revenue Account and Schools as well as external customers and this saving reflects the full recovery of these amounts.	61	31	61	0	Saving anticipated to be achieved and will be closely monitored. A new schools SLA will take effect from Sept 2015.
Resources	174	ICT - support for the transition to alternate service delivery mechanisms - Additional support needed to move existing systems and data to new service delivery models such as the new joint regulatory service or national and regional adoption agency as well as others. This will involve technical, security and business relationship additional work and the costs will need to be factored into future business cases for these projects.	52	0	52	0	It is anticipated that this will be achieved.

Resources	175	External ICT expenditure - this includes savings through reviewing the level of spend, re-rendering services to achieve cost reductions and ensuring that unavoidable cost increases are charged to customers as appropriate .	261	45	261	0	The service area are actively monitoring the achievement of this saving with a full saving currently anticipated.
Resources	176	Reduction in number of Central Transport Service maintenance vehicles - additional vehicles have been incorporated into the service over a period of time and following review and analysis of use, the optimal number of vehicles required for the service is three to cover breakdowns, overnight callout and vehicle collection. This is the full year effect of changes in the current financial year.	13	13	13	0	This has been achieved.
Resources	177	Replacement of ageing gritter fleet - reduction in maintenance costs. The gritters will be procured on a short term hire contract and will negate maintenance, washing (gritter bodies) and the need for additional winter call out.	40	40	40	0	This has been achieved.
Resources	178	Organisational Development Restructure - medium term restructure the Organisational Development (OD) team to reduce overall cost of delivery, reduce budget for OD related investment and support for projects, facilitated through the use of reserves initially.	110	110	110	0	All OD expenditure will be capitalised as a result of the WG Capitalisation Directive
Resources	179	Improvement Team Restructure - restructure the Corporate Improvement Team to reduce overall cost of providing performance support.	40	40	40	0	Restructure in place and saving fully achieved.
Resources	180	Realignment of additional funding sources - this saving involves recharging £15k to grant income for PREVENT grant work to reflect time spent on these activities, and also to recharge the Housing Revenue Account (HRA) for a portion of the Performance Management team (£25k) to reflect work undertaken in support of HRA funded activity.	40	20	40	0	Saving anticipated to be fully achieved.
Resources	181	Restructure Emergency Management Service - delete one post in the Emergency Management Team, with duties to be absorbed within the wider team.	47	47	47	0	Post deleted and saving fully achieved.
Resources	182	Restructure the way in which Cardiff manages its partnership working - we are working with our partners (particularly the Cardiff University Health Board) to join up our partnership support arrangements more effectively. The saving includes staff reductions however, partnership activity will also continue to be mainstreamed within Council services so that the activity is correctly funded as business as usual.	110	45	110	0	Saving anticipated to be fully achieved.
Resources	183	Re-profile Neighbourhood Partnerships Fund to support community groups - this proposes to remove the Neighbourhood Partnership Fund and retain £55k to create a Community Co-ordination function. This will provide a one stop route in for Community Groups to access support in potential Community Asset Transfers, grant applications and in the co-production of services.	155	155	155	0	Budget has been deleted in line with the proposal and considered fully achievable.
Resources	184	Community Safety - this is a review of the Community Safety fund. Major projects such as Operation Mistletoe will continue to be funded but a review of other projects will take place to ensure value for money.	50	50	50	0	Budget has been deleted in line with the proposal and considered fully achievable.
Resources	185	Deletion of Grants Transition Fund - this fund was set up to assist partners to manage the reduction in Council support for a temporary transition period.	50	50	50	0	Budget has been deleted in line with the proposal and considered fully achievable.
Resources	186	Review of the Infrastructure Grants given to External Agencies - to reduce the level of grant funding infrastructure support to external agencies.	93	93	93	0	Budget has been deleted in line with the proposal and considered fully achievable.
Resources	187	Office Rationalisation Efficiencies - project to release office space and focus occupancy in the Council's core administrative buildings.	400	0	400	0	It is anticipated that this saving will be fully achieved.
Resources	188	Council Wide external training - 10% efficiency saving on existing budget.	61	30	61	0	This is currently anticipated to be achieved but is subject to monitoring.
Resources	189	Council wide operational efficiencies - operational efficiency saving including printing, telephones and postage.	57	28	57	0	This is currently anticipated to be achieved but is subject to monitoring.
Resources	190	Subscriptions - review of the council-wide subscriptions to organisations.	1	0	1	0	This is currently anticipated to be achieved but is subject to monitoring.
Resources	191	Reduction in Agency Expenditure - targeted reductions across directorates based on existing spend analysis.	6	3	6	0	This is currently anticipated to be achieved but is subject to monitoring.
Resources	192	Discretionary Overtime - targeted reductions across directorates based on existing spend analysis.	25	12	25	0	This is currently anticipated to be achieved but is subject to monitoring.
Resources	193	Standby Payments to Officers - targeted savings across relevant directorates.	6	3	6	0	This is currently anticipated to be achieved but is subject to monitoring.
Resources		Total Resources	3,052	1,646	3,000	52	

Social Services	194	Breakthrough Commissioned Services - this service is provided by Action for Children and offers breaks either inside or outside of the family home. The breaks offer children and young people time away from their families and provides respite for parents/carers. Families are increasingly choosing to use Direct Payments to meet their needs in this area and so this provision can be removed.	42	42	42	0	Provision removed and payment withdrawn.
Social Services	195	Home Sessional Support posts x 0.86 - one vacant 5 hour and one vacant 27 hour Home Sessional support post to be deleted.	23	23	23	0	Relevant posts deleted
Social Services Page 175	196	Maintenance Officer x 1 and Residential Child Care Officer x 1 - there is no longer a need for a full-time maintenance officer for Residential Services although it will be important to retain some dedicated capacity for routine maintenance, painting and decorating to be undertaken at the Crosslands home in a timely way, in order for the home to maintain an appropriate standard of decoration. The proposal would seek to delete the current full-time grade 5 post and create a part-time grade 6 post releasing a vacant grade 5 Residential Child Care Officer post which is no longer required because current staffing levels are viewed as being at the optimum level.	39	39	39	0	Relevant post deleted
Social Services	197	Supervised Contact Service - the service provides supervised contact for Looked After Children who meet their parents in supervised conditions because other types of contact have been deemed unsafe. Currently half the service is provided in-house and half is provided by Barnardos under a contract that ends in June 2015. Efficiencies will be achieved by externally commissioning the whole service given its size and the desirability of the contract; we would not expect to reduce the level of service. Externally commissioning the service would also address the challenges we experience in identifying internal accommodation that is fit for purpose to meet demand.	60	0	60	0	Procurement process for re-commissioning contact service commencing. Some delay but anticipated that new arrangements will be in place in 2015/16 with sufficient time to achieve saving. Position to be reviewed as year progresses.
Social Services	198	Family Support & Intervention Driver Post x 1 - the driver was previously used to transport children to and from Children in Need nurseries. More recently, the post holder transports parents and children to and from centres when parents are required to undertake group parenting programmes as part of a statutory intervention (e.g. a child protection plan). Recently, the number of group programmes delivered by Children's Services has reduced as parents have been encouraged to attend programmes delivered in their local communities. Often, parents are encouraged to make their own way to the centres and therefore the driver is not currently utilised to full capacity. In the future, parents who cannot make their own way to the centre will be supported by staff in order that they feel more confident to use public transport. It is felt that this saving will not have a significant impact on a parent's ability to attend group parenting programmes when they are required to do so.	22	22	22	0	Relevant post deleted
Social Services	199	Withdrawal of Taith Funding - Taith is a service for young people who display sexually harmful behaviour. The service provides assessment and treatment. The Taith Partnership is a jointly funded arrangement made up of five Local Authorities. The service is delivered by Barnardos. These young people will continue to receive a service to meet their needs but this will be delivered by the National Society for the Prevention of Cruelty to Children (NSPCC) and is free of charge.	59	59	59	0	Funding withdrawn
Social Services	200	Deletion of Fostering Support Officers x 2 - the service has not found it effective to have unqualified Fostering Support Officer posts (which had been created some years ago utilising Social Worker posts). Recently, vacant posts have been deleted to expand social work capacity. These remaining two posts provide support to the placement finding process within the in-house fostering service and if this proposal is agreed, alternative arrangements would need to be made to do the initial matching of placement requests with available carers.	46	46	46	0	Relevant posts deleted

Social Services	201	Payment by Results - Looked After Children & Rehabilitation Project Year 1 - a Social Impact Bond (SIB) Feasibility study provided a robust business case for significant savings to be achieved by developing a local enhanced fostering scheme that provides wrap around support to enable children placed in residential care to step down into a family placement. Potential providers and investors have been identified and have indicated that they have finance to take this forward. The service will therefore tender for a payment by results contract rather than a SIB arrangement that would seek to secure external funding as well as identify an appropriate provider of the service. The approach identified by the winning provider will have an evidence base that has robustly demonstrated success. The saving could be achieved alongside improving outcomes for this cohort of looked after children. This proposal is supported by the on-going care planning to return young people from placements outside of Cardiff to home or local placements.	674	128	228	446	Payments by Results Contract for Enhanced Fostering Service in place and selected provider receiving referrals. However, protracted nature of selection and matching process means that it is unlikely that the full saving attributable to the project will be achieved in 2015/16. Some of the anticipated savings in 2015/16 have also been required to offset the unachieved saving brought forward from 2014/15. However a number of children in out of county placements have been returned to independent living, outside of the PbR contract and the associated cost reductions are offsetting some of the savings shortfall on the contract.
Social Services	202	Placement Support Officer x 1 - there are two Placement Support Officer posts that undertake the tendering process for finding placements for looked after children. One of the posts has been held vacant for a period during which time an analysis was undertaken which found the change to be effective. Capacity in the team has meant the continued provision of the service and confirmed the second post is no longer required.	27	27	27	0	Relevant post deleted
Social Services	203	Business Support Review (LEAN Review) - the saving relates to the deletion of vacant business support posts and one voluntary severance. Alternative ways of delivering business support will seek to mitigate the impact in relation to social workers' workload.	242	242	242	0	Relevant posts deleted
Social Services	204	CareFirst Trainer x 2 - there are currently four CareFirst Trainer posts responsible for the development and delivery of CareFirst training, across Children's Services and Health & Social Care. CareFirst is the client record system for Children's Services and Health & Social Care. Two posts are currently vacant and experience has demonstrated that the service can be provided by the remaining two posts.	58	58	58	0	Relevant posts deleted
Social Services	205	Training & Development Officer x 1 - the role of the Training & Development Officer (Race Equality) has now been integrated into all training that is provided and commissioned by the centre therefore this specialist role is no longer required and the post holder has been working more generically over recent years. There is adequate capacity for the generic training role to be covered by the training & development posts working within Health and Social Care and Children's Services enabling this post to be deleted.	42	42	42	0	Relevant post deleted
Social Services	206	Qualification Quality Assurance Co-ordinator x 1 - the role of the co-ordinator of the qualification centre has changed drastically over the last several years but more so recently with the centre no longer using outside assessors as a matter of course. The workload of in-house assessors has been re-assessed and has reduced the need for external assessors. We have also reviewed and expanded our partnership working with external qualification providers who offer a more cost effective service because of their ability to access Government funding. As the majority of our qualifications are offered to our commissioned providers the role of co-ordinating this process can fall within the responsibilities of the Social Care Workforce Development Officer.	42	42	42	0	Relevant post deleted
Social Services	207	Referral Order Case Manager - Referral Order Case Managers historically carried workloads of between 25 - 30 cases, involving brief interventions with young people who enter the criminal justice system for a first offence. As a result of the implementation of the Youth Offending Service prevention programmes such as Triage and our Anti Social Behaviour project a significant number of young people are now diverted from the criminal justice system and this has reduced the average workload to between 15-20 children on referral orders at any one time.	27	27	27	0	Relevant post deleted

Social Services	208	Youth Offending Services (YOS) Social Worker x 1 - this role supervises children and young people who are subject to Youth Rehabilitation Orders, serving a custodial sentence (Detention and Training Order) and those released from custody on licence. In recent years the impact of the Youth Offending Service prevention programmes have gradually reduced the overall YOS workloads as a significant number of young people are diverted from the criminal justice system following interventions from projects such as Triage and our Anti Social Behaviour programme. This has reduced average caseloads from 25-30 young people on supervision at any time to an average of 15 young people. This significant reduction in workload will enable us to state with confidence that this proposal will not affect children and young people in the criminal justice system as we are able to absorb the workload without placing undue pressure on the remaining case managers.	37	37	37	0	Relevant post deleted
Page 177 Social Services	209	Transfer 65% of Operational Manager Salary to Grant Funding - the proposal is to transfer 65% of the Youth Offending Service (YOS) OM2 salary from base to grant funding. The YOS receives grants from the Youth Justice Board, Welsh Government and the Police Crime Commissioner for South Wales. It is customary to charge a proportion of the management costs against each grant. Each funding stream is utilised to fund a range of projects and services that enhance the work of the YOS.	41	41	41	0	Relevant cost to be transferred to grant
Social Services	210	Business Support Review (LEAN Review) - a Lean Review has commenced in the directorate and four value stream analysis workshops have been held where it has been identified that efficiencies can be made in relation to a wide range of operational processes. This may include further savings being achieved against the directorate's business support provision in addition to the savings already put forward (CHD10) as a result of a further review of business support arrangements.	327	0	0	327	Although, BPR/lean review is ongoing it is considered at this stage that no significant cashable savings will be generated in 2015/16. A significant element of administrative savings have been achieved as part of a review of business support arrangements but these are included against other savings proposals.
Social Services	211	Training provision across Health & Social Care and Children's Services - realign provision to continue to maximise the availability of grant funding in these areas.	216	216	216	0	Relevant base funded expenditure identified for grant funding. There has also been a reduction in core funded budgets.
Social Services	212	Block Purchase of residential beds - this saving is attributed to work that will be undertaken with an external residential provider to achieve a volume discount reduction against a block purchase arrangement of nine placements for children. The pattern of previous and current usage strongly indicates that this level of demand will continue. The savings is attributed to a 5% discount in the overall spend of £1.3m which is felt to be proportionate and achievable.	65	0	25	40	Saving predicated on block booking arrangement with specific provider. However, demand for LAC ASD placements has reduced meaning that block booking arrangement may no longer be viable.
Social Services	213	Partnership Review - this saving is attributed to a review of spend across the Council in relation to a specific provider. The overall spend is significant and it is expected that a review of the partnership arrangement in relation to this provider could generate this level of savings for the Directorate given that the overall level of spend is so significant. This is felt to be an opportunity for the organisation to achieve the savings from a review of the management costs attributed to each individual contract as well as other variable costs that would therefore not affect direct service provision.	100	0	100	0	Project has re-focused from pursuing a saving from a specific provider to a wider consideration of demand management in the CH&D team. This will include the identification of lower level support needs, not subject to statutory interventions, that can be met from external grant funding. Also, some one off reductions in certain commissioned services. At this stage therefore it is anticipated the saving will be achieved but will need to be monitored through the year.

Social Services	214	Leaving Care Support - this saving can be broken down into two elements: a) negotiation with key incumbent providers to achieve efficiencies and better value for money based on volume discounts. b) six months saving on Accommodation 16-24 through a Joint Commissioning approach between Children's Services and Communities, Housing and Customer Services. Spend in this area of provision is £1.2m and therefore this level of savings is felt to be achievable based on current spend and the proposals to develop a different approach to re-commissioning that involve joint working with the Communities Directorate.	120	0	120	0	Although it is unlikely that jointly commissioned arrangements with Housing/SP will be fully operational during 15/16, there are a number of savings opportunities being pursued in relation to joint working and maximising the SP grant in light of the changes to Housing Legislation (making Leaving Care YP a priority). These include a gateway for all referrals and SP funded supported lodgings as well as direct negotiations/discussions with staffed accommodation providers. At this stage therefore it is anticipated the savings target will be achieved.
Social Services	215	Market and Demand Management of Commissioned Residential Services - there is currently a spend of £8m on external residential placements for Looked After Children. The proposed review methodology has been tried and tested elsewhere and provides a price and cost challenge. The methodology is implemented via a project based approach and based on the current level of spend and the lessons learned from use of the methodology in adult social care.	200	0	60	140	Project Brief has been developed for negotiations with key specialist (non framework) residential providers who hold multiple placements. Process ongoing however some doubt as to whether whole of targeted saving will be achievable in 2015/16.
Social Services	216	Youth Offending Services - deletion of Team Manager, Referral Order Manager and social work posts. This proposal will require a restructure in the YOS combining 3 teams into 2 (sustained reduction in demand)	100	100	100	0	Relevant Posts Deleted
Social Services	217	Market Supplement for Social Workers - the market supplement was created as a temporary measure to enable recruitment to identified 'hard to fill vacancies'. It was a supplement that was to be reviewed as the recruitment of permanent social workers were recruited to the identified posts. This review has not happened to date. In July 2014 there was a realignment of services which has created a differential between staff working in the same directorate as the market supplement was attached to posts rather than people. Withdrawal of market supplement - proposal will require notice resulting in 6 month saving in 2015/16.	86	86	86	0	Notification given that market supplement will be withdrawn from September 2015.
Social Services	218	Reshaping the Internal Supported Living Service for people with learning disabilities - the current internal supported accommodation service supports 36 individuals living in community settings. There will be a review of the service to reflect changes in the needs of individual service users. The proposal will enable rationalisation of existing schemes and reduce the overall level of service provided.	250	0	0	250	Reduction of managerial staff has contributed to savings and there are further proposals to de-commission schemes. These initiatives could realise combined savings of £250,000. The potential saving is however shown against the unachieved savings target b/f from 2014/15 leaving the 2015/16 target unachieved at this stage.
Page 178 Social Services	219	Re-shape the Internal Day Opportunity Service for people with learning disabilities - this service will be reviewed in order to develop a new service with two distinct functions. These will be support planning and brokerage that will provide support for people to organise the way their care needs are met. There will also be a specialist provision for service users who have complex and challenging needs. Following review of the service users we believe that some people's needs can be best met in the community rather than internal day provision. This will result in savings made from the reduction of agency staffing and some voluntary severance of posts. The uptake of Direct Payments will also be encouraged through the support planning and brokerage service.	550	400	500	50	As a result of a service review, c£400k can be achieved via the deletion of vacancies and the release of agency staff. In addition, efforts are being made to rightsize some high cost day care external packages.
Social Services	220	Deletion of Vacant Lead Manager posts - vacancies existing within the directorate. These posts are not front line positions, so the actual impact on service users from these groups will be minimal. Duties of these identified posts have already been incorporated into the roles of other staff or have been reviewed and dealt with in a more efficient manner.	100	100	100	0	Relevant Posts Deleted

Social Services	221	Increase to Maximum Charge for non-residential care services - This is in line with Welsh Government regulations which determine the maximum amount a service user may be charged for domiciliary care. This has been increased to £55 for 2014/15 and will be increased further to £60 per week in April 2015.	150	150	150	0	Increased charge implemented
Social Services	222	Review of Care Management across Health & Social Care - there will be a review of care management roles and responsibilities and assessment processes, arising out of the Business Process Review to support more effective delivery of the service. Implementation of mobile working and improvements in the support planning function will facilitate this.	761	500	660	101	The full year effect in 15/16 of staff who took voluntary severance in 2014/15 will result in a reduction of £500,000 in overall staffing costs. Further vacant posts within ACM have been identified and are being reviewed. It is however anticipated that there may be some shortfall against savings target although the position will continue to be reviewed.
Page 179 Social Services	223	Improve efficiencies in strategic commissioning across all services - a reduction in commissioning budgets will be achieved by more efficient commissioning of care, improved understanding of the care provider market and more effective competition, as well as the development of preventative options to support people living independently for longer which can reduce demand.	1,926	0	250	1,676	Various commissioned services being considered for possible re-tendering processes and workstreams being developed. Specific areas identified for possible re-commissioning in 2015/16 include Extracare, Adult Placement Schemes and Emergency Accommodation Services. It is however anticipated that there will be a significant shortfall against the savings target in 2015/16.
Social Services	224	Review External Supported Living services for people with Learning Disabilities - the current service is provided by independent sector providers providing support to 257 people. A competitive tender process will be followed for the replacement of the existing arrangements and will be concluded in July 2015.	431	931	931	(500)	The SLS tender has been completed and will deliver savings in excess of the original target.
Social Services	225	"Closer To Home" service for people with Learning Disabilities - service users currently living away from the city often in high cost residential placements will, where appropriate, move back to the city, to supported housing where their needs can continue to be met.	300	0	0	300	Savings predicated on reduction in residential care costs following step down of service users to lower cost, supported living forms of care. Some savings identified however these are shown against the unachieved savings target brought forward from 2014/15. Significant shortfall therefore shown against the savings target for 2015/16 albeit work is ongoing to develop further step down opportunities.
Social Services	226	Reshaping the Mental Health Day Service - the saving will be achieved by reviewing all packages of support and seeking an alternative service delivery model which meets the requirements of those who may have been traditionally referred to day service support.	50	50	50	0	Saving fully achieved.
Social Services	227	Full year effect of 2014/15 savings Review of Mental Health Out of County Placements in residential care and re-commission - Service users have been consulted about moving from residential care to supported living within Cardiff. Care support would be provided to meet their needs in a model of accommodation with support in 2015/16.	200	0	0	200	Contract for floating support in place, service users identified, work ongoing at current time with RSL's and the Council to identify appropriate accommodation. Opportunity for saving also being explored with existing providers. Potential for saving in 2015/16 however this is shown against an unachieved saving b/f from 2014/15. Further savings are considered unlikely at this stage however the position will be monitored through the year.

Social Services	228	Senior Management Restructure in Health & Social Care – this enables the reduction of 1 x Operational Manager post, through a review of senior management. Those previously reporting to this post can be effectively supported by other posts within the structure.	72	72	72	0	Savings achieved. OM post deleted.
Social Services	229	Reduction of on-call arrangements - currently on-call arrangements are in place in respect of the Hafod Care Contract (Cathedral View Home); Internal Learning Disability Supported Accommodation and Home Care Reablement services. These three services have, over time, been re-modelled or reduced considerably and as a result existing legacy budgets for on-call payments to staff can be reduced making an annual saving of £23k.	23	23	23	0	Work on-going to reduce on-call arrangements.
Social Services	230	Review of Third Sector Commissioned Services - this saving will be achieved by reviewing how we commission third sector services. The directorate is developing alternative models of service provision through working with the third sector to develop neighbourhood based models of support and to align commissioned services to the delivery plan of the directorate.	180	180	180	0	Specific reductions in support for external organisations identified and funding reduced.
Social Services	231	Recommissioning of Direct Payments Support Provision - the contract with the current Direct Payments Support Provider will expire on 31/03/15. The re-tendering process will focus on quality and competitive pricing for the service. The re-tendering process will be completed to maintain existing service user support to those receiving Direct Payments.	100	0	0	100	Ongoing negotiation with external provider in relation to reduced management fee for direct payments in advance of potential commissioning exercise. Potential saving of £100,000 however this is shown against the unachieved saving brought forward from 2014/15.
Social Services	232	Reduction in Business Support, Commissioning and Performance staff - Continue reduction of business support taking the opportunity from those who have applied for voluntary severance.	174	174	174	0	Relevant posts identified for deletion
Social Services	233	Council Wide external training - 10% efficiency saving on existing budget.	9	5	9	0	This is currently anticipated to be achieved but is subject to monitoring.
Social Services	234	Council wide operational efficiencies - operational efficiency saving including printing, telephones and postage.	34	17	34	0	This is currently anticipated to be achieved but is subject to monitoring.
Social Services	235	Subscriptions - review of the council-wide subscriptions to organisations.	2	1	2	0	Level of subscriptions being reviewed.
Social Services	236	Reduction in Agency Expenditure - targeted reductions across directorates based on existing spend analysis.	70	35	70	0	Use of agency staff across the Directorate monitored on a regular basis. Reduction anticipated as the year progresses. Initiatives to reduce reliance on agency being explored.
Social Services	237	Discretionary Overtime - targeted reductions across directorates based on existing spend analysis.	43	21	43	0	This is currently anticipated to be achieved but is subject to monitoring.
Social Services	238	Standby Payments to Officers - targeted savings across relevant directorates.	17	8	17	0	This is currently anticipated to be achieved but is subject to monitoring.
Social Services		Total Social Services	8,137	3,944	5,007	3,130	
			32,473	18,730	26,756	5,717	

Directorate 15-16	REF	DIRECTORATE SAVINGS 2014/15	Total Saving (£'000)	Savings achieved in 2014-15 (£'000)	Balance of savings to be found (£'000)	Savings achieved in 2015/16 to Date (£'000)	Projected Savings in 2015/16 (£'000)	Savings unlikely to be achieved in 2015/16 (£'000)	Comments
City Operations	1	Full Year Effect (FYE) of 2013/14 budget savings implementation - (1) Hayes public conveniences - FYE of closure - Conveniences closed on 30th June 2013 (£47k) (2) Cardiff Outdoors 1 - FYE of efficiencies achieved in 13/14 in Street Cleansing comprising the off hiring of 4 small mechs.(£50k) (3) Cardiff Outdoors FYE of efficiencies achieved in 13/14 in Street Cleansing including acceptance of VS's, deletion of vacant posts, restructure of the graffiti teams, green waste collections and street washing efficiencies.(£154k)(4) Waste Collections/Street Cleansing Management Restructure - FYE of restructure implemented in 2013/14. (£20k); (5) Bulky Collections - FYE of charging - charging implemented on 1st October 2013 (full year outcome dependent on uptake by the public) (£38k);(6) Waste transfer income - FYE - charging due to be implemented in January 2014. Full year outcome dependent on uptake by SME's. (£60k) .	369	233	136	39	54	82	The projected shortfall relates to increased income expectations from charging for Bulky Waste collections (£23k) and charges to SME's for use of the transfer station at Brindley Rd (£59k). Neither of these are currently projected to achieve the original expectations
City Operations	2	Recycling Waste Collection Services - Rebalancing collection routes - To optimise efficiency by changing round sizes and number of loaders in line with national standards and health and safety executive recommendations regarding single sided collections. These changes will not affect customer days of collection. Staff numbers affected are likely to be accommodated through Agency reductions. Should further savings be required then Voluntary Severance requests will be considered.	300	294	6	6	6	0	This has been achieved.
City Operations	3	Reductions in Landfill expenditure - 1) Transfer station - repairs & maintenance budget underspent in 2012/13 and projected in 2013/14. (£44k) 2) operational savings - remove surplus budgets in landfill directives and transfer station(£60k). 3) Waste Disposal - staff restructure (£150k)	254	185	69	0	0	69	This saving was partly achieved through a staff restructure leading up to the scaling down of operations linked to the planned closure of the landfill site. Further reductions were made against the Lamby Way Transfer Station and Landfill Directive budgets. The shortfall of £69k is due to the remaining staff restructure not taking place due to the continuation of the landfill operations.
City Operations	4	Recycling Processing Redesign -(1) - Operational Savings (£152k) Savings made up of: 1) Cessation of residual waste disposal at £94 per tonne, to be replaced with Energy from Waste treatment option of < £94 per tonne. Procurement commenced. 2) Waste skip movements through the roll on off service reduced from 4 bins to 1. 3) Materials Sales: 3a) Grade 1 - Paper was sold as loose now baled. Net effect is additional £20 per tonne to year end. 3b) Grade 2 - Paper sent for post sorting, decreased contamination levels have resulted in additional £5 per tonne income to year end. 4) Existing mobile plant on hire to be replaced by new procurement, result will be less damage costs being recharged by hire company. Reduction of 1 forklift.	152	131	21	21	21	0	This has been achieved and reflects the full year effect of the new shift pattern introduced during 2014-15.
City Operations	5	Interventions Cardiff Outdoors - a review of administration / customer contacts in Environment , Bulky/Fly tipping, Regulatory , Pest control and cleansing (£100k).	100	66	34	34	34	0	Full year effect of saving achieved in previous financial year.
City Operations	6	Invest to Save Energy - Radyr Weir and Solar Panels at Lamby Way Radyr Weir and Solar Panels at Lamby Way are invest to save schemes already included in the existing Capital Programme. Radyr Weir - full year gross revenue is budgeted at £352k. Estimated date of operation end of November 2014. Gross in year saving £95k for 2014/15 of which £30k will be available after in year debt repayment. Solar panels on buildings at Lamby Way Gross in year saving 2014/15 £30k of which £10k will be available after in year debt repayment.	40	0	40	7	40	0	The solar panels roofs have been installed at Lamby Way and are already generating income. The Radyr Weir scheme is in contract and subject to there being no delays should enable this saving to be fully achieved.
City Operations	7	Invest to save energy initiatives - Saving reliant on a capital bid for 2014/15 of £790k. In year gross Saving 14/15 £98k of which £22k will be available after in year debt repayment in respect of capital costs. Full year gross saving 15/16 is projected at £294k.	22	0	22	3	22	0	The Lamby Way solar farm (subject to commissioning dates) is expected to generate approx. £10k. A further £12k is anticipated from a series of smaller solar installations on roofs. Additional income from the solar panels roofs scheme will enable this saving to be fully achieved.
City Operations	8	Review of City Analyst Laboratory - The City Analyst Laboratory is currently a subsidised service. The proposal is to explore revised operating models options to eradicate this subsidy. This review will include consideration of the development of a business model to operate the Laboratory on a more commercial basis without public subsidy where it will be required to cover its operational costs from the generation of income from external and internal clients.	106	0	106	106	106	0	The Laboratory is now closed and the saving achieved.
City Operations	9	Community Asset transfer of Maes-y-coed Community centre - The facility is open only on weekdays and attracts 30,579 attendances annually (85 users per day). The directorate has been approached by a local community group about a Community Asset Transfer. The community group has stated that it would aim to provide similar sessions to those currently delivered.	80	21	59	59	59	0	The CAT has taken place. All revenue budgets have been removed so this saving is now achieved.
City Operations	10	In year saving from Eastern Leisure Centre being closed for refurbishment; on re-opening of Eastern Leisure Centre, rationalise overall leisure provision - Plans for the refurbishment of the building have been developed with a view to commencing work in 2014. Whilst closed for refurbishment a saving will accrue to the service. A Leisure Facilities Strategy is being prepared to establish the overall size of the leisure offer required in the future, paving the way for future service rationalisation. Following completion of the refurbishment, the Council would need to identify base savings at the same level.	240	0	240	240	240	0	The redevelopment is now in progress so the centre is closed. The budget has been temporarily removed and there should not be any revenue costs incurred this year. Therefore the saving is achieved.
City Operations	11	Reduce leisure subsidy to reflect income levels - The implementation of the Leisure income strategy in 2010, has led to a continued growth in income for the service area. This continued growth in income has now removed the deficit making it possible to reduce the subsidy.	250	179	71	71	71	0	Plans are already in place to increase income and reduce costs. Actual performance will need to be monitored during the year but it is expected to be achieved.

City Operations	12	Roath Park Conservatory -There is an opportunity to develop a new operating model for Roath Park Conservatory which generates in the region of 33,000 individual visits per year. Opportunities for third sector partnering along with the introduction / development of income streams are being explored in order to reduce expenditure and increase income. It is likely that there would be an impact on service users through the re-modelling of opening hours.	15	12	3	0	0	3	Further increases in income are not currently being experienced and therefore a potential shortfall is likely. The position will need to be monitored during the remainder of the year.
City Operations	13	Introduction of charges for car parking at Llandaff Fields and Pontcanna Fields - Introduction of car parking charges at Llandaff Fields and Pontcanna Fields Car Parks which have historically been free of charge. Car Park users would receive the first three hours free of charge and parking free from 6pm weekdays and on weekends to avoid any impact on clubs, parks users and visitors to the Llandaff cafe (leased by Cardiff Council).	40	0	40	40	40	0	The responsibility for these car parks has been transferred from Parks to Civil Parking Enforcement. This will need to be monitored during the year but expected to be achieved.
City Operations	14	Boatstage Concession - There is an opportunity to invite expressions of interest for the operation of the Boatstage.The concession operating model removes the risk of low income due to poor weather for the Council. There is potential for the concession holder to invest in new boats, activities and infrastructure.	25	13	12	12	12	0	The contract to operate the Boatstage will generate the saving in full.
City Operations	15	Re-design of the Parks Development Service - An opportunity exists to review and re-design the Parks Development service that includes the strategy, policy, planning, design, land management and playground management functions. It is anticipated that savings would be delivered through further technology efficiencies although alternative ways of delivering the service will be explored as part of the review.	50	18	32	32	32	0	The saving is achieved following the full year effect of action taken at the latter part of 2014-15
City Operations	16	Community Building Review Play Service Rationalisation - All Play Centres to stay open, with savings being made through introducing shorter operating hours, whilst identifying a new delivery model for Children's Play. Maintain disability play at the current level, but reduce Welsh medium play in line with the overall savings level. Introduce Flying Start at Riverside and Adamsdown Play Centres. As a result grant funding of £90,000 to Menter Caerdydd for Welsh Medium Play will reduce by £6,220 to £83,780 in line with directorate savings levels. (This is an amended proposal. Previous proposals for Play services totalled £900k but these have now been replaced by this reduced proposal.)	200	188	12	12	12	0	It is anticipated that the remaining saving will be achieved through reduced costs derived during the year.
City Operations	17	Heath Park Offices Staff Relocation - relocate staff currently operating from offices at Heath Park and offer building and associated dedicated parking for lease.	61	46	15	15	15	0	Full year effect of the saving introduced in 2014-15.
City Operations	18	Telematics - reduced Real Time Information (RTI) costs, buses upgraded to 4G - New bus shelter advertising contract to pay for 4G in buses and bus shelters, removal of existing radio based system including maintenance. RTI screens to be updated via capital / possibility supported by Section 106.	50	0	50	0	17	33	Assumption that new contract will be fully implemented by end of September 15 and that a part year achievement of £17,000 is possible.
City Operations	19	Increased income for Traffic Regulation Orders - An Officer Decision Report is under consideration to increase Emergency Notices from £100.00 to £415.00 per Notice, and from £225.00 to £690.00 for Orders, excluding any advertising costs. Fee increase in line with other authorities.	137	67	70	0	18	52	Additional income is anticipated although not sufficient to fully meet the savings target.
City Operations	20	Service redesign and integration of Transport and Highways services - including a full management restructure	250	200	50	50	50	0	A part year impact was achieved last financial year due to the timings of recruitment processes, ring fencing and release of posts through voluntary severance. The full restructure was in place by the end of 2014/15 and this remaining target is now achieved.
City Operations	21	Removal of Administrative posts in Development management - Deletion of vacant Secretary and Administrative Support posts.	74	44	30	30	30	0	The service restructure was in place and finalised by the end of March 15. This shortfall was addressed as part of the restructured service and this target has now been achieved.
City Operations	22	Development Management additional Fee income - Increase the efficiency of planning application processing of major applications and thus increase fee income together with additional fee income in relation to pre-planning application advice. The proposed saving also includes additional income from charges for street works.	512	342	170	0	82	88	No indication that this pressure will not exist, particularly within the street works element. May be offset by additional income from capital recharges and low contractor spend but currently anticipating a potential shortfall of £88k for 2015/16.
City Operations	23	Reduction in Planning posts - posts have been identified across the Planning Service that will be deleted as part of this proposal.	256	188	68	68	68	0	The service restructure was in place and finalised by the end of March 15. This shortfall was addressed as part of the restructured service and this target has now been achieved.
City Operations	24	Highways Maintenance Redesign Phase 2b - it is proposed to redesign the Highways Maintenance organisation structure to more clearly separate the asset management and operations functions. The restructure will also take into account the predicted reduction of defect repair work arising from the implementation of the new Highway Maintenance Policy. Additionally, following the establishment of the new Strategic Planning, Transportation and Highways Directorate, the restructure will build on synergies that exist between Highways and the Transportation and Planning Service to produce a more focused service delivery through improved strategic planning and asset management. Reduction in frontline operatives from 62 to 43. Reduction in staff vacant posts and Voluntary Severance requests.	693	570	123	123	123	0	The service restructure was in place and finalised by the end of March 15. This shortfall was addressed as part of the restructured service and this target has now been achieved.
City Operations	25	Dimming of Street Lights - In February 2013, the Council approved an invest to save scheme for the dimming of street lights in residential areas. The scheme is to be implemented over 3 years with a total of approximately 24,000 street lights being dimmed. It is planned to complete the installation of dimming units on 8,000 street lighting units in 2013/14 with the result that savings will start to be made next year.	100	35	65	0	65	0	This is dependent on the progress of the contract in terms of the number of units actioned by the financial year end but the forecast currently assumes no further delays to this initiative.
City Operations	26	Telematics - Reduction in Call Out - Currently two officers on call every night of the year - reduction to one per night. Current estimated annual cost of call out £25k, budget £31k, reduce call out by half to £12.5k- saving £18k.	18	0	18	12	18	0	The service restructure was in place and finalised by the end of March 15. This was addressed as part of the restructured service.
City Operations	27	Business support efficiency savings - Change of model for business support where the embedded Technical Administration staff are line managed by the Administration Manager's post. In addition some process efficiencies and 'Lean' work to reduce the duplication of effort and the double handling of information will generate savings in work volumes.	150	61	89	89	89	0	The service restructure was in place and finalised by the end of March 15. This target was addressed as part of the restructured service and has now been achieved.

City Operations	28	Pay and Display Butetown (Schooner Way) - generation of additional income through implementation of Pay and display parking on Schooner Way.	50	12	38	38	38	0	This budget has now been realigned in line with recovery levels on other budgets/income streams within the Civil Parking Enforcement Account for 2015/16.
City Operations	29	Operational Manager tier savings - following a review of work undertaken across the service.	240	210	30	30	30	0	The service restructure was in place and finalised by the end of March 15. This shortfall was addressed as part of the restructured service and this target has now been achieved.
City Operations	30	Staff savings across Planning Enforcement - following a review of all work undertaken across the planning service.	39	31	8	8	8	0	The service restructure was in place and finalised by the end of March 15. This shortfall was addressed as part of the restructured service and this target has now been achieved.
City Operations	Total City Operations		4,873	3,146	1,727	1,145	1,400	327	
Communities, Housing & Customer Services	31	Community Building Review - The administrations commitment to join up local services within Community Hubs will continue to be rolled out with a focus on meeting local needs, making services more accessible and convenient and reducing the number of operational buildings. The aim is to provide Community Hubs in areas of identified need by reviewing the services and buildings currently in operational use and to join up face to face services in one, accessible location linked to more mobile provision in a wider range of community venues. This builds on the success of the pilot hubs and initiatives such as the Neighbourhood Librarian service taking library services out into schools and other venues to encourage literacy and reading. The experience of developing the hub concept so far has confirmed that the new method of delivery is popular and delivers savings. This saving is predicated on previous experience of general fund revenue savings associated with the Hub strategy with a focus on service retention and building reduction. As proposals come forward consideration will be given, where appropriate, to alternative uses or building transfer. Specific consultation will take place.	535	238	297	297	297	0	A part year impact of £238,000 was achieved last financial year due to the timings for property moves and closures and staffing restructures related to the creation of the new Community Hubs. It is anticipated that the balance of £297,000 will be achieved in full in 2015/16 and this will include savings associated with the creation of the West Hub and the Grangetown Hub. It is currently assumed that these will be operational from November 2015. Any delays to these timings could impact on achievability of the balance of the savings target.
Communities, Housing & Customer Services	32	Restructure of Policy, Partnerships and Citizen Focus service - A proposed restructure of the Policy, Partnership and Citizen Focus service has been developed which includes a saving of £466k. The new structure retains capacity for the statutory responsibilities which the Council has in relation to partnership working, production of the Single Integrated Plan, community safety and delivery of the Strategic Equality Plan but will require wider ownership of partnership working responsibilities by the rest of the organisation and responsible directorates to ensure we meet our statutory partnership and equality duties Through the restructure it is proposed that the existing service will be split into a number of teams to enable a stronger focus on the policy development of the organisation and ensure that the Council is able to effectively co-ordinate the policy capacity of the Council to help inform decision making; enable a team focussing on partnership working and collaboration and allow the alignment of the equalities function within the wider decision making process.	466	428	38	38	38	0	Part year impacts were achieved last financial year due to delays to the restructure and related recruitment processes. The restructure was in place by the end of March 2015 and therefore this saving will be achieved in full in 2015/16.
Communities, Housing & Customer Services	33	Central Library - Changes to Service Delivery 1) Closure of Local Studies Dept within Library - Stock and material transferred to the Glamorgan Archives. Deletion of 3 posts. 2) Merge 2 Departments:- Leisure & Community Languages. Deletion of 1 post. 3) Closure of Reception Introduction of a concierge service – Currently up to 3 members of staff on reception at present. Plan to change to 1 with other Library staff providing cover where necessary. 4) Central Library - Re-modelling of Reader's Requests. Service-Integration of Readers Requests into specialist Departments rather than being dealt with by a dedicated post. 5) Central Library -Introduction of fixed Timetabling & closure of secondary help desks. Deletion of 4 posts relating to secondary help desks. Planned to maintain assistance through 1 main help desk on each floor. 6) Closure of Library 1 day per week, closure of additional floor and lease of 2 floors to generate income.	500	354	146	146	146	0	Part year impacts were achieved last financial year due to delays to the restructure and related recruitment processes. The restructure was in place by the end of March 2015 and therefore this saving will be achieved in full in 2015/16.
Communities, Housing & Customer Services	Total Communities, Housing & Customer Services		1,501	1,020	481	481	481	0	
Corporate Management	34	Communications and Media Teams – Restructure of the Communications and Media Team.	320	310	10	10	10	0	The full year impact of the restructure will fully realise this saving
Corporate Management	35	Increase communications and media income targets - The directorate already generates income from these activities. This saving seeks to generate additional amounts from these areas.	60	0	60	0	0	60	There are currently no indications that this will be achieved.
Corporate Management	Total Corporate Management		380	310	70	10	10	60	

Economic Development	36	Staff Rationalisation in Strategic Estates - Deletion of two posts, a Porter and a Surveyor and reduction of 0.2 FTE of Management Support Officer post.	58	41	17	0	17	0	This saving is expected to be realised following a VS and a redesignated post within the markets.
Economic Development	37	Funding of Major Project's project management costs through capital.	128	80	48	0	48	0	It is currently anticipated that this saving will be achieved however this will need to be closely monitored and will depend on the availability of funding linked to capital schemes.
Economic Development	38	Increase in income - in respect of workshops / Cardiff Business Technology Centre (CBTC) and Business in Focus. Workshop income £30k, CBTC £40k Business in Focus £35k.	105	85	20	0	20	0	It is currently anticipated that this saving will be achieved however this will need to be closely monitored.
Economic Development	39	Strategic Estates additional income - 1 realisation of additional revenue income from rent reviews due on non operational property estates (£145k). 2) Additional minor sales of land below £10k = £20k. 3) Additional fee income arising from increasing fee charges on re-letting and rent reviews = £32k (Professional Charges)	197	67	130	83	130	0	It is currently anticipated that this saving will be achieved however this will need to be closely monitored.
Economic Development	40	Reduction in staff costs in City Centre Management - Reduction in the number of staff employed to manage the city centre with more emphasis to be placed on the private sector taking on a bigger role through a public private partnership approach.	125	60	65	0	65	0	The restructure has now been implemented and it is anticipated that this will allow this saving to be achieved.
Economic Development	41	Reduction in Night Time Economy Budget - This will involve a reduction to the Taxi Marshalling service.	50	33	17	0	17	0	The necessary changes to staffing levels have been implemented and this saving should be achieved.
Economic Development	42	City Centre Buggies - reduced hours of operation - The proposal is to reduce the provision of mobility buggies to a core provision of 4 hours per day, reflecting the periods of highest demand.	25	18	7	0	7	0	It is currently anticipated that this saving will be achieved however this will need to be closely monitored.
Economic Development	43	Secure concession to operate Lamby Way Catering - This operation is the least cost effective of the Council's catering operations and lends itself to being run independently of the Council as a concession, thereby removing the trading deficit and generating a concession income for the Council.	28	10	18	18	18	0	This saving has been achieved with the catering function at Lamby Way transferring to the City Operations Directorate.
Economic Development	44	End Staff Catering Subsidy - This saving will eliminate the staff catering subsidy in County & City Hall Canteens. This reduction has been anticipated in the Venues & Catering Restructure.	115	21	94	0	94	0	The Retail outlets have been set a challenging surplus target. Updated forecasts at month 6 in relation to the County Hall and City Hall restaurants indicate the potential for additional income generation to meet this carried forward target. This will however need to be closely monitored.
Economic Development	45	Additional income to parks - Additional mobile concessions (£20k), delete florist post from nursery (£20k.) Income from Heath Park Car Park (£40k.)	80	61	19	0	0	19	The shortfall relates to catering concessions. There is a plan to attract a commercial partner to explore income opportunities within Parks but this is unlikely to generate this saving in this financial year.
Economic Development	46	Catering - New Operating Model - it is proposed to invite third parties to run some or all of the Council's commercial and staff catering and commercial catering business. Expressions of interest could be invited either for a single operator to run the entirety of the business, or, recognising the diversity of the business, invite expressions separately for staff catering, individual retail units (Norwegian Church & Castle), and event/function catering. From the experience of third party operation of catering outlets in Parks, it is anticipated that there would be strong market interest, with resulting financial return to the Council in excess of current surpluses generated.	150	0	150	0	50	100	The Retail outlets have been set a challenging surplus target and at present it is not anticipated that this saving will be fully achieved in 2015/16. This will be closely monitored.
Economic Development	47	Cardiff Story Museum - Operating Model - Secure savings through introduction of a slimmer operating model with skeleton staff and static display, co-staffed with the Tourist Information Centre and through use of volunteers.	180	170	10	0	10	0	It is currently anticipated that this saving will be achieved however this will need to be considered as part of the overall changes proposed for the building.
Economic Development	48	Savings from Cultural Venues - Savings would be achieved through: (a) new management operator being secured for either St David's Hall or New Theatre, or both, (b) introduction of transaction fees payable on ticket prices (c) closing for short, most costly periods where net savings can be made (d) reduction in staffing	530	230	300	0	0	300	Although the procurement process is being progressed it is not anticipated that any new arrangements will be in place before 1st April 2016.
Economic Development	49	Parks Service Savings - Increase income from HRA, from fees and charges, and from wider uses of the buildings estate in parks. Cease provision of hanging baskets in city centre and introduce changes to employment of Summer casuals.	265	205	60	0	0	60	There is currently no indication that additional income opportunities exist to generate this saving in the current year.
Economic Development	Total Economic Development		2,036	1,081	955	101	476	479	
Education	50	Re-organisation of Casework Team - The role of the Casework Team is to manage the Council's statutory responsibilities in connection with pupils with Special Educational Needs (SEN). Casework Officers and Assistants are frontline staff responsible for explaining professional decisions to parents and managing the conflict and disagreement that can arise around this area of work. The team therefore has a critical role to play in the service aims to build capacity of schools and to promote early intervention. Delegation of resources to schools in 2012 has raised the threshold at which statements are needed. This is already leading to a slight fall in requests for statutory assessment, a decrease in the number of requests that result in statutory assessments, and an increase in the number of statutory assessments that do not result in a statement. As a result of these changes the team will be re-structured which will result in a saving on employee costs with effect from 1 April 2014 and the team reducing by two posts.	36	12	24	0	24	0	The directorate remains committed to achieving the saving and plans are in place
Education	51	Education Welfare Services - The significant increase in the level of additional resources delegated to secondary schools and the rationalisation of the central Education Welfare Service has contributed to the significant improvement in overall attendance in schools in the past two years with a 2.5% improvement at secondary school and 1.2% at primary secured since 2011. This saving will be achieved through a further rationalisation of the central team with the reduction of 1.5 FTE posts.	53	40	13	0	13	0	This is projected to be achieved.

Education	52	County Hall Nursery - The provision of a staff nursery at County Hall has been subsidised for the last four financial years. A combination of greater flexible working arrangements for staff, childcare vouchers and alternative providers has resulted in a significant decrease in the number of staff using this facility. This has meant that the subsidy being met by the Council has increased significantly. Taking this saving will mean that there will be no direct Council subsidy of the Nursery from the start of the 2014/15 financial year. The recent consultation regarding the proposal to close this facility, from the end of August 2014 identified a number of potential additional users, which combined with a potential reduction in staff numbers and an increase in fees could enable the nursery to run without a subsidy. This may mean a significant increase in the fee charged for users. Officers, therefore, have been asked to re-examine the business case for the Nursery facility and report back to Cabinet in June 2014 on the feasibility and sustainability of providing the nursery without subsidy. A final decision will be made on whether or not the nursery will have to be closed from 31 August 2014. If the nursery were to close, there is available childcare provision within the vicinity of County Hall and the childcare voucher scheme can be used with any registered childcare provider of choice. This option is already used by around 300 staff compared with the 21 staff who use the nursery. The Family Information Service would help employees find alternative childcare either close to their place of work or close to where they live.	56	14	42	42	42	0	This saving has been fully achieved.
Education	53	Childcare Strategy - Deletion of Business Assistant post. This post currently provides support to Cardiff Childcare Strategy Unit. The work can be reallocated and absorbed into the workload of the Business Manager, Family Information Service and Cardiff Childcare Service Administration post.	22	16	6	6	6	0	This saving has been fully achieved.
Education	54	Education Management - During the 2013/14 financial year the Education services across Wales will see further changes to the range of functions provided through the regional consortia arrangements. From April 2014 Welsh Government (WG) will expect further Education services to be included in the consortium arrangements. Alongside this WG are expecting all local authorities to increase the levels of resources that are delegated directly to schools. Both of these will impact on the role and capacity needed to be retained by a local Education Service. Staff will be consulted on savings planned to be achieved through a rationalisation of Centrally Employed staff and including those staff employed through the business support function.	424	247	177	177	177	0	This saving has been fully achieved. The full year effect of posts becoming deleted during 2014/15 has delivered this saving in full.
Education	55	Business Support - One Service	300	100	200	200	200	0	This saving has been fully achieved.
Education		Total Education	891	429	462	425	462	0	
Governance & Legal Services	56	Removal of Committee general expenditure budgets within Democratic Services and Scrutiny	16	9	7	0	0	7	There is no specific plan in place to achieve this saving. However it will be mitigated by underspends across the Directorate to achieve an overall balanced position.
Governance & Legal Services	57	Removal of Members refreshments and Yearbook budgets - This proposal includes the deletion of Members refreshments budgets and the budget for Yearbooks.	9	2	7	5	5	2	It is currently anticipated that a saving of £5k will be achieved in the current financial year..
Governance & Legal Services		Total Governance and Legal Services	25	11	14	5	5	9	
Resources	58	Removal of posts in Commissioning and Procurement - the Business as usual & Projects team was temporary for a period of 2 years. This proposal will include the deletion of an OM post through voluntary severance and deletion of a vacant Assistant Procurement Officer post. The proposal will also include the removal of a Grade 5 Cataloguing Officer post together with a Senior Category Manager.	188	168	20	20	20	0	This saving has been achieved.
Resources	59	Reduction to the Category Team Supplies and Services Budget within Commissioning & Procurement - This will remove flexibility to bring in category specialists to support teams.	30	10	20	0	20	0	It is currently anticipated that this will be achieved.
Resources	60	ICT reduction in software licence costs - This savings proposal is based on reductions in external licence spend as a result of reductions in employee numbers (for example the Microsoft Enterprise agreement, Citrix licences etc).	65	0	65	25	65	0	A reduction in the number of licences has been achieved.
Resources	61	Realignment of Business Support Posts in Business Administration - Two members of staff within the Business Support team have expressed an interest in Voluntary Severance. This has given the opportunity to review duties. A total of 4 posts can be deleted. In addition another member of staff has requested flexible retirement which has led to a further saving. The functions within these posts can be undertaken by existing staff.	100	87	13	13	13	0	This saving has been achieved.
Resources	62	Income generation opportunities in respect of Central Transport Services (CTS) - Seek to maximise the external income potential from the Transport Operations Depot in Coleridge Road while continuing to maintain the Council's fleet of 850+ vehicles. The Council does not have the power to allow the depot to enter into competitive commercial activities and therefore the Council has approved the preparation of the business case to identify trading opportunities. Potential for an alternative model of service delivery.	120	0	120	0	95	25	Various income streams are anticipated to realise savings in the current year however a shortfall of £25k is currently anticipated reflecting unforeseen licence and implementation costs.
Resources	63	HR People Services potential collaboration with the Vale Council - There are options in place to potentially collaborate with the Vale of Glamorgan Council on a number of HR activities which includes Occupational Health and other areas such as Learning & Development and HR Policy. In relation to Occupational Health we would need to increase the Occupational Health resources in Cardiff, and the Vale would buy in the services via a Service Level Agreement which would offset the additional costs and would create additional income.	20	0	20	0	0	20	No further progress at this stage. However the shortfall will be mitigated by other savings across HRPS.
Resources	64	HR People Services to increase external income in respect of Cardiff Works / Cardiff Supply - Cardiff Works would look to expand in order to generate additional business which it is estimated would generate a surplus of around £119,000. We would look to provide administration and clerical support to the Vale Council, and the Fire Service. Other local public sector organisations may join in the future. We would offer services such as administration and clerical support, supply teachers and psychometric testing.	119	87	32	16	32	0	It is currently anticipated that this will be achieved.
Resources	65	HR People Services. Combining Payroll teams with HRPS - there is an opportunity to combine the payroll teams with HRPS to achieve efficiencies in service provision. This streamlining would achieve the proposed saving by reducing the communication requirement between teams .Further savings should be possible in future years with process review and technological service enhancement.	10	0	10	0	10	0	Transfer of Payroll staff to HRPS has now been actioned.

Resources	66	HR People Services. Share with the Fire Service an Occupational Health Physician post and an Admin post enabling a Voluntary Severance (VS) to be accepted - The Council currently provides Occupational Health Physician advice to Council staff. The Occupational Health unit is already shared with the Fire Service. Further options are available to share the Occupational Health physician post which will provide reduced sessional costs with savings of £40,000, by the purchase of full-time physician to be shared with the fire service in terms of costs and access. Additionally sharing administrative support will enable a VS to be accepted and save half of the post.	53	20	33	0	0	33	No further progress at this stage. However the shortfall will be mitigated by other savings across HRPS.
Resources	67	HR People Services. Mini restructure for Organisational Development (OD) / Learning & Development (L&D) function - As part of a mini restructure within the OD/L&D function, the proposal would result in the deletion of a grade 9 post. The current split of management function between the service delivery and L&D specialists needs to be addressed. Proposals already underway to integrate management of both areas into a single role. This will provide more joined up approach to the management of the L&D function which includes strategic responsibility for new lead role.	45	34	11	11	11	0	This saving has been achieved.
Resources	68	HR People Services. From within Manage, Recruit and Develop teams - Delete a vacant Grade 4 post, a Grade 10 and a Grade 7 post . This proposal also includes one flexible retirement at Grade 7 - 50% reduction in hours.	127	114	13	13	13	0	This saving has been achieved.
Resources	69	HR People Services. Realignment of reporting lines Job Evaluation / Reward team and reduction in Employee Relations team-Delete grade 9 manager post and realign management under the grade 10 . Additional Schools Organisational Plan HR support would remain in Employee Relations team. The four Grade 7 employee relations specialists will be reduced by one.	87	74	13	13	13	0	This saving has been achieved.
Resources	70	Health and Safety potential joint venture - There is a proposal to explore the potential of some form of joint working on health and safety. This would need to be subject to exploratory discussions with colleagues from other Councils and be congruent with the agreed priorities of both Councils	137	60	77	0	0	77	Work is progressing to achieve a joint working arrangement with another Council. However the shortfall will be partly mitigated by other savings within Health & Safety.
Resources	71	Customer Relationship Management - a business case is being prepared to move forward the business process changes required to implement a Customer Relationship Management approach across the Council. It is envisaged that this change will bring in a part year effect in 2014/15 with further significant savings materialising in 2015/16. The saving identified relates to a decommissioning of IT which will be replaced with the new arrangements.	100	40	60	0	60	0	This is linked to the progression of the CRM work and is currently anticipated to be achieved.
Resources	72	Savings on a reduction on Council wide energy bills - this saving will be achieved through on going validation of utility bills. It is currently considered that a 1.5% saving on energy bills could be achieved.	135	47	88	0	88	0	Initiatives are being undertaken to achieve this saving.
Resources		Total Resources	1,336	741	595	111	440	155	
Social Services	73	150 Thornhill Road - The home has been closed for 18 months. The design of the home is not fit for purpose and it is unlikely to be able to offer the type of residential experience the Council would want for looked after children locally. Other projects such as the Social Impact Bond (SIB) and the Children's Services Accommodation Strategy are seeking to improve services for looked after children and achieve better outcomes. The proposal ensures the establishment at Crosslands Children's Home is fit for purpose.	772	755	17	17	17	0	Home closed and passed to the HRA.
Social Services	74	Out of Area Residential - Social Impact Bond (SIB) Project - The outcome of the SIB Feasibility study provides a robust business case that provides opportunities for significant savings to be achieved. Potential providers and investors have been identified as part of the study. The approaches that have been considered for the project have an evidence-base and have demonstrated success in other areas. The saving could be achieved alongside improving outcomes for this cohort of looked after children. The implementation of the project is subject to a procurement with the current proposal reflecting a part year saving.	122	0	122	122	122	0	Contract let and provider receiving referrals. One service user has stepped down to an enhanced fostering scheme however capacity issues within the PbR contract will restrict savings in 2015/16. However, a number of children in out of county placements have returned to independent living arrangements outside the PbR contract and the associated savings are reflected in the achievement of this saving.
Social Services	75	Review of Mental Health Out of County Placements in residential care and re-commission - 7 service users have been consulted about moving from residential care to supported living within Cardiff. Care support would be provided to meet their needs in a model of accommodation with support in 2014/15. A support provider is being separately commissioned.	200	0	200	45	150	50	Contract for floating support in place, service users identified, work ongoing at current time with RSL's and the Council to identify appropriate accommodation. The opportunity for converting residential placements to lower levels of support is also being explored with existing providers. Although some service users have now stepped down to lower cost packages, delays in the process are likely to lead to a shortfall against the target in 2015/16.
Social Services	76	Review & Transfer the Internal Supported Living Services to external providers - The proposal is to consult upon and review the Internal Supported Living Service and consider transfer to the existing external providers (within the existing contracts) on a locality basis across Cardiff. Service Users will not have to move from their homes unless their care needs can no longer be met in a supported living environment. Any change for service users would only be if their needs could no longer be met within the existing service.	750	390	360	100	200	160	Savings of £100k realised to date including the reduction of 1 registered manager and 1 senior care officer via VS. One scheme has been de-commissioned although there are offsetting external placement costs. This saving is not anticipated to be fully achieved in 2015/16.
Social Services	77	Hafod reconfiguration of contract - Full year effect of the termination of the contract with Hafod Care in relation to provision of residential care homes. Contract anticipated to end during 2013/14.	1,500	750	750	462	462	288	The Cathedral View home has now closed however this will only achieve a part year saving in 2015/16.
Social Services	78	Review of commissioned services including residential and nursing care contracts - In conjunction with Commissioning & Procurement, a procurement exercise will be undertaken to seek block contracting conditions with current providers, providing longer term financial risk assurance for the Homes in exchange for their providing savings for the Council on the cost of beds.	500	200	300	0	0	300	This saving is largely predicated on reduced costs arising from the introduction of the dynamic purchasing system. No reduction in bed price has however been evident so it is unlikely any further saving will be achieved.

Social Services	79	Review contractual arrangements for Direct Payments Support Provider - Recommissioning and reviewing options are being considered to review the existing contractual arrangements in place for Direct Payments provider.	100		100	0	100	0	Ongoing negotiations with the external provider in relation to a reduced management fee for direct payments has been taking place in advance of a potential commissioning exercise. This will enable this saving to be achieved.
Social Services	80	Closer to Home Project - Learning Disabilities (LD) - Closer to Home is a project to support people to move from out of county residential accommodation, where appropriate to their needs, by finding housing solutions within Cardiff. In year one, we will work closely with service users, parents and carers to identify service users who could be accommodated appropriately in adapted supported accommodation. The project in years 2 and 3 will seek partnership options to develop purpose built core and cluster accommodation to meet the needs of service users with learning disabilities, challenging behaviours and complex needs. In order to deliver the project, we will work in partnership with Cardiff Housing Strategy and all housing partners. To achieve the identified savings the number of service users will be in the region of 14 individuals to return to Cardiff.	350	50	300	145	200	100	The saving is predicated on a reduction in residential care costs following the step down of service users to lower cost supported living forms of care. The Supported Living work stream in the Vulnerable Adults Board is working to identify more supported housing schemes to facilitate further step downs however a shortfall of £100k is still anticipated in 2015/16.
Social Services	81	Review of spot contracting for domiciliary care - through work with Commissioning & Procurement to develop business opportunity to expand the current block framework provision for the next 12 months in order to reduce current usage of more expensive Spot contracts. There are currently 682 people with 713 spot contracts worth £7.8 million.	400	0	400	0	0	400	This was largely predicated on savings arising from the implementation of a new dynamic purchasing system. Current rates however suggest that no saving will be achieved in 2015/16.
Social Services	82	Review the provision of rehabilitation services for Community Alcohol and Drug Team (see HSC2) - Any future rehabilitation packages, following discharge from hospital will be funded by the NHS. Bench-marking with other local authorities will inform the policy and commissioning change.	200	150	50	50	50	0	The full year effect of savings implemented in 2014/15 should result in this being fully achieved.
Social Services	83	Right-sizing domiciliary care package and review of lower level provision - A review team has been established to review packages of care for older people and those with physical disabilities that will ensure that services are appropriately provided in accordance with need. Often people need a package when they come to the service for support which diminishes over time and this process ensures we are not over-specifying service. People who need the same or even larger care packages will continue to have their needs provided for appropriately.	800	220	580	0	100	480	Ongoing reviews of existing care packages are being undertaken however a significant shortfall is still currently projected against this saving.
Social Services	84	Mobility Allowance Review - an exercise will take place to identify service users in receipt of Disability Living Allowance (mobility) and whether they are in the position to use this to fund their own transport in relation to social care provision.	20		20	0	0	20	It is not anticipated that this saving will be achieved in 2015/16
Social Services	85	Safeguarding Team -The alignment of safeguarding with Children Services alongside a whole Council approach to children's safeguarding will lead to a reduction in the number of posts within the safeguarding team from three to two. Non specialist tasks will be delivered through the business support team.	40	0	40	0	0	40	It is not anticipated that this saving will be achieved in 2015/16
Social Services		Total Social Services	5,754	2,515	3,239	941	1,401	1,838	
Grand Total		TOTAL SAVINGS	16,796	9,253	7,543	3,219	4,675	2,868	

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	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<u>CITY OPERATIONS</u>													
<u>Waste Management & Recycling</u>													
Household Wheeled Bin & Recycling Bin Expansion	395	0	0	0	0	395	395	0	0	0	0	0	0
Restricting Residual Waste Changing the Current 240L Bins to 140L	2,400	0	0	0	0	2,400	1,300	(1,100)	0	0	0	0	(1,100)
Household Waste Recycling Centre	0	1,587	0	0	0	1,587	423	0	0	0	(1,164)	0	(1,164)
Materials Recycling Facility refurbishment	45	76	0	0	0	121	100	0	0	0	(21)	0	(21)
Total Waste Management & Recycling	2,840	1,663	0	0	0	4,503	2,218	(1,100)	0	0	(1,185)	0	(2,285)
<u>Energy Projects and Sustainability</u>													
Greener Grangetown	1,390	1,550	(1,390)	0	70	1,620	720	0	0	0	(350)	(550)	(900)
Energy Refit of Buildings	0	785	0	0	0	785	385	0	0	(400)	0	0	(400)
Radyr Weir	0	2,186	0	0	350	2,536	2,536	0	0	0	0	0	0
Solar PV Renewable Energy Initiative	0	0	0	0	0	0	0	0	0	0	0	0	0
Salix Energy Recycling Scheme (SERS)	0	95	0	0	0	95	95	0	0	0	0	0	0
Salix Energy Efficiency Loan Scheme (SEELS)	160	(47)	0	0	492	605	605	0	0	0	0	0	0
Heritage Energy Efficiency Retrofit Grant	0	0	0	40	219	259	259	0	0	0	0	0	0
Performer Grant	0	0	0	0	25	25	25	0	0	0	0	0	0
Total Energy Projects and Carbon Management	1,550	4,569	(1,390)	40	1,156	5,925	4,625	0	0	(400)	(350)	(550)	(1,300)
<u>Regulatory</u>													
Regionalising Regulatory Services	216	0	0	0	0	216	0	0	0	0	(216)	0	(216)
Total Regulatory	216	0	0	0	0	216	0	0	0	0	(216)	0	(216)
<u>Parks & Green Spaces</u>													
Asset Renewal Buildings	87	70	0	0	0	157	157	0	0	0	0	0	0
Asset Renewal Parks Infrastructure	140	59	0	(140)	0	59	59	0	0	0	0	0	0
Play Equipment	90	0	0	0	0	90	90	0	0	0	0	0	0
Flood Risk Prevention	100	97	0	0	0	197	197	0	0	0	0	0	0
Heath Park Tennis Courts	0	134	0	140	25	299	299	0	0	0	0	0	0
Hywel Dda Public Open Space	0	57	0	0	0	57	57	0	0	0	0	0	0
Bishops Palace & Llandaff Belltower	0	79	0	25	41	145	145	0	0	0	0	0	0
Parc Cefn On	0	3	0	0	0	3	3	0	0	0	0	0	0
Water Play Park at Victoria Park	185	0	0	0	0	185	85	0	0	0	(100)	0	(100)
S106 schemes	1,051	748	(748)	0	0	1,051	824	0	0	0	0	(227)	(227)
Total Parks & Green Spaces	1,653	1,247	(748)	25	66	2,243	1,916	0	0	0	(100)	(227)	(327)
<u>Leisure</u>													
Asset Renewal Buildings	110	40	0	(120)	0	30	30	0	0	0	0	0	0
Insole Court Conservation	1,562	1,584	(640)	130	40	2,676	2,711	35	0	0	0	0	35
Eastern Leisure Centre refurbishment	2,505	2,361	0	0	0	4,866	4,866	0	0	0	0	0	0
Llanishen Leisure Centre reconfiguration	0	5	0	(5)	0	0	0	0	0	0	0	0	0
Pentwyn Leisure Centre reconfiguration	0	20	0	(20)	0	0	0	0	0	0	0	0	0
Pentwyn Leisure Centre accessibility (Dome)	0	184	0	0	0	184	184	0	0	0	0	0	0
Leisure Centres Priority Works	750	0	0	25	0	775	400	0	0	0	(375)	0	(375)
Total Leisure	4,927	4,194	(640)	10	40	8,531	8,191	35	0	0	(375)	0	(340)
<u>Bereavement & Registration Services</u>													
Improvements funded by Bereavement reserve	145	0	0	0	(37)	108	108	0	0	0	0	0	0
St Mary's Church, Caerau	0	0	0	15	0	15	15	0	0	0	0	0	0

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	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Total Bereavement & Registration Services	145	0	0	15	(37)	123	123	0	0	0	0	0	0
<u>Highway Maintenance</u>													
Highway Improvements LGBI - Carriageway	0	910	0	0	0	910	910	0	0	0	0	0	0
Highway Improvements LGBI - Footway	0	470	0	0	0	470	470	0	0	0	0	0	0
Highway Improvements LGBI - Street lighting	0	0	0	0	0	0	0	0	0	0	0	0	0
Highway Improvements LGBI - Barrier replacement	0	0	0	0	0	0	0	0	0	0	0	0	0
Highway Improvements LGBI - Drainage	0	60	0	0	0	60	60	0	0	0	0	0	0
Highway Reconstruction	1,350	1,290	0	0	0	2,640	2,640	0	0	0	0	0	0
Footpath reconstruction	595	0	0	0	0	595	595	0	0	0	0	0	0
Bridges & Structures	400	814	0	0	0	1,214	824	0	0	0	(390)	0	(390)
Street Lighting (New and replacement)	270	0	0	0	0	270	270	0	0	0	0	0	0
Street Lighting Energy Use Reduction (Invest to Save)	0	1,340	0	0	0	1,340	1,340	0	0	0	0	0	0
LED Lighting on Principal Roads (Invest to Save)	2,000	0	0	0	0	2,000	0	0	0	(2,000)	0	0	(2,000)
Rhiwbina Flood defence scheme	0	263	0	0	0	263	263	0	0	0	0	0	0
Total Highway Maintenance	4,615	5,147	0	0	0	9,762	7,372	0	0	(2,000)	(390)	0	(2,390)
<u>Traffic & Transportation</u>													
Asset Renewal Transport & Traffic Management	670	153	0	0	0	823	823	0	0	0	0	0	0
Transport Grant Matchfunding	375	0	0	0	0	375	375	0	0	0	0	0	0
Cycling Development Asset Renewal	400	(150)	0	0	0	250	250	0	0	0	0	0	0
Local Transport Plan - Bus Corridors	6,605	0	0	0	(6,408)	197	197	0	0	0	0	0	0
Local Transport Fund -Strategic Cycle network	0	0	0	0	363	363	363	0	0	0	0	0	0
Local Transport Fund - Active Travel Mapping	0	38	0	0	0	38	38	0	0	0	0	0	0
Local Transport Fund -Walkable Neighbourhoods	490	0	0	0	(367)	123	123	0	0	0	0	0	0
Local Transport Fund -Preparatory works	50	0	0	0	277	327	327	0	0	0	0	0	0
Local Transport Fund - Rail development	30	0	0	0	(30)	0	0	0	0	0	0	0	0
Road Safety Grant - Highway Junction improvements	100	0	0	0	820	920	920	0	0	0	0	0	0
Metro Phase 1 Cycle schemes	0	38	0	0	(38)	0	0	0	0	0	0	0	0
Safe Routes in Communities (WG)	540	0	0	0	(80)	460	460	0	0	0	0	0	0
Moving Offences enforcement equipment	0	53	0	0	0	53	53	0	0	0	0	0	0
Asset Renewal Telematics/Butetown Tunnel	330	44	0	0	0	374	374	0	0	0	0	0	0
S106 schemes	505	744	(744)	0	46	551	439	0	0	0	0	(112)	(112)
Total Traffic & Transportation	10,095	920	(744)	0	(5,417)	4,854	4,742	0	0	0	0	(112)	(112)
<u>Strategic Planning</u>													
Heritage schemes	90	158	0	(90)	0	158	158	0	0	0	0	0	0
S106 schemes	93	66	(66)	0	0	93	93	0	0	0	0	0	0
Total Strategic Planning	183	224	(66)	(90)	0	251	251	0	0	0	0	0	0
<u>Harbour Authority</u>													
Harbour Asset Renewal	323	0	0	0	0	323	323	0	0	0	0	0	0
Total Harbour Authority	323	0	0	0	0	323	323	0	0	0	0	0	0
TOTAL CITY OPERATIONS	26,547	17,964	(3,588)	0	(4,192)	36,731	29,761	(1,065)	0	(2,400)	(2,616)	(889)	(6,970)
<u>COMMUNITIES, HOUSING & CUSTOMER SERVICES</u>													
<u>Citizen Hubs</u>													
Hubs proposals - ongoing schemes	(328)	0	0	0	0	(328)	0	0	0	0	328	0	328
STAR Hub	3,839	(101)	(109)	0	0	3,629	3,060	0	0	0	(569)	0	(569)
St Mellons Hub	105	0	0	0	0	105	105	0	0	0	0	0	0

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	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
St Mellons Hub S106	205	204	(204)	0	0	205	205	0	0	0	0	0	0
Llanishen Community Hub	13	0	0	0	0	13	13	0	0	0	0	0	0
Grangetown Hub	165	558	0	0	0	723	723	0	0	0	0	0	0
Llandaff North	30	0	0	0	0	30	30	0	0	0	0	0	0
Pentwyn Hub (Dome)	0	89	0	0	0	89	89	0	0	0	0	0	0
City Centre Superhub	358	0	0	52	0	410	410	0	0	0	0	0	0
City Centre Superhub - Cymal Grant	100	0	0	0	50	150	150	0	0	0	0	0	0
Fairwater Hub	140	110	0	0	0	250	250	0	0	0	0	0	0
Rumney Hub (Youth Centre)	1	0	0	0	150	151	151	0	0	0	0	0	0
Llanedeyrn Hub	30	0	0	0	0	30	30	0	0	0	0	0	0
Llanrumney Hub	50	0	0	0	0	50	50	0	0	0	0	0	0
Total Citizen Hubs	4,708	860	(313)	52	200	5,507	5,266	0	0	0	(241)	0	(241)
Libraries													
Central library furniture	0	76	0	(76)	0	0	0	0	0	0	0	0	0
Library Kiosk Upgrade	0	0	0	127	22	149	149	0	0	0	0	0	0
Radyr Library (S106)	12	0	0	0	0	12	12	0	0	0	0	0	0
Asset Renewal	37	0	0	0	0	37	37	0	0	0	0	0	0
Total Libraries	49	76	0	51	22	198	198	0	0	0	0	0	0
Housing													
Estate environmental improvements	150	0	0	0	0	150	150	0	0	0	0	0	0
Disabled Facilities Service	2,800	0	0	400	300	3,500	3,500	0	0	0	0	0	0
Discretionary Renovation grants	270	0	0	(270)	0	0	0	0	0	0	0	0	0
Group Repair Schemes	130	0	0	(130)	0	0	0	0	0	0	0	0	0
Renewal Area Schemes	0	0	0	0	0	0	0	0	0	0	0	0	0
Traveller Site refurbishment	0	0	0	0	205	205	205	0	0	0	0	0	0
Total Housing	3,350	0	0	0	505	3,855	3,855	0	0	0	0	0	0
TOTAL Communities, Housing & Customer Services	8,107	936	(313)	103	727	9,560	9,319	0	0	0	(241)	0	(241)
ECONOMIC DEVELOPMENT													
Economic Development													
Urban broadband	312	412	(312)	0	1,092	1,504	1,504	0	0	0	0	0	0
Cardiff Capital Fund	0	74	0	0	0	74	74	0	0	0	0	0	0
Council/S4C Investment Fund	150	0	0	0	0	150	75	0	0	0	(75)	0	(75)
Cardiff Social Innovation fund	0	70	0	0	0	70	40	0	0	0	(30)	0	(30)
Llanrumney Hall/Butetown Railway	290	294	(294)	0	0	290	40	0	0	0	0	(250)	(250)
Community Asset Transfer	100	0	0	0	0	100	0	0	0	0	(100)	0	(100)
Town Centre Loan Scheme	0	0	0	0	500	500	500	0	0	0	0	0	0
Total Economic Development	852	850	(606)	0	1,592	2,688	2,233	0	0	0	(205)	(250)	(455)
City Development													
Cardiff Enterprise Zone	187	0	0	0	0	187	187	0	0	0	0	0	0
CEZ Land Purchase	1,530	7,155	0	0	0	8,685	8,685	0	0	0	0	0	0
Temp Bus Station Enabling works	683	0	0	0	0	683	683	0	0	0	0	0	0
Central Square Public Realm Detailed Design	180	0	0	0	343	523	523	0	0	0	0	0	0
Development North of the Station	20	0	0	0	0	20	20	0	0	0	0	0	0
Total City Development	2,600	7,155	0	0	343	10,098	10,098	0	0	0	0	0	0
Neighbourhood Regeneration													

<u>DIRECTORATE & SCHEME</u>	2015-16 Programme	2014-15 Slippage	Budget revision	Virements	Changes & New Approvals	Total Programme 2015-16	Projected Outturn	(Underspend)/ Overspend GF	(Underspend)/ Overspend Other	Invest to Save slippage/SOP 'reserve'	Slippage GCF	Slippage Other	Total Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Butetown Community Centre	0	0	0	0	40	40	40	0	0	0	0	0	0
Neighbourhood Renewal schemes	685	213	0	0	0	898	898	0	0	0	0	0	0
Maelfa Centre Regeneration	0	352	0	0	0	352	150	0	0	0	(202)	0	(202)
Local Shopping Centre regeneration	360	162	0	0	0	522	522	0	0	0	0	0	0
Vibrant & Viable Places WG grant - Local Shopping Centre Regeneration	465	0	0	0	0	465	465	0	0	0	0	0	0
Alleygating	145	0	0	0	6	151	151	0	0	0	0	0	0
S106 schemes	279	77	(330)	0	0	26	26	0	0	0	0	0	0
Total Neighbourhood Regeneration	1,934	804	(330)	0	46	2,454	2,252	0	0	0	(202)	0	(202)
<u>Venues & Cultural Facilities</u>													
Asset Renewal Buildings	225	0	0	0	0	225	225	0	0	0	0	0	0
New Theatre	295	0	0	0	0	295	150	0	0	0	(145)	0	(145)
St David's Hall	350	0	0	0	0	350	175	0	0	0	(175)	0	(175)
City Hall Carpets	11	80	0	0	0	91	91	0	0	0	0	0	0
Total Venues & Cultural Facilities	881	80	0	0	0	961	641	0	0	0	(320)	0	(320)
<u>Property & Asset Management</u>													
Asset Renewal Buildings	63	83	0	0	0	146	146	0	0	0	0	0	0
Total Property and Asset Management	63	83	0	0	0	146	146	0	0	0	0	0	0
TOTAL ECONOMIC DEVELOPEMT	6,330	8,972	(936)	0	1,981	16,347	15,370	0	0	0	(727)	(250)	(977)
<u>EDUCATION & LIFELONG LEARNING</u>													
<u>Schools</u>													
<u>Planning & Development</u>													
Asset Renewal Buildings	2,910	473	0	0	0	3,383	3,383	0	0	0	0	0	0
Suitability and Sufficiency	500	0	0	0	0	500	500	0	0	0	0	0	0
Early Years - Flying Start	149	0	0	0	0	149	149	0	0	0	0	0	0
Whitchurch High School	200	0	0	0	0	200	200	0	0	0	0	0	0
Total Planning & Development	3,759	473	0	0	0	4,232	4,232	0	0	0	0	0	0
<u>Other schemes</u>													
Penarth Learning Community	1,330	0	0	0	0	1,330	1,330	0	0	0	0	0	0
Total Other schemes	1,330	0	0	0	0	1,330	1,330	0	0	0	0	0	0
Total Schools	5,089	473	0	0	0	5,562	5,562	0	0	0	0	0	0
<u>Schools Organisation Planning</u>													
SOP Other	0	(729)	3,639	0	0	2,910	2,910	0	0	0	0	0	0
21st Century Schools	4,987	29,278	2,919	0	0	37,184	16,265	0	(722)	(3,544)	(912)	(15,741)	(20,919)
Total Schools Organisation Planning	4,987	28,549	6,558	0	0	40,094	19,175	0	(722)	(3,544)	(912)	(15,741)	(20,919)
TOTAL EDUCATION & LIFELONG LEARNING	10,076	29,022	6,558	0	0	45,656	24,737	0	(722)	(3,544)	(912)	(15,741)	(20,919)
<u>GOVERNANCE & LEGAL SERVICES</u>													
Bilingual Cardiff - Welsh Language Centre Grant	0	0	0	0	335	335	335	0	0	0	0	0	0
TOTAL GOVERNANCE & LEGAL SERVICES	0	0	0	0	335	335	335	0	0	0	0	0	0
<u>RESOURCES</u>													

<u>DIRECTORATE & SCHEME</u>	2015-16 Programme	2014-15 Slippage	Budget revision	Virements	Changes & New Approvals	Total Programme 2015-16	Projected Outturn	(Underspend)/ Overspend GF	(Underspend)/ Overspend Other	Invest to Save slippage/SOP 'reserve'	Slippage GCF	Slippage Other	Total Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<u>Technology</u>													
Modernising IT to improve Business Processes	(845)	2,450	0	0	0	1,605	1,381	0	0	0	(224)	0	(224)
ICT Refresh	400	44	0	0	0	444	444	0	0	0	0	0	0
Total Technology	(445)	2,494	0	0	0	2,049	1,825	0	0	0	(224)	0	(224)
<u>Facilities Management</u>													
Office Accomodation rationalisation	109	327	0	0	0	436	386	0	0	0	(50)	0	(50)
Asset Renewal Buildings	742	0	0	0	0	742	742	0	0	0	0	0	0
Legionella	0	65	0	0	0	65	35	0	0	0	(30)	0	(30)
CCTV at Council sites	0	50	0	0	0	50	50	0	0	0	0	0	0
Total Facilities Management	851	442	0	0	0	1,293	1,213	0	0	0	(80)	0	(80)
<u>Central Transport Services</u>													
Asset Renewal Vehicle Replacement	250	(23)	0	0	0	227	227	0	0	0	0	0	0
<u>Corporate</u>													
Contingency	400	0	0	0	0	400	0	(400)	0	0	0	0	(400)
Asset Renewal Building Contingency	0	0	0	0	0	0	0	0	0	0	0	0	0
Invest to Save annual allocation	500	0	0	(103)	0	397	397	0	0	0	0	0	0
WG Capitalisation Direction	3,487	0	0	0	0	3,487	3,487	0	0	0	0	0	0
Total Corporate	4,387	0	0	(103)	0	4,284	3,884	(400)	0	0	0	0	(400)
TOTAL RESOURCES	5,043	2,913	0	(103)	0	7,853	7,149	(400)	0	0	(304)	0	(704)
<u>SOCIAL SERVICES</u>													
<u>Adult Services</u>													
Adult Services Asset Renewal Buildings	25	0	0	0	0	25	25	0	0	0	0	0	0
Total Adult Services	25	0	0	0	0	25	25	0	0	0	0	0	0
<u>Childrens Services</u>													
Childrens Social Services Asset Renewal	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL SOCIAL SERVICES	25	0	0	0	0	25	25	0	0	0	0	0	0
TOTAL GENERAL FUND	56,128	59,807	1,721	0	(1,149)	116,507	86,696	(1,465)	(722)	(5,944)	(4,800)	(16,880)	(29,811)
<u>PUBLIC HOUSING</u>													
Housing Development	1,400	0	0	0	0	1,400	735	0	0	0	(665)	0	(665)
Estate Regeneration and Area Improvement Strategies	2,600	0	0	0	0	2,600	2,842	0	0	0	242	0	242
External and Internal improvements to buildings	11,550	0	0	0	0	11,550	11,598	0	0	0	48	0	48
Disabled Facilities Service	1,800	0	0	0	0	1,800	1,800	0	0	0	0	0	0
Energy Efficiency	750	0	0	0	0	750	750	0	0	0	0	0	0
ARBED ECO Grant	0	0	0	0	3,487	3,487	3,487	0	0	0	0	0	0
Housing Partnerships Project	1,700	0	0	0	0	1,700	1,700	0	0	0	0	0	0
Modernising IT to improve Business Processes	0	449	0	0	(179)	270	270	0	0	0	0	0	0
Settlement buy out payment	188,000	0	0	0	(608)	187,392	187,392	0	0	0	0	0	0
Hubs	150	0	0	0	230	380	380	0	0	0	0	0	0
TOTAL PUBLIC HOUSING	207,950	449	0	0	2,930	211,329	210,954	0	0	0	(375)	0	(375)
TOTAL	264,078	60,256	1,721	0	1,781	327,836	297,650	(1,465)	(722)	(5,944)	(5,175)	(16,880)	(30,186)

**CITY OF CARDIFF COUNCIL
CYNGOR DINAS CAERDYDD**



CABINET MEETING: 12 NOVEMBER 2015

**CITY OPERATIONS – BROADENING ENFORCEMENT POWERS
TO IMPROVE THE PUBLIC REALM**

REPORT OF DIRECTOR OF CITY OPERATIONS

AGENDA ITEM: 7

PORTFOLIO: ENVIRONMENT (COUNCILLOR BOB DERBYSHIRE)

Reason for this Report

1. To delegate the authority to the Director of City Operations, in consultation with the Cabinet Member for Environment and Cabinet Member for Transport, Planning and Sustainability as appropriate to make use of the new powers and set fine levels in order to tackle environmental crime in Cardiff.
2. To invite the Cabinet to endorse the consultation work for the introduction of wider enforcement powers in relation to controlling distribution of free literature (such as flyers and posters) and also the consideration of dog controls across Cardiff.
3. To provide policy and operational guidance on Fixed Penalty Notices for Highway and Environmental Offences and confirm a clear and transparent approach within Neighbourhood Services.
4. To delegate the authority to the Director of City Operations, in consultation with the Cabinet Member for Environment to explore a 12 month commission based trial with an external partner for the issuing of fixed penalties such as littering, highways and dog fouling fines, such that officers can focus on waste presentation and increasing recycling.

Background

5. City Operations is committed to delivering on the Councils Corporate Plan commitment to have green flag parks and open spaces, as well as delivering new ways of working across the Directorate. Designed to ensure that a high quality City environment includes an attractive public realm, having clean and well managed streets as well as challenging poor social responsibility in neighbourhoods.
6. The Council has powers to issue Fixed Penalty Notices (FPNs) via a wide range of environmental legislation which the Council use to ensure

the streets and open spaces are kept clean and free from litter and nuisance.

7. The Directorate has undertaken a review of the existing and new legislation, plus the approaches that can be used to protect and enhance the street scene and open spaces. By adopting existing and new legislative powers and delivering alternative approaches to enforcement, this will help transform ways of working, so therefore improve controls on the environment and enable swifter action against those that offend.
8. The wider powers (detailed in Appendix 1,2 & 3) outlined in this paper can be used to improve the control over the following areas, but not limited too:
 - i. Dog fouling and control of dogs
 - ii. Litter and nuisance from litter
 - iii. Control of Printed literature (Fly posting and flyers)
 - iv. Skips on the highway, A-frames, Table and chairs
9. These are all issues that repeatedly appear as priorities in public consultation surveys. Dog fouling, fly posters and litter can quickly spoil an area. Additionally, street clutter and uncontrolled placement of items such as skips and A-frames can cause obstructions to pavements and roads.
10. Within City Operations there are a range of teams that are currently authorised to undertake enforcement activities around the city. These teams (Waste Enforcement, Park Rangers and Highways Enforcement Officers) will work closely together redefined as an integrated part of Neighbourhood Services to jointly deliver these new powers, as well as ensuring a efficient, fair and consistent approach to environmental crimes.
11. However, with the growing work demands for environmental crime enforcement, it should be noted that some activities such as littering and dog fouling fines can be undertaken by the Council or delegated to a third party. Often Councils delegate this work to third parties in order to tackle the problem of littering, while maintaining their own teams to manage more complex processes.

Issues

12. The street scene and open spaces of Cardiff are impacted when certain activities are not controlled:
 - i. Skips on the highway can cause obstructions and waste issues;
 - ii. A-frames advertising or table and chairs on the pavements and walkways can be a positive to local businesses, but if uncontrolled cause an obstruction to pedestrians;
 - iii. Flyers and posters can cause litter and make an area look untidy;
 - iv. Dog fouling and litter can be a health concern and spoil open spaces and the general environment.

13. The issue of dog fouling and litter, in particular smoking litter, still remains a problem on Cardiff's streets. The percentage of dog fouling on the streets of Cardiff has increased since last year. In 2014-15 dog fouling was recorded on 8.1% of streets while a part year 2015-16 survey found dog fouling to be 11.6% present. Smoking litter was the most common litter problem identified (predominantly cigarette ends). This litter was encountered on 90.7% of the streets surveyed at that time.

Community Protection Notices

14. As a result of the adoption of new powers (Appendix 1), the Council will increase enforcement powers to tackle non-branded takeaway litter, poor control of properties and land that leads to fly tipping or litter and also waste accumulations on private land which can have a negative impact on the surrounding community.
15. Consultation will be undertaken with key stakeholders such as landlords, City Centre businesses, appropriate landowners and also the Chief of Police prior to implementation. Once in place, a breach of a notice would result in a £100 fine, or the Council can undertake remedial works and reclaim the costs from the offender.

Public Space Protection Orders (PSPO)

16. The Council does not currently have any dog controls in place across the City to control where dogs can go, whether they need to be on a lead or how many dogs a person can control at any one time. The Council does however enforce dog fouling on the public highway and Council land. This results in a fine of £80 for irresponsible dog owners that let their dogs foul without removing it. By adopting the order, the Council will have wider controls and any breach, including dog fouling, would result in a £100 fine.
17. It should be noted that there are growing concerns across the UK regarding attacks by dogs. As at September 2015, 31 people have been killed by dog attacks. The aim is to encourage responsible dog ownership and reduce other incidents involving dogs such as straying, dog bites, attacks, dog fouling on sports pitches, streets and green spaces. Such controls in play areas could also prevent problems becoming more serious and thus reduce the number of dog bites. Warnings can also be given to individuals who allow their dogs to roam freely without control causing nuisance in the communities. The Council will also seek to provide suitable dog walking areas in the locality, where other restrictions are in place.
18. Prior to the introduction of these Orders, the Council will consult relevant representatives in the local community.

Control of Printed literature (Fly posting and flyers)

19. One area of growing environmental concern that impacts on Cardiff's street scene is the distribution of literature. When discarded, it blights public spaces, has a negative visual impact on an area, increases litter in an area and contributes to antisocial behaviour. This also impacts on the cleansing services by requiring additional time, resources and money to remove the excess litter.
20. Particular areas of concern are the City Centre, student areas (including halls of residence) and local community centres. Often businesses and community leaders raise their frustrations about the mess and litter that free literature can produce. By declaring control zones any business or organisation wishing to distribute free materials must gain a licence. The cost of the license will cover:
 - i. the administration and consent of the application fee
 - ii. contribute to cleansing costs of any potential litter created
 - iii. prescribe the rules they must follow and;
 - iv. how they will support the removal of any waste created from their activities.
21. The Enforcement Team has engaged with several of the commercial businesses whose flyers and leaflets (printed matter) have been regularly causing additional litter. There have been varying responses from these businesses on their responsibilities towards the litter they create and to date the problem is growing rather than reducing.
22. Following a consultation exercise the Council can designate zones. Anyone wishing to distribute free literature within designated zones in the City would have to first apply for a licence. Failure to adhere to, or not having appropriate approval, will result in a £100 fine. Further details can be found in Appendix 2.
23. There is no need to obtain consent to distribute leaflets by, or on behalf of a charity, for political or religious purposes. All other non-commercial organisations are required to obtain consent within the declared zones. Those failing to obtain or follow the terms of their license can be fined £100.

Issuing of Fixed Penalty Notices (FPNs) by Highways Services

24. The Highway Service issues a significant number of licenses for permissions relating to the highway and deal with approximately 1300 enquiries with regards to licensing and enforcement issues per year. The issuing of a Fixed Penalty Notice (£100) for failure to adhere to license conditions or not seeking the appropriate permissions will deliver a swift resolution to matters, therefore supporting a clean and tidy street scene.
25. The current requirements to obtain a license to place various items on the public highway remain unchanged, but any breach will be dealt with

by a FPN rather than a prosecution. These changes will be communicated to the current license holders and all new applicants.

26. The process of issuing an FPN requires Policy and Operational Guidance to assist Officers (See Appendix 3). Training sessions will be undertaken to develop and train delegated Officers with regards to the Policy and Operational Guidance and to enable consistency with issuing of FPNs across City Operations.

Litter Enforcement support

27. The enforcement of littering and dog fouling can be time consuming and is not always cost effective for Enforcement Officers and Park Rangers to undertake, however it remains a constant high priority in the annual Ask Cardiff Surveys. The Enforcement Officers and Park Rangers cover a wide range of activities to keep our public realm clean and attractive. Undertaking patrols for those dropping litter or dog fouling takes their time away from other core duties.
28. The number of fines issued for littering by pedestrians range from 550 to 700 fines per year and contributes to less than 5% of all the activity undertaken by Council teams. This is not a negative reflection on the teams, as they cover a far wider remit of enforcement duties. With the recent recycling collection changes and pressure to meet the statutory recycling target the priorities must remain on waste presentation issues, which prevents litter and recycling education.
29. It is proposed to deliver a 12 month trial with a third party company to take on the aspects of littering, dog fouling and other FPN patrols in order to maximise the activity and control in these areas. This will then free up existing officer time and allow them to support the recent collection changes, litter prevention and provide recycling education support into Communities. The trial will be commission-only based with no set up costs for the Council. The third party company will take a percentage of the income generated from fines, with the remainder of the income returning to the Council.
30. The use of private security firms to deliver these types of environment enforcement roles is common practice for Councils to adopt a cost neutral basis. They are fully licensed and controlled by strict guidance on vetting and data protection. UK Councils have seen increases in the number of littering FPNs as a result, some as much as ten fold increases. Cities such as Birmingham, Leeds and London have such arrangements in place, along with many other Councils. They are also used in Welsh Authorities such as Swansea, Blaenau Gwent and Denbighshire. Denbighshire Council secured over £300,000 of fines in just 15 months when they secured such an arrangement. At the same time Denbighshire was also rated as having the cleanest streets in Wales by the independent assessments conducted by Keep Wales Tidy and their litter survey.

31. The third party would be trialled on a 12 month basis to deploy a team of trained, licensed and uniformed Enforcement Officers into Cardiff. They could operate seven days a week and evenings, hence covering times when it is less cost effective for staff to cover (for example supporting the night time economy). A partner would be required to be committed to the living wage and be encouraged to seek the employment of local people. This will not replace existing enforcement staff, but complement existing work and bolster the Councils resources to jointly tackle environmental crime on Cardiff's streets and open spaces.
32. The benefits that such an approach could take will include:
 - i. Increased activity and coverage against those dropping litter, breaching licence conditions and letting their dogs foul.
 - ii. No additional costs to the Council.
 - iii. Operate seven days a week and evenings.
 - iv. Provide local jobs, committed to the living wage
 - v. It is expected that the fines income will increase and this can be reinvested back into other enforcement activity.
 - vi. By removing littering patrols from the team's work load this will free up existing enforcement officer time to focus on recycling education and correct waste presentation, other key community issues.
33. This approach is widely used by other Authorities to bolster their littering enforcement activities. It will also assist the Council in developing a detailed business case of the best future option to tackling littering. The current size of the enforcement team and work demand levels prohibit the ability to allocate officers to full time littering patrols and therefore it has not been possible to determine if the in house approach can be self-financed. This approach will supplement, not replace existing enforcement work and will form an integrated approach to Neighbourhood Services.
34. A trial of this nature is expected to yield a net minimum of £50,000 to the authority next year as part of Neighbourhood Services activities, with any surplus being reinvested back into the enforcement activities that the Council undertake. The other new policies will be resourced and supported from the fines recovered by the Council's enforcement activities and third party commission contributions.

Local Member consultation

35. All local Members will be provided with opportunity to provide their feedback through the consultation exercises. Where draft zones and proposals impact on specific wards, they will be provided with the initial information to provide comment.

Reason for Recommendations

36. To seek approval for consultation of the various enforcement activities in accordance with the relevant legislation before formal adoption by the Council.

37. To increase the environmental controls in order to tackle issues such as waste accumulations, littering, dog fouling, skips and the licensed street scene within Neighbourhood Services.
38. To seek new opportunities to reduce the Council's expenditure and increase income opportunities to keep Cardiff's streets and open realm clean and controlled to prevent irresponsible approaches to litter and dog fouling.

Financial Implications

39. This report outlines proposals for the extension of enforcement powers including associated fixed penalty notice fine income which will be ring fenced for that specific enforcement area. A trial involving an external third party is proposed for littering and dog fouling enforcement. The report assumption is that this trial will be undertaken at no additional cost to the council with the potential for upside gain-share for additional income. This arrangement has not been market tested and the procurement of the third party operator will confirm if this assumption is achievable.
47. Set-up costs including consultation will be funded from existing resources. If expenditure is to be funded from FPN fine income then timing/matching implications will need to be considered with expenditure likely to be incurred in advance of income being received.
48. Any Third Party operator selected by the Council will need to have adequate insurance arrangements in place. A minimum indemnity limit of £5million is suggested to cover the risk of claims caused by the action of the third party operator including claims if fines have been inappropriately issued as a result of procedures not being followed correctly

Legal Implications

49. The Legal Implications are set out in detail in the body of this report.
50. The procedures (including consultation) for making Public Spaces Protection Orders and designating land for the free distribution of printed matter zones must be followed fully as set out in the legislation.
51. With respect to the proposed 12 months trial, for any procurement the council should comply with its contract procedure rules, EU procurement regulations (as applicable) and the EU treaty principles of transparency, equal treatment and non-discrimination. As to the process and contractual arrangements further advice should be sought from legal and procurement before commencement.
52. The relevant authorisations must be given to the successful company and its staff for issuing FPNs on behalf of the Council, or they will be invalid.

53. Data Protection implications (proposed 12 months trial with external partner) – The Council would be the data controller in that it is the body with the enforcement powers. The external partner, as a data processor operating on behalf of the Council would be required to comply with the principles of the Data Protection Act and would have to act on the authority of the Council. These requirements would either be set out in the contractual terms and conditions (there are currently data protection provisions in the council's standard contracts) or via a separate data processing agreement. Any processing of this nature with a third party would also need to undergo a Privacy Impact Assessment before operational to assess any privacy risks.
54. Enforcement of the various legislation must be in line with the Council's Enforcement Policy.

HR Implications

55. It is not envisaged that these changes will impact on the number of employees required. This additional work may provide protection from future financial cuts through additional income from third parties. The proposals which are included in this report have been initially discussed with the Trade Unions and employees concerned and further consultation will take place following a Cabinet decision, however the basic principles are in line with the work the employees already carry out.

RECOMMENDATIONS

The Cabinet is recommended to:

1. delegate authority to the Director of City Operations, in consultation with the Cabinet Member for Environment and Cabinet Member for Transport, Planning and Sustainability in the development and undertaking of these new wider powers to deliver a cleaner environment across Cardiff, in particular to begin the consultation proposals on the Public Space Protection Order and Distribution of Free Literature controls in accordance with the relevant legislation before presenting for formal adoption by the Council.
2. agree to set the fixed penalty amount at £100 for failure to comply with a components of the Anti-social Behaviour, Crime and Policing Act and Highways Act.
3. delegate the authority to the Director of City Operations, in consultation with the Cabinet Member for Environment to explore a 12 month commission based trial, at no additional cost to the council. The third party will undertake a range of fixed penalty notice activity to supplement existing enforcement activities and pay the Council a proportion of the fines income obtained.

ANDREW GREGORY

Director

6 November 2015

The following appendices are attached:

Appendix 1 – Wider enforcement Powers

Appendix 2 – Distribution of Free Literature Policy

Appendix 3 - Fixed Penalty Notices for Highway Offences – Policy and Operational Guidance

Wider enforcement powers

Summary of the Anti-social Behaviour, Crime and Policing Act 2014

This act came in to force recently, can help deliver greener and safer communities across Cardiff. This new act was passed in March 2014, with most of the powers under the act coming into force in October 2014. However, some elements of the act relating to prevention of nuisance and annoyance have been delayed until 2015, which has meant the Council is only now in a position to consider these regulations. Details of what these powers can provide are listed in this appendix

Community Protection Notices

- i. These are designed to stop a person aged 16 or over, a business, or an organisation committing anti-social behaviour which spoils the community's quality of life. The CPN will broaden the Councils powers in tackling accumulations of litter and waste in gardens and also enable enforcement of all litter outside businesses, where previously only branded litter could be enforced.
- ii. Section 43(6) of the Act requires any person issuing a notice, before doing so, to inform any individual or body that is felt to be appropriate. Therefore the Council will undertake consultation exercises with the targeted communities such as landlords; city centre business, appropriate landowners and also the Chief of Police.
- iii. The notice can only be issued if the individual or body has been given a written warning to cease the conduct and provided with enough time to deal with the matter. However, failure to take action will result in a formal notice. Failure to comply with this notice will result in prosecution, or the option of a Fixed Penalty Notice that cannot exceed £100. Alternatively, the Council also has the option of carrying out remedial work where the requirements of a CPN are not carried out provided that the land is open to the air. The local authority can then reclaim the costs from the "defaulter".

Public Space Protection Orders (PSPO).

- iv. A Public Space Protection Order (PSPO) could potentially be used, for example, to restrict parking on grass verges, prevent businesses erecting A-Boards in certain areas, control of problematical behaviour in parks etc. The Authority is currently considering the benefits for dog controls to make Cardiff a safer and cleaner city that supports responsible dog owners.
- v. Once in place an order can last for up to 3 years but can be extended (and more than once). It is also good practice to put up signage in the controlled areas.
- vi. The issues of Fixed Penalty Notices for the offences of littering under the Environmental Protection Act 1990 and failure to comply with a Dog Control Order as introduced under the Clean

Neighbourhoods and Environment Act 2005, will continue until the new notice is in effect.

- vii. These types of orders are designed to stop individuals or groups committing anti-social behaviour in a public space. The PSPO replaces dog control orders and allows the authority to designate public places for restrictions. Prohibition notices can be used for specific areas and/ or times, for example stopping dogs from entering playgrounds, schools grounds or restricting how many dogs could be taken through a public area by one person.

In addition to the above act, the Council could make wider use of existing powers that are utilised under the Highways Act and Environmental Protection Act. The Highways Act use this Act to control skips on highways, A- frames and Table and chairs etc. to ensure they are correctly placed and don't cause a negative impact on the pavement or roads. To date the service has only tackled breaches through prosecutions. This process can be resource intensive and slow to resolve issues. Whilst the Environmental Protection Act can be used to control the issue of free distributed literature, such as fly posters and flyers. If uncontrolled these can cause litter and have a negative impact on the street scene.

Distribution of Free Literature Policy

1. The Aim

Cardiff Council has developed a new policy to remedy the problem of additional litter on the highway from free printed matter which is having an increasing impact upon our local environment. The distribution of flyers and leaflets can make an area look run down; contribute to littering arising from such activities and antisocial behaviour.

With this policy, Cardiff Council aims to ensure that consent is required to distribute free printed matter on designated land which it owns or which is part of the highway for commercial purposes where owners/consent holders take greater ownership, take steps to reduce the number of flyers/leaflets in a designated area which will improve the visual appearance of an area, reduce waste and litter and associated anti social behaviour.

2. Scope

The policy applies to all areas and commercial businesses that will be distributing flyers within the Cardiff Council boundaries.

There is no need to obtain consent to distribute leaflets by or on behalf of a charity or which are political or for religious purposes. All other non-commercial organisations are required to obtain consent.

3. The Law

Section 94B and Schedule 3A of The Environmental Protection Act 1990 as amended by the Clean Neighbourhood and Environment Act 2005 allows a Local Authority to:

Make a charge on the business who appears to be the owner an amount to cover the administration and consent of the application fee and an additional fee for the number of distributors per day for limited period consents;

Every distributor will wear a dated authorisation badge issued by the council; This badge would show the consent number, the date, time and point at which the printed matter may only be distributed (within 100 metres);

The printed matter will show the name and address of the consent holder;

No free printed matter will be unattended by any distributor or the consent holder at any time;

If the Local Authority grants permission, they can make several conditions:-

Make a charge on the business who appears to be the owner an amount to cover the administration and consent of the application fee and an additional fee for the number of distributors per day for limited period consents;

The consent holder to keep a register of those employed to distribute leaflets on his behalf. This will be made available on request to an authorised officer. This register to be kept for a period of six months;

Every distributor will wear a dated authorisation badge issued by the council; This badge would show the consent number, the date, time and point at which the printed matter may only be distributed (within 100 metres);

The printed matter will show the name and address of the consent holder; No free printed matter will be unattended by any distributor or the consent holder at any time;

All unused leaflets/flyers collected as litter and all associated packaging and any other materials arising from the distribution process shall be removed from site and disposed of at the distributors own personal or trade waste facilities.

Free leaflets or flyers shall not encourage illegal or irresponsible behaviour nor advertise illegal events or activities.

Offences

Any person who distributes free printed matter in a designated place without the consent of the Council is liable on summary conviction to a fine not exceeding level 4 on the standard scale (currently £2500 maximum). An offence is also committed if someone causes another person to distribute free printed matter in a designated area without consent.

Offenders may be issued with a Fixed Penalty Notice as an alternative to prosecution; the default sum has been set at £80. An authorised officer of the Council may also seize any supply of free printed matter which is being distributed without consent. The material may be reclaimed by the owner by way of application to a Magistrates Court.

The County Council may refuse to issue or revoke consent:-

Refuse

The Council may refuse to grant consent if it is not satisfied that conditions have not been met;

Granting consent would be likely to lead to the defacement by Litter of designated land;

If proposed distributor has previously been issued with a fixed penalty notice or has been convicted of, distributing printed matter without consent within the previous five years.

Revoke

Consent may be revoked in writing either following conviction or paying a fixed penalty. It may also be revoked where the consent holder has failed to comply with any condition on the consent form.

Appeals

Any person aggrieved by a decision of the Council to refuse or revoke any consent or to any conditions attached to the consent may appeal to the Magistrates court.

4. Procedure to Implement Schedule 3A

Prior to the commencement date, Cardiff Council must:

- 1) Select designated land for Schedule 3a.
- 2) Issue a notice setting out its proposals. The notice must specify the land proposed to be designated (A map showing the boundary will be included).
- 3) The date on which it is proposed that the order will come into force (Must be at least 28 days from the date of notice)
- 4) Those objections can be made regarding the proposal, how they can do that and the time they can be made. (Must be at least 14 from the date of the notice).
- 5) All objections should be written to explaining the decision.
- 6) The notice to be published in at least one newspaper circulating in an area which includes the land. Post the notice on the land and publish the notice on the council internet.
- 7) If the notice goes ahead the Local Authority must issue a notice announcing the decision.
- 8) Again must circulate it in at least one newspaper
- 9) Place up notice directly on the land
- 10) Publish notice on council internet.
- 11) Resolve to adopt Schedule 3A of the Environmental Protection Act 1990 on a date now less than six weeks from the date of the Resolution.
- 12) Publish details of the policy in at least one local newspaper, indicating the general effect of the adoption of the schedule.
- 13) Review the schedule at least every year and monitor the number of consents and distributors to see if adequate steps are being taken to reduce litter.

4.1 Additional Information

The charges set are required to be sufficient to cover the cost of processing application and numbers of distributors, monitoring compliance. A standard charge within the terms of legislation based on average costs. Including:

- Administrative costs arising from notification requirements(application fee and number of distributors)
- Staff Time-Monitoring compliance;
- Legal support.

The charge that Cardiff Council applies is £250 per consent application and £25 applies per distributor per day for limited period consents.

There is no need to obtain consent to distribute leaflets by or on behalf of a charity or which are political or for religious purposes. All other non-commercial organisations are required to obtain consent.

The appropriate reuse, recycling and disposal conditions are in place to ensure that additional litter discarded is dealt with appropriately and in the most sustainable manor.

All activities involved in the removal of any free printed matter is fully Health and Safety compliant

5. Reporting System

Illegal distribution of flyers can be reported to the Waste Education and Enforcement Team via a number of different channels:

PCSO's –Can send a photograph of the distributors, together with the GPS coordinates (a system which is already in place) to the Waste Education Enforcement Team for action.

Member of the Public/Councillors – Can email/report flyer problems to C2C, specifying the location and quantity.

Waste Education Enforcement Officers – Can GPS/photo the location and log on Enforcer.

Other Council Officers – Can email the location, together with a map (CMAPS) and GIS location where possible.

NB. Where possible, all reports will need to identify if there has been a consent issued to the consent holder responsible. This can be established through our database.

6. Inspection of site/land

Authorised officers will interact with distributors and monitor compliance and take action where appropriate.

7. Flyer Income

The income received from the consent application and distributor's fee will be ring fenced for local enforcement.

Fixed Penalty Notices for Highway and Environmental Offences – Policy and Operational Guidance

1. INTRODUCTION

While prosecution remains a last resort, we continue to strive to uphold the law and deal with individuals and businesses as appropriate, in an even-handed way. The expansion of powers to issue FPNs, will give the Service wider scope to stop environmental crime, ensure licensing is in place and maintain clean and safe streets.

The fines do not replace existing methods of dealing with offences but instead, offer an alternative to the prosecution process which can often be costly and time consuming.

If Officers are unable to convince offenders to desist from committing whatever violation of the code they are committing on the spot, Enforcement Officers will be able to deal with problems immediately by issuing a FPN which may in itself, act as a deterrent to would-be offenders.

The full range of highway offences for which fixed penalty notices may be issued are listed below:

Part IX Lawful and Unlawful Interference with Highways and Streets

Protection of public rights

- 130. Protection of public rights.
- 130A. Notices to enforce duty regarding public paths.
- 130B. Orders following notice under section 130A.
- 130C. Section 130B: procedure.
- 130D. Section 130B: costs.

Damage to highways, streets etc.

- 131. Penalty for damaging highway etc.
- 131A. Disturbance of surface of certain highways.
- 132. Unauthorised marks on highways.
- 133. Damage to footways of streets by excavations.
- 134. Ploughing etc. of footpath or bridleway.
- 135. Authorisation of other works disturbing footpath or bridleway.
- 135A. Temporary diversion for dangerous works.
- 135B. Temporary diversion for dangerous works: supplementary.
- 136. Damage to highway consequent on exclusion of sun and wind.

Obstruction of highways and streets

- 137. Penalty for willful obstruction.
- 137ZA. Power to order offender to remove obstruction.
- 137A. Interference by crops.
- 138. Penalty for erecting building, etc., in highway.
- 139. Control of builders' skips.
- 140. Removal of builders' skips.
- 140A. Builder's skips: charge for occupation of highway.

- 140B. Builders' skips: charge determined by reference to duration of occupation of highway
- 140C. Regulations under sections 140A and 140B
- 141. Restriction on planting of trees etc. in or near carriageway.
- 142. Licence to plant trees, shrubs, etc., in a highway.
- 143. Power to remove structures from highways.
- 144. Power to erect flagpoles etc. on highways.
- 145. Powers as to gates across highways.
- 146. Duty to maintain stiles etc. on footpaths and bridleways.
- 147. Power to authorise erection of stiles etc. on footpath or bridleway.
- 147ZA. Agreements relating to improvements for benefit of persons with mobility problems.
- 147A. Road-side sales.
- 148. Penalty for depositing things or pitching booths etc. on highway.
- 149. Removal of things so deposited on highways as to be a nuisance etc.
- 150. Duty to remove snow soil etc. from highway.
- 151. Prevention of soil etc. being washed on to street.
- 152. Powers as to removal of projections from buildings.
- 153. Doors etc. in streets not to open outwards.
- 154. Cutting or felling etc. trees etc. that overhang or are a danger to roads or footpaths.
- 155. Penalties in connection with straying animals.
- 156. Restriction on breaking up by undertakers of maintainable highways recently closed or re-surfaced.
- 157—159.
- 160. Powers as respects certain unnecessary obstructions of highways in Greater London.
- 160A. Further powers of highway authorities and district council in relation to highways.

Danger or annoyance to users of highways and streets

- 161. Penalties for causing certain kinds of danger or annoyance.
- 161A. Danger or annoyance caused by fires lit otherwise than on highways.
- 162. Penalty for placing rope, etc. across highway.
- 163. Prevention of water falling on or flowing on to highway.
- 164. Power to require removal of barbed wire.
- 165. Dangerous land adjoining street.
- 166. Forecourt abutting on streets.
- 167. Powers relating to retaining walls near streets.
- Precautions to be taken in doing certain works in or near streets or highways
- 168. Building operations affecting public safety.
- 169. Control of scaffolding on highways.
- 170. Control of mixing of mortar etc. on highways.
- 171. Control of deposit of building materials and making of excavations in streets.
- 171A. Works under s. 169 or s. 171: charge for occupation of the highway.
- 171B. Scaffolding, building materials and excavations: charge determined by reference to duration of occupation of highway
- 171C. Regulations under sections 171A and 171B
- 172. Hoardings to be set up during building etc.
- 173. Hoardings to be securely erected.
- 174. Precautions to be taken by persons executing works in streets.

175. Liability of certain persons in respect of materials left on highway.
175A. Duty to have regard to needs of disabled and blind in executing works, etc.

Miscellaneous

176. Restriction on construction of bridges over highways.
177. Restriction on construction of buildings over highways.
178. Restriction on placing rails, beams etc. over highways.
179. Control of construction of cellars etc. under street.
180. Control of openings into cellars etc. under streets, and pavement lights and ventilators.
181. Provisions relating to placing, etc. of certain apparatus in or under a highway.
182. Supplementary provisions as to licences under section 181.
183. Appeal against certain decisions of local highway authority under section 181.
184. Vehicle crossings over footways and verges.
185. Power to install refuse or storage bins in streets.

Notices of opportunity to pay a fixed penalty / fixed penalty notices (referred to as FPNs) can be issued by local authority officers for certain offences where the legislation permits and where the officer is authorised to do so. These notices provide a quick, visible and effective way of dealing with low-level straightforward environmental crimes, and an alternative to prosecution.

The process of controlling and managing Fixed Penalty Notices will utilise the ChipSide system that is currently utilised to issue Penalty Charge Notices relating to Parking and Moving Traffic Offences. This system is a process and document management system that allows the process of issuing FPN's to be defined and all information to be documented and stored.

The purpose of this guidance is to establish standardised fixed penalty procedures to be followed by all those with powers to issue fixed penalties, with guidance on the circumstances in which a fixed notice should be issued.

A fixed penalty is not a fine. Payment of the penalty by the recipient discharges their liability to conviction for the offence for which the FPN was issued. It does not constitute an admission of guilt, but removes the possibility of the creation of a record of criminal conviction.

2. GROUNDS FOR ISSUING A FPN

A FPN may only be issued where an officer has reason to believe a person has committed a penalty offence and there is sufficient evidence to support a successful prosecution.

An officer may issue a FPN where the offence is of a nature suitable for being dealt with by a FPN. FPNs are designed to deal with low-level offending.

When considering a case, officers should consider the nature and seriousness of the offence. For example, the use of a FPN is appropriate for most type's offences, but, in the case of graffiti and flyposting, a FPN is only going to be appropriate at the minor end of the scale. The specific offences and the

circumstances in which an FPN is appropriate are discussed at Section 9 of this document.

Normally offences resulting in a FPN will be witnessed directly by the officer. However, an officer may consider it appropriate to issue a FPN to a suspect if they have not directly witnessed the offence, but have reliable witness testimony.

Any interview and questioning must be consistent with the practice and procedures by the Police and Criminal Evidence Act 1984, Code C.

3. THE OFFENDER

A FPN should be issued only where,

- the alleged offender is compliant and able to understand what is going on, and
- there is sufficient evidence as to his/her identity and place of residence.

A FPN will be appropriate for first-time offenders and 'one-off' incidents as it is a low-level disposal and the recipient can avoid obtaining a conviction. Issuing a FPN will also be appropriate because of the extreme improbability that a person once seen committing an offence would be seen on a subsequent occasion, and in such an event, that there would be any accessible record of a previous warning which may have been given by another agency. A FPN is a means of changing offending behaviour and may be an appropriate response where a warning or a caution might have been considered.

Where a suspect is not cooperative, consideration should be given to an alternative disposal (e.g. prosecution and/or police involvement). FPNs must be issued to *and* received by the suspect. If an intended recipient of a FPN refuses, after being warned, to give a correct name and address, and identity can be established through other means, i.e. by the police, (s)he should be reported for prosecution, rather than given a FPN. It is a specific offence for a person to whom an officer proposes to issue a litter or fly-posting FPN, to fail to provide the officer with their name and address, or to give false details (see Section 10 for guidance).

A FPN *will not* be appropriate:

- where a suspect appears to be unable to understand what is being offered to them (for example, where the suspect is deaf), or there is doubt about their ability to understand English. Where such circumstances arise every effort should be made to solicit / impart the required information.
- where the suspect's behaviour suggests they have learning disabilities or mental disorder, or where the suspect is under the influence of drugs. The officer should question whether issuing a FPN and (as it will probably go unpaid) prosecution is in the public interest.
- where no satisfactory address exists for enforcement purposes. This may be where the officer has reason to believe that the suspect is homeless or sleeping rough, or where the suspect is a non-resident foreign national (i.e. not British or Northern Irish).

- where a penalty offence is known to have been committed in association with another non-fixed penalty offence.
- where an offender is **threatening, abusive or violent** to the officer. Where an alleged offender becomes aggressive or violent, the officer should ensure their own safety and seek help from the police. The offender would be dealt with by way of prosecution, either by the police or the Authority. (The officer should refer to corporate guidance on dealing with difficult situations).

A FPN *may not* be appropriate where it is known that the suspect has a previous relevant conviction or caution, or has previously been issued with an FPN (for the offence), particularly if they have not paid. The officer should inform the offender that (s)he will be reported with a view to prosecution.

4. ISSUING THE FPN

The officer will approach the alleged offender, identify him/herself and tell the person, in simple terms, which they have been seen committing an offence. The person will then be spoken with to obtain their name, address and date of birth. These details will be verified as far as practicable, and the FPN will then be issued. Documentary evidence of identity and place of residence will be requested, but not demanded, and will be preferable to non-physical checks such as the electoral register. Failure to identify a suspect prior to issue could invalidate enforcement. Police assistance will be sought where necessary. The officer must record the suspect's forename, surname, address, post-code and date of birth on the FPN. These are required for processing purposes.

When the FPN is issued, the officer should explain that it provides an opportunity to avoid liability to prosecution, and will draw the person's attention to the relevant points about making payment. The officer will advise the recipient of the FPN that in the event of non-payment, they will be prosecuted for the offence.

A person who refuses to accept a FPN from the officer must be informed that (s)he will be reported for the offence in question.

Officers will not accept payment of a fixed penalty anywhere other than the designated Council buildings.

5. DISPUTES ABOUT ENFORCEMENT

Once a FPN has been issued the recipient may decide to phone or write in pleading mitigation or contesting the fact that a FPN was issued. An alleged offender contesting a FPN should be advised that there is no obligation to pay a fixed penalty and there is no formal appeal procedure.

Whilst the Authority should review the facts of a particular case when invited, the opportunity to challenge the allegation and plead not guilty to the alleged offence at an independent hearing is open to the recipient of the FPN. This will be by way of prosecution, on summons, and trial in a magistrates' court. Any person wishing to complain about the FPN should do so in writing. Such letters may help identify any issues that need resolving or investigating before a case

comes to court. Arguments over the law, the amount of the fixed penalty, etc. will not be relevant, but claims that a defence applies will. Only in occasional circumstances will it be appropriate to withdraw a FPN or not proceed to summons on non-payment. This may be when information that was not available at the time the FPN was issued becomes available and it is determined that the offence to which the notice relates was not committed, that it would not be in the public interest to prosecute, or that the notice should not have been issued to the person who is named in the notice.

Payment of a fixed penalty by instalments will be accepted through formal payment plans.

6. ISSUING FIXED PENALTY NOTICES TO YOUNG PERSONS AGED 10 TO 17

In law a local authority FPN can be issued to anyone over the age of 10. Parents and guardians are not responsible in law for paying fixed penalties issued to young offenders (in this respect FPNs differ from police issued penalty notices for disorder (PNDs)). However, a court before which a young person appears can order the parent/guardian to pay any fine it may impose.

Children's service authorities, including local authorities and police, are under a duty under the Children Act 2004 to discharge their functions having regard to the need to safeguard and uphold the welfare of children. In the youth justice system, prosecution is a measure of last resort, and usually follows a reprimand and final warning.

A FPN *will not* be appropriate where a young person's behaviour suggests they have learning disabilities, or they suffer from a vulnerability that impairs his or her understanding of what goes on. In such cases the matter should be referred to Children's Services. Any action in respect of the alleged offence can be decided on later.

The following guidance (6.5 to 6.9) does not extend to criminal damage offences committed by young persons. The disposal in those cases should be determined in conjunction with the police. The following paragraphs do apply to littering, fly-posting, noise and dog fouling/control offences.

The officer will establish the identity of the alleged offender and details of the offender's home and parents or guardians, etc. On further enquiry it will be decided whether to issue a FPN or refer the youth to a Youth Offending Team. The latter may be suitable where the youth and his family have limited means of income and the youth is at risk of getting involved in further anti-social behaviour. A FPN must not be issued to anyone who is under 10 years of age.

If the 10 to 17 year old is a first-time offender a warning letter will be sent to him/her and his/her parent/guardian. If the offence is the youth's second offence, a FPN will be issued.

Sometimes the behaviour of someone under 18 years of age may warrant more than a mere warning. Examples may include being abusive or antagonistic to the authorised officer, smashing a bottle into road, drinking alcohol and

discarding cans into a river, or throwing cans at traffic. Alternatively, the alleged offender may be known (for example following an address check by police) to be involved in other criminal activity and a letter would not effectively challenge their conduct. A FPN, or with police involvement, a Police Reprimand or Final Warning, should be considered instead. Where a FPN is issued and the matter is not referred to the police, the officer should a confidential report to be attached to the FPN explaining why (s)he came to the decision to issue a FPN. This may include details based on local knowledge or aggravating factors, or knowledge of previous offending by an individual.

In the case of a 16 or 17 year old, the FPN may be issued at the scene where it would be in accordance with this policy. FPNs issued to under 16s will be sent to the alleged offender under cover of a letter, which will also be copied to the parent/guardian. FPNs for under 16s will not be issued in the street.

6.9. Only on non-payment of a FPN, on a further occasion being caught littering, etc., or where the offender is identified as a persistent offender, would prosecution of a youth under 18 years of age be considered.

7. UNPAID OR CHALLENGED FIXED PENALTY NOTICES

If the person either refuses to accept a FPN or, having accepted such a notice, does not pay before the end of suspended enforcement period (14 days), a final reminder letter will be issued giving a further seven days' notice. If the fixed penalty remains unpaid, the matter will result in prosecution (unless there is good reason otherwise). To ensure the credibility of a FPN scheme, the assumption will be that all cases involving non-payment will be referred to court.

Where a fixed penalty is refused, not paid, or challenged, the process defaults to a standard prosecution and the officer who issued the FPN will be notified.

It is the responsibility of the officer who issued the FPN to ensure that all witness statements and exhibits, including any record of interview, are sent to the relevant administration officer. This should be done within two weeks of notification.

Each case will be reviewed by senior officers, and if necessary solicitors, applying the evidential and public interest tests before a prosecution is commenced.

8. AMOUNT OF FIXED PENALTY

The FPN for highways offenses will be set at £100 and cannot exceed £200 as listed for level 1 fines, under the Criminal Justice Act 1982.

9. CONDUCT

Dealing with offenders who refuse to give details or who give false details
Offences involving obstruction of officers are normally dealt with by way of prosecution. In terms of fixed penalty offences, officers should note the following guidance:

1. Offender refuses to give details or gives false details, but provides correct details after being warned, or before police arrive – it is considered appropriate to offer and issue an FPN.
2. Offender gives correct details only after being required to do so by a police officer report for summons for the original offence and for the offence of failing to give details or giving false details.
3. Offender gives false/inaccurate details, FPN is issued at time, and is subsequently paid – no further action in respect of giving false details as the offender has not pursued the objective of the offence.
4. Offender gives false/inaccurate details, FPN is issued at time and not paid, and enquiries identify the offender – report for summons for the original offence and for the offence of giving false details.

Rules for Issuing Fixed Penalties

1. Ensure you have all the proof necessary for the offence.
2. Be presentable, in full uniform with name badge (where appropriate).
3. Be alert, active and prepared (i.e. carry a tape measure, black ballpoint pen, camera, etc).
4. Be fair, equitable, courteous and cooperative.
5. Be firm and self confident but not over-officious.
6. Be consistent.
7. Be accurate, ensure your writing is legible and that the notice is complete.
8. Be tactful whilst maintaining a respectful and pleasant attitude.
9. Use discretion and approach each situation on its merits.
10. If you can't resolve any doubts through discussion with a senior officer or lawyer, don't issue a notice.
11. All formal interviews should be in line with the PACE code of guidance.

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**CITY OF CARDIFF COUNCIL
CYNGOR DINAS CAERDYDD**



CABINET MEETING:12 NOVEMBER 2015

CITY OF CARDIFF COUNCIL DAY OPPORTUNITIES STRATEGY

REPORT OF DIRECTOR OF COMMUNITIEs, HOUSING & CUSTOMER SERVICES

AGENDA ITEM: 8

PORTFOLIO: HEALTH, HOUSING & WELLBEING (COUNCILLOR SUSAN ELSMORE)

Reason for this Report

1. To agree in principle to the approach to Day Opportunities in Cardiff.
2. To agree for consultation to take place on the proposed Day Opportunities Strategy

Background

3. The City of Cardiff Council's Corporate Plan 2015-17 has set out 'Supporting People in Vulnerable Situations' as a key priority, along with the aim that 'People in Cardiff are supported to live independently'. These priorities have framed the basis for the new proposed Day Opportunities Strategy.
4. Currently the strategy for the provision and delivery of services for older people is set out in the City of Cardiff Council Older People's Strategy 2014-2017. That Strategy outlines what the City of Cardiff has to achieve to meet the needs and outcomes of older people with social care needs living in Cardiff.
5. The Social Services Well-being (Wales) Act 2014 creates a new legal system for social services which will be implemented from April 2016. The new act aims to address a number of challenges faced by public services in Wales, including demographic changes, increased expectations from those who access care and support, as well as continuing hard economic realities. The act will promote equality, improve the quality of services and enhance access to the provision of information that people receive. It will also encourage a renewed focus on prevention and early intervention.
6. The population in Cardiff is expected to grow (and age) substantially over the next 15 years. The latest projections predict that total population over 85 will increase by 12% in the next 5 years, and 48% in the next 15

years. Numbers of people in Cardiff with dementia is projected to rise by 10% in the next 5 years and 43% in the next 15. It is important that any new strategy not only meets the current demand, but is flexible to be fit for purpose over the medium and longer term.

7. The expectations of this growing population are also changing. New and future service users rightly expect more choice, and better quality and control over the support they receive. It is this that informed the budget consultation in 2014, where the council asked a series of questions on day services for older people. It is on the basis of the subsequent feedback that the new model has been built.
8. It is important that we meet individuals' and carers' needs through working with partners and the community to efficiently achieve the best outcomes for older people.

Day Opportunities Strategy

9. The aim of the City of Cardiff Council's Day Opportunities Strategy is to prevent social isolation and enable older people to achieve their chosen outcomes based on individual level of need by:
 - o Providing information, advice and assistance to encourage independent access to social activities and engagement opportunities
 - o Providing assistance to those who need it to access community services and activity through targeted intervention and support
 - o Supporting the most vulnerable through high quality specialist day services
10. The proposed new Day Opportunities Strategy can be found at appendix A to this report.
11. The strategy sets the foundations for a more locality based approach to service delivery for social care services in the future. The overall objective is to integrate both Council and partner services more effectively to improve outcomes and reduce service duplication, which is essential at a time of increasing demand and reducing financial resources.
12. The suggested changes to current council service delivery can be achieved within existing day opportunity revenue budgets.

Day Centres

13. Based on extensive research into current and projected future demands, and on the approaches taken by other local authorities (in addition to taking into account previous consultation), the proposal is for continued investment in a building-based approach for those with high needs only.

14. The investment will be in three day centres, to include a specialist dementia centre and two centres to support individuals with high care and support needs.
15. Phase 1 proposes the use of existing buildings: the location of the Dementia Centre at Grand Avenue, Ely; and two High/Complex Needs Centres at Minehead Road, Llanrumney and Pwllmelin Road, Fairwater. Phase 2 will incorporate the development of the existing or a new purpose-built building facility to meet current and future demand.
16. The Dementia Centre will cater for all specialist dementia support, including current commissioned day centre provision, from one site and will look to work jointly with Health and other partners with a view to a future co-located Health and local authority Dementia Centre.
17. The proposal for High/Complex Needs Centres is subject to further consultation and research in order to better understand reablement and prevention outcomes for older people in terms of delivery from a building-based approach.

Meals on Wheels

18. This is a discretionary service and the previous proposal looked to cease the council's delivery of Meals on Wheels; however, after further investigations and analysis, and importantly after listening to the customers who already benefit from this service, it is proposed to retain and expand the service.
19. Clients who currently use the Meals on Wheels service have an identified eligible need. For some if the current service was removed their needs would still require to be met in other ways. Analysis of the impact of service removal has identified that alternative options would incur additional costs to the council and would be higher than the subsidy required to continue the existing service.
20. Therefore, it is proposed to expand the service through increasing uptake via rebranding, greater awareness and marketing on a cost recovery basis. This includes a review of pricing to determine the level that delivers a financially sustainable model encompassing any required capital investment.
21. Currently the service cost is £2.90 per meal and 60p per dessert. The proposal is to consult on a price of £3.90 per meal and 60p per dessert, and to explore the options of providing a cold evening meal or sandwich for those who wish to receive this.

Luncheon Clubs

22. Luncheon clubs play an important role in addressing social isolation and ensuring that individuals receive a hot nutritious meal. There are currently 30 luncheon clubs known to the council that operate in Cardiff; of these, 3 operate from council owned buildings and 2 receive additional council funding.

23. It is proposed that the council helps all community groups to become self sustaining and that current funding is removed over future years to be reinvested into the recreation of a Day Opportunities Team.

Day Opportunities Team

24. It is proposed that a Day Opportunities Team (DOT) is created that will support individuals in accessing community facilities. The team will provide targeted support to provide either short-term assistance to help older people take the first steps towards increased independence, or arrange for low-level longer-term intervention, where this is required.
25. The service will take a neighbourhood approach to supporting social engagement – providing carers to assist individuals with low level care and support needs to access day opportunities within the community (including Luncheon Clubs).

Community Transport

26. The success of the strategy relies on the ability of individuals to access council and universal services. Therefore, it is proposed that current funding levels are maintained and, where possible, the benefits of this funding are accessible to those who need it.

Volunteering

27. A successful model in developing sustainable services for the future is the use of volunteering to enhance community networks and build on the knowledge and talents of local people. Not only does volunteering provide additional support and assistance to older people, those that volunteer often gain much from the experience as the people and communities they help by learning new skills, giving something back and meeting and making new friends.
28. There are already a number of successful initiatives whereby volunteering is leading to improved outcomes for older people. One of which is the Health & Active Partnership (HAPS) pilot project which has been funded to explore volunteer-based service delivery addressing the social isolation of older people. To date, 186 volunteers have successfully been recruited to the project and the proposal is to build on this successful pilot and recommission the service.
29. Additionally, our intention as a Council will be to work with the wide range of partners to develop a 'Team Cardiff' approach which links these opportunities to make it easy for people to find out where they can access them. One factor which has enabled the community to get more involved in developing support for older people has been the use of Time Credits.

Consultation

30. It is essential that the council's approach to the Day Opportunities Strategy is designed to achieve the best outcomes for individuals. It is

subsequently proposed that an extensive consultation exercise is undertaken with users and stakeholders including:

- Existing service users
- Older peoples groups, e.g. 50+ forums
- Employees
- Third Sector and community groups
- Trade unions
- Ward Members

31. The strategy is being presented to the Communities and Adult Services Scrutiny Committee on the 4th November for pre-decision scrutiny and their comments are captured in the scrutiny letter at Appendix B.
32. The Day Opportunities Strategy is a city-wide approach; however, it is acknowledged that aspects of the strategy have some specific issues with regard to location. Therefore, the proposals in relation to day centres and luncheon clubs have undergone consultation prior to the publication of this report.
33. The trade unions and staff have been briefed on this report.

Reason for Recommendations

34. These recommendations enable consultation to take place with service users and stakeholders prior to implementation of the new Day Opportunities Strategy.

Financial Implications

35. There are a number of potential financial implications arising from this report, the details of which will need to be assessed following the consultation and reflected in the Council's Budget for 2016/17. It is currently anticipated that overall, any proposed changes to service delivery can be met from within existing revenue budgets. Any future capital costs would need to be reflected in the Council's Capital Programme and approved as part of the Budget.

Legal Implications

36. The proposed recommendation, put simply, is to seek Cabinet's approval to undertake consultation with regard to the draft Day Opportunities Strategy.
37. It should be noted that the carrying out of consultation with the public and any interested party, gives rise to a legitimate expectation that the consultation exercise will be carried out properly. In particular that (i) the consultation is undertaken at a time when the proposals are still at a formative stage, (ii) that sufficient reasons for the proposals are set out so as to allow those being those consulted to give intelligent consideration and an intelligent response, (iii) sufficient time is given for the consultation to allow for consideration and response and (iv) the

outcome of any such consultation is taken into account in determining the way forward. Legal Services understands that is how the Directorate intends to proceed. Further, that the Directorate intends to report back to the Cabinet upon the findings of the proposed consultation.

38. Legal Services notes from the body of the report that the draft Strategy has been drafted to take account of the new Social Services Well-being (Wales) Act 2014 ("the 2014 Act"). The 2014 Act became law on 1 May 2014 with the majority of its provisions due to come into force in April 2016. One of the key objectives of the 2014 Act is to improve the well-being outcomes for those who need care and support, and for carers who need support. To that end, and when the relevant provisions come into force, the Council will have a duty to promote the wellbeing of people in need and of carers pursuant to Section 5 of the said Act. Section 15 of the 2014 would also appear to be appurtenant to the proposal set out in this report. Put simply, the provisions of Section 15 will place a general duty upon the Council to provide services that, amongst other things, will prevent, delay or reduce needs for care and support and enable people to live their lives as independently as possible.
39. In considering this matter the decision maker must have regard to the Council's duties under the Equality Act 2010. Pursuant to these legal duties Councils must, in making decisions, have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are: (a) Age, (b) Gender reassignment, (c) Sex, (d) Race – including ethnic or national origin, colour or nationality, (e) Disability, (f) Pregnancy and maternity, (g) Marriage and civil partnership, (h) Sexual orientation (i) Religion or belief – including lack of belief.
40. Consideration should be given as to whether an equalities impact assessment (EQIA) is required, (including an updated assessment if there has been a time lapse since the assessment was carried out), to ensure that the Council has understood the potential impacts of the proposed decision in terms of its public sector equality duty.

HR Implications

41. The Trade Unions and affected employees have been consulted on the proposals for consultation within this report. Further consultation with all parties will take place once a decision is made by Cabinet. At the present time, and based on the proposals for consultation it is not envisaged that there will be any changes in numbers of resource required however there may be a need to a different skill set and therefore training may be required.

RECOMMENDATIONS

Cabinet is recommended to agree that consultation be carried out upon the draft Day Opportunities Strategy (a copy of which is attached to Appendix A),

with the matter to be brought back to Cabinet in order to report upon the outcome of the consultation.

SARAH MCGILL
DIRECTOR
6 November 2015

The following appendix is attached:

Appendix A - Draft City of Cardiff Council Day Opportunities Strategy
Appendix B – Letter from the Chair of Community & Adult Scrutiny Committee

My Ref: Scrutiny/Correspondence/Cllr McGarry

5 November 2015

Councillor Susan Elsmore
Cabinet Member (Health, Housing and Well Being)
c/o Room 520
County Hall
Cardiff
CF10 4UW



Dear Susan

Community & Adult Services Scrutiny Committee Meeting – 4 November 2015

Members thank you, Andrew Cozens, Tony Young, Sarah McGill, Jane Thomas and Amanda Phillips for your attendance at committee to discuss Reshaping Adult Social Care and the proposed Day Opportunities Strategy. This letter captures the agreed comments and observations of the Committee with regard to these items.

Reshaping Adult Social Care

Members welcome the focus that you have brought to the need to reshape adult social care in Cardiff in order to improve outcomes for vulnerable citizens. Members also welcome the chance to receive an independent appraisal of the current position with regard to adult social care in Cardiff and thank Andrew Cozens for his honesty in answering our questions.

Overall, Members recognise the picture described by Andrew. We are pleased that the hard work, loyalty and commitment of the adult services staff was acknowledged and paid tribute to; this was heartening to hear. Despite this, it is clear that there are significant areas that require improvement and Members are pleased that Tony Young has therefore established an Improvement Board, which will give the needed work both focus and drive. It is clear that high level mapping of the landscape has taken place; what is needed now is for the detail to be fleshed out in the Improvement Plan.

Members note that a key early action is the need to create a simple narrative for adult social care that captures the 'Cardiff offer' and can be quickly communicated and understood by staff, service users and citizens. Members are interested in

receiving this, once it has been discussed and agreed by the Improvement Board, and ask that this be shared with the Committee at an appropriate point.

Members note that Andrew Cozens is undertaking more work on partnerships; we would be very interested to receive the findings of this work as we recognise the critical importance of effective partnership working to improve outcomes for citizens.

With regard to the overall work of the Improvement Board, Members are aware of the role the Children & Young People Scrutiny Committee played in assisting improvement in Children's Services; as the relevant scrutiny committee for Adult Social Care, Health, Housing and Communities, we wish to do what we can to support this Improvement Board and we were pleased to hear Tony Young's support for this happening; I look forward to continued dialogue with you on this.

Members also wish to thank Sarah McGill for her presentation outlining the Vulnerable Adults programme of work, which forms part of the Organisational Development programme. This work, alongside the Strategic Commissioning programme, is obviously key to ensure the successful reshaping of adult social care.

Our one concern relates to achieving clarity in knowing whether the changes deliver the needed improvements. I know this view was shared by all those attending the meeting, which is reassuring. Members would like to receive details of the following: the metrics that will capture the impact of changes; and the approaches being taken to ensure time and resource are not wasted replicating meetings or paperwork, across relevant Organisational Development programmes, the Improvement Board, the various partnership boards, the service area's delivery plan etc.

Once again, thank you for sharing with us your views and plans to reshape adult social care and the principles underpinning this.

Proposed Day Opportunities Strategy

Members thank you and officers for bringing the proposed Day Opportunities Strategy to Committee for pre-decision scrutiny. Members welcome the fact that the original proposals put forward in the last budget round have been revisited; at the time of budget scrutiny we raised our clear concerns that the proposed savings would not enable 'choice and control' It is therefore very pleasing to see these concerns addressed in the proposed Day Opportunities Strategy.

Overall, Members welcome the Day Opportunity Strategy and the principles underpinning this, working with partners and encouraging volunteering. The tiered approach seems to enable the Council to meet assessed needs appropriately and prevent social isolation by keeping three day centres, creating a Day Opportunities team and signposting to community provision.

Members also welcome the fact that a three month consultation period is proposed; this seems an appropriate length of time for consultation on an issue affecting vulnerable people, their carers and families. Members wish to receive the resultant consultation schedule and ask that this be brought to Committee at the time the final proposal is brought back to Committee.

Members note that the Day Centres will be available to clients other than Older People, if their needs are assessed as requiring this, so that it may be a client with young onset dementia who uses the dementia centre or it may be a client in their thirties or forties who uses one of the other two proposed centres, if this is suitable for their needs. Members welcome this, for the reasons stated at the meeting i.e. that there are younger-age clients who need day centre provision and we would wish to see this need met.

As discussed at the meeting, Members have some concerns about the capacity in Cardiff amongst partners and volunteers; it will be interesting to see if this is a theme in consultation responses.

Members are also concerned that there may be unintended negative impacts arising from putting high numbers of dementia clients in one venue; is it possible to provide Committee with some reassurance about the numbers of clients who will be using the proposed centre at any one time and the views on this of experts in working with dementia clients?

Members also raised the point that the Social Services and Well Being (Wales) Act 2014 details the role of local authorities in promoting and encouraging the use of social enterprises. Members note the responses at the meeting regarding your work with the Wales Cooperative Centre and officers views that some of the work described in the proposed Strategy could be undertaken by social enterprises in the future and Tony's recognition of the need to add this strand into the work being done to prepare for the implementation of the Act.

Finally, Members assume that transportation for service users will be put in place as required to enable access to the day centres; it may be worth spelling this out in the consultation to avoid unnecessary concern.

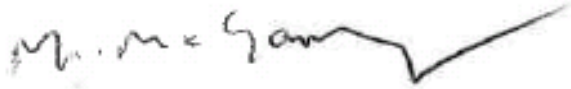
This letter requires a response please, as Members request the following:

- To receive the narrative for Adult Social Care, once it has been discussed and agreed by the Improvement Board, and at an appropriate point
- To receive the findings of Andrew Cozens work on partnerships
- To have a continued dialogue with you on how this Committee can work constructively to support the improvement of Adult Social Care

- To receive details of the metrics to be used to capture the impact of the improvement work
- To receive details of the work to ensure there is no duplication regarding meetings or paperwork
- To receive the Day Opportunities Strategy consultation schedule at Committee at the time the final proposal is brought back to Committee.
- To receive assurance about the numbers of clients who will be using the proposed centre at any one time and the views on this of experts in working with dementia clients.

Thank you once again for a very interesting and informative scrutiny, which sets the scene for future scrutiny of adult social care items.

Yours sincerely,



COUNTY COUNCILLOR MARY M^CGARRY

Chairperson - Community & Adult Services Scrutiny Committee

Cc: Andrew Cozens Tony Young Sarah McGill
Jane Thomas Amanda Phillips
Claire Deguara Paula Angel Liz Patterson Nick Blake

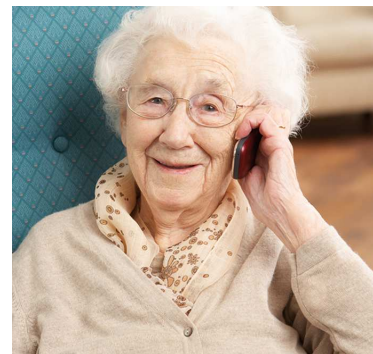
City of Cardiff Council

Draft Strategy for Older People's Day Opportunities – Proposals for consultation



Independent
Living Services
One point
of Contact

“ People in Cardiff are Supported to Live Independently ”



“ Supporting People in Vulnerable Situations ”



“ Working together for a brighter future ”

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Introduction

This paper outlines the strategic direction that the City of Cardiff Council will take in developing Day Opportunities for older people and their carers. It forms the basis for a series of consultation events that will take place with a range of stakeholders, including existing and future service users.

The City of Cardiff Council strives to deliver its vision of becoming Europe's most liveable capital city, this can only be achieved if all residents have the opportunity to benefit from what the city has to offer. This strategy builds on the council's key priority of "*Supporting People in Vulnerable Situations*" by ensuring "*People in Cardiff are Supported to Live Independently*".

Day Opportunities for the purpose of this strategy are defined as all the opportunities for older people to do things, whether in the day, evening or weekend. A range of activities on different days of the week, in different venues, that maximise independence and are suited to individuals' needs and interests

Legal Framework

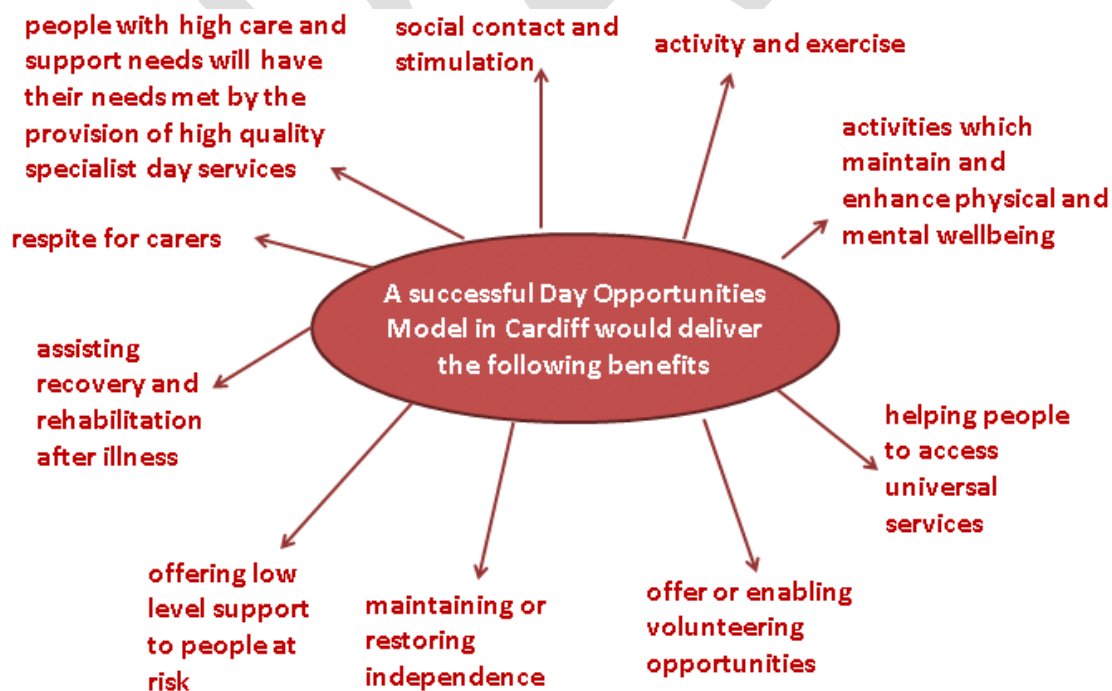
All local authorities have a statutory obligation to meet the assessed eligible needs of older and disabled people.

The Social Services Well-being (Wales) Act 2014 creates a new legal system for social services. The current models of social care provision across Wales are acknowledged to no longer be sustainable, with services under pressure due to increased demand and reduced budgets. The Act provides the legal framework for achieving the vision, in partnership with national and local government, NHS, third sector organisations and independent providers. The Act places a duty on local authorities to promote the well-being of people who need care and support, and their carers. According to the Act, local authorities are to ensure that there are services that contribute "*towards preventing or delaying the development of people's needs for care and support*".



The Day Opportunities Strategy reflects the direction of travel within local and national strategies and research policies (including The Strategy for Older People in Wales 2013 – 2023 (Welsh Government), incorporating for example:

- A focus on the outcomes that service users and carers wish to achieve
- A reablement approach placed at the heart of all service delivery
- A greater focus on prevention, promoting well-being and delivering services in settings which are more convenient to the people that use them
- A change of service delivery to ensure readiness for the projected increase in the number of older people in Cardiff, including an increase in the number of people with dementia
- The “mainstreaming” of older people’s concerns across all service and policy areas so that older people receive more positive engagement, have more opportunities to contribute to Cardiff and to their local communities, and to enable older people to live as actively and independently as possible in a suitable and safe environment of their choice.



Drivers for Change

Population

The population of Cardiff has risen sharply in recent years, and is forecast to continue for the foreseeable future. This is largely due to Cardiff's appeal as a great place to live and work driving migration to the city, and is clearly a sign of economic and social success. Increases in working-age population will inevitably be followed by increases in the numbers of elderly retired people, as incomers to the city age and retire, and as elderly people move into the city to be near to their families and to access the city's amenities and services.

A review of the population of Cardiff aged 65 or over shows that this population is now starting to increase after two decades of no significant change. Most demand for social care services, however, comes from those individuals aged 85 or over and it is this group that is predicted to have the highest increase over the next 5 to 15 years.

	Present 2015	2020	% increase 2015 - 2020	2030	% increase 2015 - 2030
Total population aged 65+	49,675	54,492	10%	68,924	39%
Total population aged 85+	7,428	8,326	12%	11,107	48%
Population aged 65+ with dementia	3,598	3,943	10%	5,154	43%
Population aged 65+ unable to manage 1+ mobility activity	9,374	10,283	10%	13,188	41%
Population aged 65+ who are obese	10,704	11,783	10%	14,728	38%

Changing Expectations

New and future service users have experienced a better living standard than ever before, and they expect that to continue into old age. They rightly, expect more choice, better quality, and control over the support they receive. Therefore, this strategy needs to see service users and their carers as consumers rather than passive recipients of services. The success of this strategy will be determined by the delivery of outcomes that matter most.

The impact of Loneliness

More and more research reaffirms what people already know; that happy and sociable lives are key to healthy, long life. It is later in life that people are particularly at risk of loneliness, especially following the loss of a partner or close friends. According to Age UK's figures, 7 per cent of people over 65 across the UK say they always or often feel lonely. This figure rises to 33 per cent for those who sometimes feel lonely are included. It is widely recognised that loneliness and social isolation are harmful to health. Research shows that lacking social connections can be as detrimental as smoking 15 cigarettes a day (Holt-Lunstad, 2010). Further to impacting on mortality, social networks and friendships also help individuals to recover and regain their independence when they fall ill (Marmot, 2010).

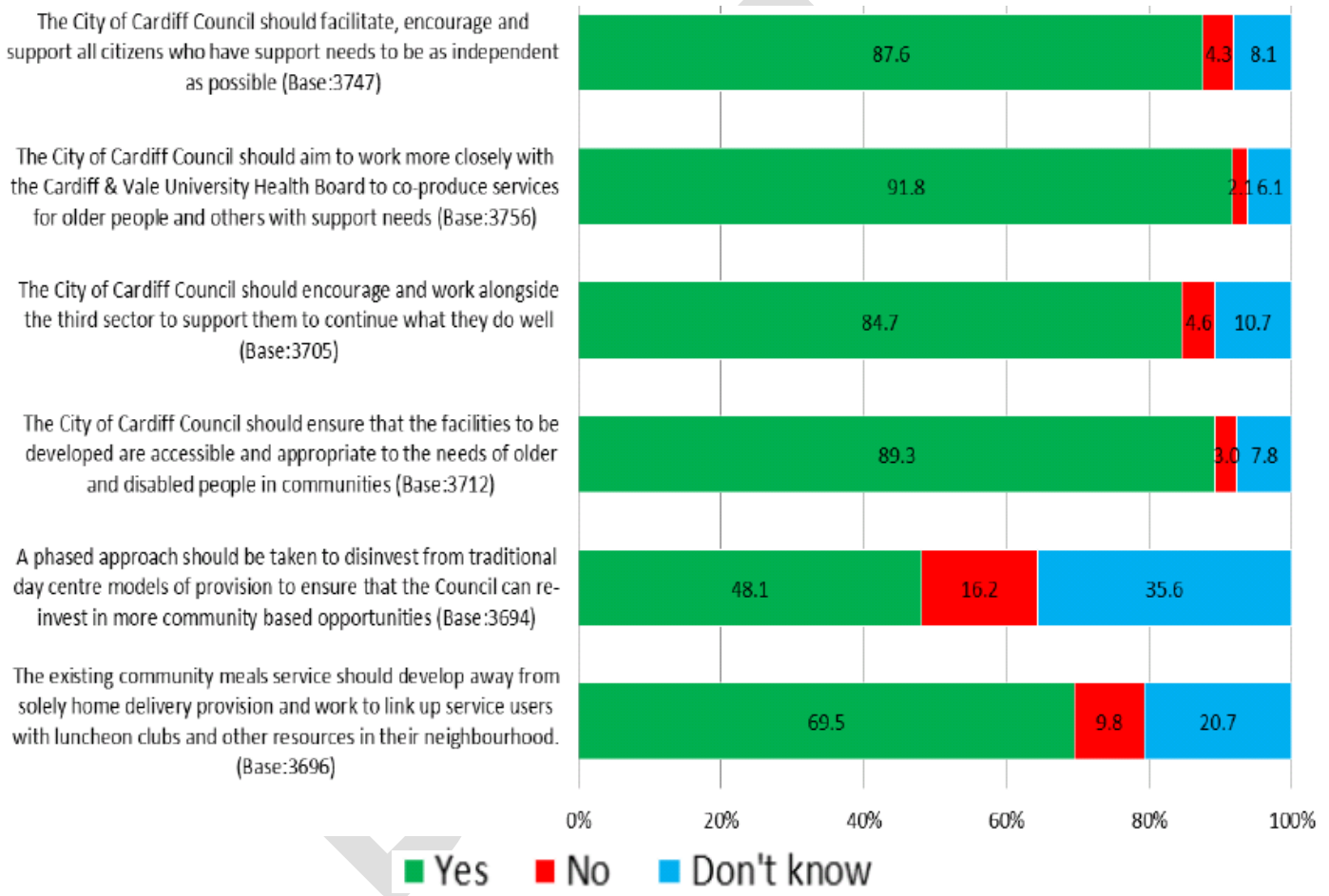
Budget Resources

Like all other authorities, the City of Cardiff Council is facing unprecedented financial pressures at the same time as demands on services are increasing. This has meant that the authority must ensure that all council spending is focused on the areas that are most important and make the biggest difference. It also means we need to make sure that each pound goes as far as possible through working successfully with partners and community groups.



Previous Consultation

As part of the budget setting process for 2015/16, the council carried out a series of consultation events. These took place within the Changes for Cardiff Budget Proposals, which ran from 21st November 2014 until 12th January 2015. It was the City of Cardiff Council's most far reaching city-wide public consultation which included service-specific consultation with service users/groups to discuss the organisations' budget proposals. The results relevant to Day Opportunities are displayed below.



Disinvestment in traditional day centre models received the least support, with 16.2 % of respondents disagreeing with this strategy. 9.8% opposed the development of community meals away from solely home delivery.



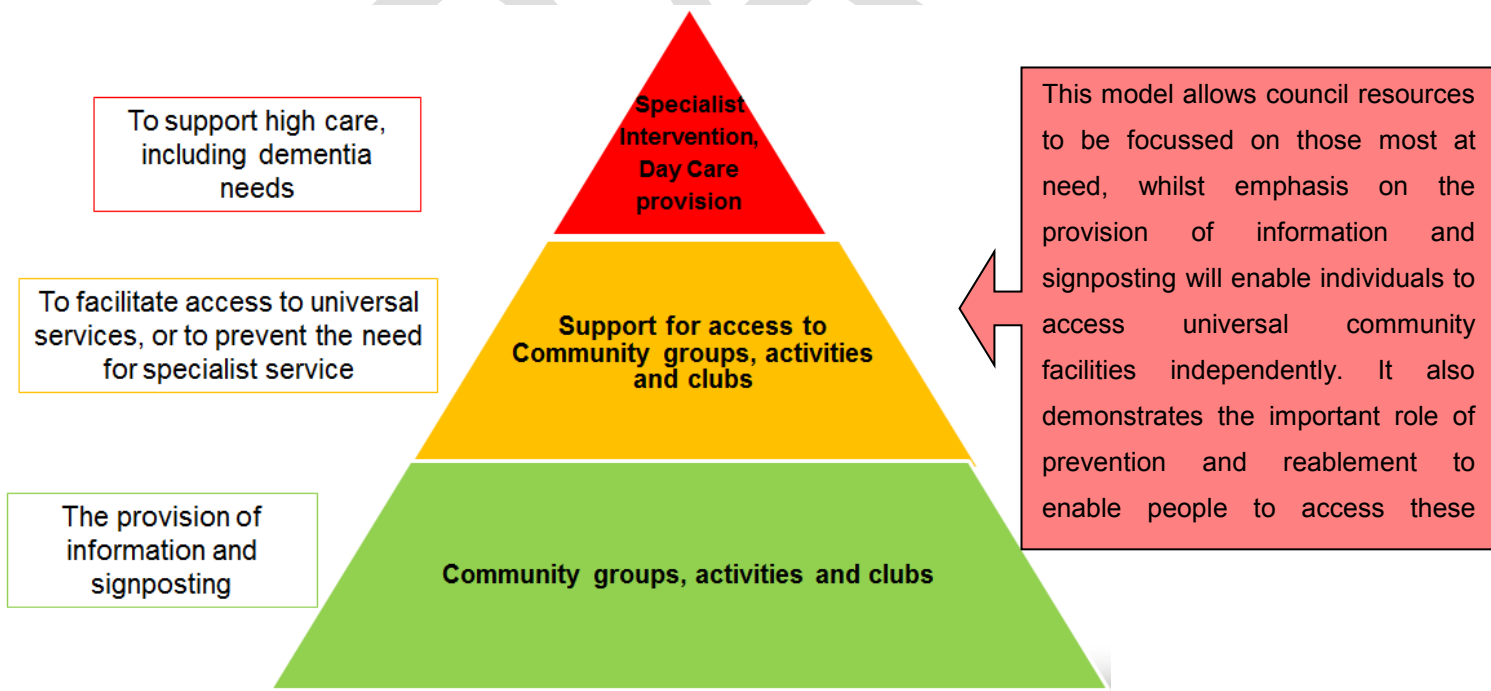
Vision for Day Opportunities in Cardiff

After considering the strategic context and building on the authority's key commitment to "Supporting People in Vulnerable Situations", and the goal that "People in Cardiff are Supported to Live Independently" as per the Council Corporate Plan 2015-2017, it is proposed that the Day Opportunities Strategy will aim to prevent social isolation by enabling older people to achieve their chosen outcome by:

- Providing information, advice and assistance to encourage independent access to social activities and engagement opportunities
- Providing assistance to those who need it to access community services and activity through targeted intervention and support
- Supporting the most vulnerable through high quality specialist day services

3 Tiered Day Opportunities Model

The delivery of this vision is based on the following proposed model in Cardiff. The purpose of this three tiered model is to differentiate between types of day services based on the needs of the service user.



Community groups, activities
and clubs

Tier 3: Access to Universal Services

Tier 3 covers all of the older population with no or low level care and / or support needs. It incorporates the universal services that are available in Cardiff, such as the community groups, activities and clubs that either are designed for or are accessible to older people. This can include mainstream services such as libraries, hubs and leisure centres, or groups and activities such as luncheon clubs, arts and crafts, knitting groups, local history groups, or sports clubs.

To encourage take up of these activities, it is recommended that people who would benefit from joining or attending these events are provided with information and, where possible, signposted to existing community facilities. Through the **One Point of Contact** people who feel lonely or isolated, or have low level needs, can ring and be provided with information and signposted to services in their community. If there is an indication that there are low level needs which may require targeted intervention or support, individuals will be referred through to the appropriate service that will assess their needs and aim to find solutions to support them.

In order to capture valuable community knowledge, it is important that a directory of all services is created. This will ensure the One Point of Contact has the required information to provide to individuals. It is also proposed that this is made accessible online.

CASE STUDIES

Mr X who lives alone, socially isolated and living away from family. He has long term poor physical health and suffering depression. He also has great difficulty doing his shopping, collecting prescriptions and meeting people. Following a call to the One Point of Contact Mr X was:

- Informed of his housing options
- Referred to the befriending society
- Identified as a former service man with the Welsh Guard and arranged for them to visit
- Evaluated for his personal care needs
- Identified as being entitled to Attendance Allowance



Tier 2: Targeted Interventions and Support

Targeted Intervention and Support

At the tier 2 level are those people who require low level support to access day opportunities. The aim at this level is to remove the barriers which may prevent individuals from accessing community groups, activities and clubs, and to prevent people from requiring specialist support.

To deliver this aim, the council is proposing to create a Day Opportunities Team (DOT) that will help people live within their community. To do this, individuals will be helped to access activities that either support their needs or hobbies and interests ideally through short term intervention

There will be individuals who require a small amount of low level support to enable them to access universal services within their community. The team will provide a targeted period of assessment and goal setting intervention, lasting for approximately 6 weeks and focusing on activities such as confidence building and using public transport, which for many people will enable them to be independent thereafter in accessing community-based universal activities. The DOT team will assess and identify the type and amount of support necessary for individuals to access these services as independently as possible within their range of functional ability. If they need ongoing support this could be met by the use of a volunteer or the provision of a small care package to fulfil the personal care or support needs of individuals.

It is recognised that ensuring the necessary facilities are available at community venues is half of the challenge, while the other is having people at these venues who can either help individuals to access services, or provide low level care. To address this, it is proposed that a Neighbourhood Care Team is created. Working across neighbourhoods, this team will actively encourage the take up of day activities in their area. This could include:

- Scheduled attendance at a hub, library or leisure centre to allow individuals to access these facilities with the reassurance that there will be on-hand support for their care needs.
- Help to arrange transportation of individuals to access day opportunities in their local area.
- Assistance with attendance at luncheon clubs, to enable some luncheon clubs to accept individuals that require additional support.

CASE STUDIES

Mr M 87 years of age – was referred to the service to help him to find and access social opportunities in the community. He has limited mobility and communication difficulties arising from a stroke. Mr M was assessed to determine his capabilities, strengths and difficulties and to identify his likes and dislikes. He was accompanied by the Day Service Support Officer to a range of facilities and was encouraged to engage in conversation with other people throughout these visits. Over a period of 6 weeks, Mr M grew in confidence when conversing in social situations, and also in going out and walking around public areas. Mr M has now used the contacts he has made and has a full itinerary of events and groups to start attending in September. He has made his own transport arrangements; including sharing a lift with a member of one of the groups he will be attending.

Mr J 73 years of age – was referred to the service to assess his ability to independently access community-based activities. It was hoped that this would provide stimulation and activity for him and would also provide respite care for his carer. Mr J had little confidence in functioning without the support of his carer. Over a period of 6 weeks he has been supported to access various community gardening projects, which are of particular interest to him. He is now regularly attending one of these community gardening projects. Mr J was also interested in being able to go into the city centre. He has been supported to use the shop mobility service and to access the VEST transport service and is now able to use both services independently. The outcome has resulted in Mr J's pleasure from his increased independence, and this time enables his carer to have a period of respite care.

Tier 1 Specialist Intervention

This level of intervention will be targeted at those individuals with the highest and most complex care and support needs, including support for individuals with moderate to severe dementia. It is anticipated that in the future demand for this will be reduced through successful prevention at tiers 3 and 2. To achieve the best outcomes for individuals and to best support respite for carers, it is proposed that services for Tier 1 are provided through specialist day centres:-

1. **A Specialist Dementia Centre** – for those individuals with moderate to severe dementia with an assessed eligible need. Providing this specialist centre will give an opportunity for developing a joined up service with Cardiff & Vale University Health Board and with Third Sector organisations. This service will support carers by providing respite care.
2. **High Needs Day Care Provision** – for those individuals with the highest and/or complex physical care and support needs. This service will support carers by providing respite care.

There are currently 3 day centres in Cardiff located at Minehead Road, Fairwater and Grand Avenue. It is proposed that existing buildings are used in phase 1 and following a review of the sites, it is proposed that Grand Avenue is best suited for the Dementia Centre and Minehead Road and Fairwater for the High/Complex Needs Day Centres.

Phase 2 of this strategy will require further consultation and will assess whether these buildings are capable of managing the long-term needs of service users. It is anticipated that this will require a full review of the service at that time, in partnership with Health to deliver either a fully refurbished day centre or a purpose designed and built building.



Commissioned Day Services

As part of this strategy, it is proposed that the current contract with the Alzheimer's Society is reviewed. It is recommended that all dementia day service is delivered from one council run building to enable for the right amount of support for those with the highest need. A more integrated service approach is to be developed in partnership with Cardiff & Vale University Health Board and it is anticipated that there will be other opportunities for joint working with third sector organisations.

Rationale for Tier 1 Proposal

The proposal is to continue investment in day opportunities for those with the highest need through a building-based day centre approach. It would not be appropriate to direct this group of clients to universal services as they would require having their needs met through alternative more costly care. Analysis has shown the building based approach is better value for money whilst achieving better outcomes for individuals.

Individual day care support at home would not provide the opportunities for social interaction or meet the respite needs of carer. The respite that this gives is crucial for helping carers to continue caring.

The cost of providing day care is £40 per session
(max 5 sessions = £200 a week)
versus
If services fail and users need residential care =
up to £1,000

CASE STUDIES

Mr Q, 99 years old, cared for by wife. – Both feel that regular respite by day centre attendance 3 days a week is holding things together and is the only service they wish to receive.

Mr P, 82 years old, care package 7 days a week. – He requires a great deal of reassurance and supervision. Regularity and consistence of day centre attendance 5 days a week helps to sustain his wife's carer role.

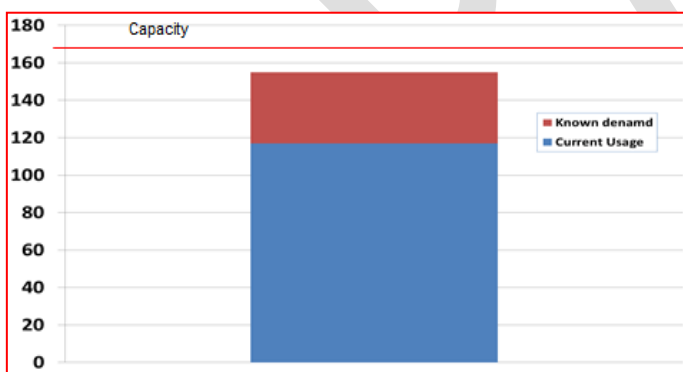
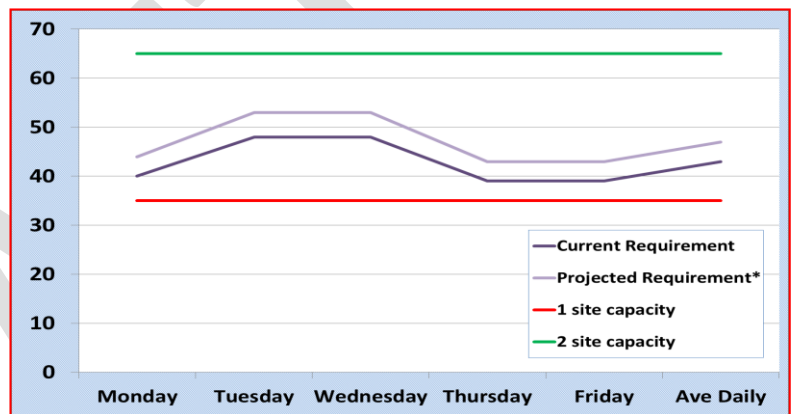
Mr H, 84 years old, attends day centre 1 day a week – This enables his daughter, with whom he lives and who is his main carer, to have a regular break from her carer role and prevents the need for a care package.

Rationale for Tier 1 Proposal

The number of older people who need this level of service has been fully analysed. This analysis looked at current usage and those currently waiting to access day centres, or those who require additional days. Work to capture future demand relating to an appropriate step down from health provision has started and that information has fed into the analysis. Based on this data, it is proposed that 3 day centres will be required.

High Needs Day Care

The graph on the right shows the daily attendance from this client group and the projected requirement over the next 3 years, against the capacity at Minehead Road and Fairwater.



Specialist Dementia Centre

The graph to the left shows the number of sessions required from current usage and the known demand (those requiring additional days or are on the waiting list) against the capacity (sessions per week) at Grand Avenue Day Centre.

This demonstrates that all 3 sites will be needed.



Building Community Capacity

Volunteering and Community Engagement

In Cardiff there is a growing number of people wishing to volunteer, ranging from retired professionals to young people seeking work experience and those wishing to return to work who may want to refresh skills or build up confidence. There are already a number of successful initiatives whereby volunteering is leading to improved outcomes for older people in undertaking activities. These include driving individuals to exercise classes and social opportunities, and also in befriending.

Not only does volunteering provide additional support and assistance to older people, those that volunteer often get as much out of the experience as the people and communities they help by learning new skills, giving something back and meeting new friends.

Time Credits has helped the community to get more involved in developing support for older people. Time Credits are a way of rewarding people by giving volunteers one credit for each hour of time they donate. The Credits have no monetary value, but can be exchanged for a 'spend' opportunity within a wide range of community and national organisations, including leisure activities and community events. Within the new Day Opportunities Strategy, the City of Cardiff Council proposes to support more volunteering and the use of Time Credits.

The volunteer portal will be a single 'gateway' into volunteering in the city, so people can easily search for volunteering opportunities and access the necessary support to guide them in terms of volunteering policies, Disclosure and Barring Service (DBS) and training assistance, etc.

Transport

Transport is crucial to enable access to universal services. The Council currently provides funding to support community transport and this funding is proposed to continue at current levels. The Council will also consider how to work alongside other partners to build greater sustainability into the transport infrastructure so that more of the people who need this service can access it.

Age Connects (HAPS)

The council has commissioned a pilot project from Age Connects (HAPS) to deliver a volunteer-based model of service to address the issue of social isolation and to support older people to be more engaged within their communities. To date, 186 volunteers have successfully been recruited to the project and it is proposed that we build on this. The evaluation of the project will inform the commissioning of a service going forward from April 2016.

I discovered I still had a voice

I feel like a normal person...she's taken me to the museum and out for a cup of tea

It has been very helpful...we go to Roath Park and have a cup of tea and I cannot go out alone

It makes a big difference to me – contact with the younger generation

Keeps me in touch with the community – don't feel left out

It makes a difference – she is the only person I see for any length of time

Luncheon Clubs

It is acknowledged that luncheon clubs have an important role to play in preventing social isolation. Across Cardiff, there are 30 luncheon clubs that the Council is aware of. These lunch clubs bring older people together to enjoy a hot nutritious meal and socialise with others at the same time. The lunch club is a focal point for a lot of older people during their week and the sustainability of these clubs is crucial.

Of the 30 clubs, 3 are run from council owned buildings and only 2 of these receive a council subsidy. The aim is for all luncheon clubs to be self-sustaining therefore, it is proposed that:

- Community groups will be helped to develop a self-sustaining model, and assistance will be provided to currently funded groups to become self-sustaining
- Where possible, existing community buildings and facilities will be used to operate luncheon clubs (Hubs, Churches, Restaurants, Pubs, Sport and Social Clubs etc.)
- Existing funding arrangements will be reduced over a period of time
- Additional support will be offered to these groups from the council 'Stepping Up' Team and C3SC and its national partner, WCVA. Both organisations have grant finding services and access to advice and information on grants currently available.

Meals on Wheels Service

Although a discretionary service, this provides an important service for individuals, as it provides regular hot meals and is an essential social contact for many older people. From previous consultation we know how much individuals and their families value this service. However, currently the service does not cover its costs and meals are therefore provided at a subsidy.

The Current Service

Monday to Friday service, with meals delivered between 11:15 and 2PM

£2.90 for a hot meal and 60p for a dessert

160 clients currently using the service

A fixed monthly menu, with variation for those requiring vegetarian or a soft or diabetic diet
etc

It is proposed that the council will work towards a self-sustaining model for the meals on wheels service including:

- Expansion of the service by increasing uptake through rebranding, greater awareness and marketing.
- Service to be offered on a cost recovery basis modelled on actual cost and predicted increase in service users by increasing the cost of a meal by £1.
- Service to be offered out to luncheon clubs, other community groups and sheltered housing.
- Additional choice, including the provision of an evening cold meal / sandwich for those that would benefit.
- More flexible use of the service, e.g. following hospital discharge or when families members are away.

Summary of proposals

Day Centres

- Continued investment in a building-based approach for those with high needs
- 3 day centres, including a specialist dementia centre and the provision of 2 centres to support individuals with high care and support needs.
- Review of current services for people with dementia provided by third sector organisations
- Phase 1 will involve the use of existing buildings and the location of the Dementia Centre at Grand Avenue. The 2 High/complex needs Centres will be at Minehead Road and Fairwater Day Centre. Phase 2 will incorporate the development of the existing or a new purpose-built facility to meet current and future demand.

Meals on Wheels

- The service is retained and expanded by increasing uptake via rebranding, greater awareness and marketing
- A price of £3.90 for a meal and 60p for a dessert, and to explore the options of providing a cold evening meal or sandwich for those wish to receive this.

Luncheon Clubs

- All community groups to become self-sustaining with available help and for the phased removal of current funding.

Day Opportunities Team

- Day Opportunities Team (DOT) is created that will support individuals in accessing community facilities.

Community Transport

- Current funding levels are maintained and, where possible, the benefits of this funding are accessible to those who need it.

Volunteering

- Creation of a volunteering portal to match volunteers with opportunities of interest to them or in their area
- Build on the Health & Active Partnership (HAPS) pilot project

One Point of Contact

- One Point of Contact providing advice and information tailored to their individual need, including signposting to local social activities and events.
- Directory of community based activities for both council and partners to use – this information to be developed and provided online for citizens to access directly or by telephone.