
BUDGET PROPOSALS 2015/16 AND DRAFT CORPORATE PLAN 2015-17

Reason for the Report

1. To provide Members with context for the scrutiny of those sections of the Council's draft *Corporate Plan 2015 - 2017* and draft Cabinet 2015/16 Budget Proposals that relate to the Portfolios and Directorates falling within the remit of this Committee.

Background

2. The Council's constitution allows for all Scrutiny Committees to scrutinise the draft budget proposals for consultation prior to their consideration by Full Council. The Committee's consideration of the budget will allow Members to feed its comments or recommendations to the Cabinet when it considers the draft budget proposals on 19 February 2015. The proposals will then be presented to Full Council on 26 February 2015.
3. The scope of the scrutiny is as follows:
 - The relevant sections of the *Corporate Plan 2014 - 17*, in terms of aims & priorities, actions and monitoring of implementation of these;
 - The relevant Budgetary Proposals in terms of their alignment with the *Corporate Plan* – to test whether they support delivery of the aims and priorities detailed in the *Corporate Plan*; and
 - The relevant Budgetary Proposals in terms of potential impact on service delivery, service users and citizens of Cardiff.

Structure of the papers

4. Attached to this report are a series of appendices which will aid Members in their scrutiny of the budget proposals:

Appendix A	Draft Corporate Plan 2015 – 2017;
Appendix B1	Communities, Housing & Customer Services – Controllable Budgetary Analysis 2014/15;
Appendix B2	Communities, Housing and Customer Services 2015/16 Budget Proposals – for Consultation;
Appendix C1	Sport, Leisure & Culture – Controllable Budgetary Analysis 2014/15;
Appendix C2	Sport, Leisure & Culture 2015/16 Budget Proposals – for Consultation;
Appendix D1	Economic Development – Controllable Budgetary Analysis 2014/15;
Appendix D2	Economic Development 2015/16 Budget Proposals – for Consultation;
Appendix E	Log of Changes to Savings Document since Consultation Version;
Appendix F	Employee Implications of Budget Proposals;
Appendix G	Draft Capital Programme 2015/16 - 2019/20;
Appendix H	Directorate Financial Pressures 2015/16;
Appendix I	Budget Proposal Consultation report (to follow);
Appendix J	Libraries Budget Proposal Consultation report (to follow).

5. Members should note that the final savings proposals for 2015/16, including changes to grant funding, will not be finalised until Cabinet papers are dispatched on Friday 13 February. The savings proposals included (**Appendices B, C and D**) are updated from the Budget Proposals – For Consultation released in the 20 November 2014 Cabinet Papers. They have been subject to a due diligence exercise undertaken by officers, which has resulted in some minor updates on the proposals. A change log of any amendments made is included at **Appendix E**, these include changes to the level of savings, changes to narrative, subjective

analysis of saving allocation and changes to the risk rating applied to savings proposals.

6. Appendices B, C and D have been colour- coded as follows:

Shaded light green - Communities, Housing and Customer Service Directorate proposals that fall within this Committee's terms of reference;

Shaded light blue – Sport, Leisure & Culture Directorate proposals that fall within this Committee's terms of reference;

Shaded pink - Economic Development Directorate proposals, which all fall within this Committee's terms of reference.

The lines that are greyed out in these documents fall under another Scrutiny Committee's terms of reference and will be scrutinised by them accordingly.

Structure of Meeting

7. The meeting will be structured by Directorate, with Cabinet Members and officers invited to attend the Committee and present their sections of the Corporate Plan and Cabinet Budget Proposals for Consultation 2015/16 (as amended for due diligence) that fall under their area of responsibility. The meeting will be structured as follows:

- Financial Overview and final Welsh Government settlement;
- Communities, Housing & Customer Services;
- Sport, Leisure & Culture;
- Economic Development.

8. The following Cabinet Members and officers have been invited to attend the Committee Meeting to present their relevant sections of the Corporate Plan and Draft Budget Proposals, and to answer Members' questions:

- Cllr Graham Hinchey – Cabinet Member, Corporate Services & Performance;

- Christine Salter – Corporate Director, Resources;
 - Cllr Peter Bradbury – Cabinet Member, Community, Development, Co-operatives & Social Enterprise;
 - Cllr Julia McGill – Cabinet Member, Education & Skills;
 - Sarah McGill – Director, Communities, Housing & Customer Services;
 - Cllr Bob Derbyshire – Cabinet Member, Environment;
 - Chris Hespe – Director, Sport Leisure & Culture;
 - Cllr Phil Bale – Leader, Economic Development & Partnerships;
 - Neil Hanratty – Director, Economic Development;
9. Cllr Graham Hinchey and Christine Salter have been invited to open the meeting with an overview of the final Welsh Government settlement, and how this has changed the budget position from the presentation all Members received in November 2014.

Summary of Draft Corporate Plan 2015 – 17

10. The draft Corporate Plan, attached as **Appendix A**, sets out the aspirations for the Council for the next three years. It sets out how the Council will to deliver the vision of ‘becoming Europe’s most liveable capital city.’ It also sets out that achieving this vision will not be easy, given population growth and financial pressures. ‘Population growth can put pressure on public services and infrastructures [...] this growth coincides with a financial landscape for public service delivery that has changed dramatically. The Council alone has had to make over £85m savings during the last three years. Over the next 3 years the figure will be around £124m, including around £48m in the next financial year.’
11. Seven shared outcomes are identified that need to be achieved if Cardiff is ‘to be Europe’s most liveable Capital City’. These are:
- People in Cardiff are Safe and Feel Safe;
 - People Achieve their Full Potential;
 - Cardiff has a Prosperous Economy;
 - Cardiff is Fair, Just and Inclusive;

- People in Cardiff are Healthy;
- Cardiff is Clean and Sustainable;
- Cardiff is a Great Place to Live Work and Play.

12. The Administration has identified four priorities. These are intended to will help to prioritise services, and inform the difficult decisions that have to be made. The priorities are:

- Education and skills for people of all ages;
- Supporting vulnerable people;
- Sustainable economic development;
- Working with people and partners to design, deliver and improve services.

13. Officers have been advised that the Corporate Plan has been drafted to address the issues raised by both Wales Audit Office and the Policy Review and Performance Scrutiny Committee. The draft Corporate Plan is specifically targeted to informed stakeholders, and a short, community facing version will be produced once the plan has been finalised. Completion of the plan will take account of Scrutiny recommendations, the outcome of the budget consultation, and feedback from the Member workshop held in January 2015. Additionally, the draft plan has been presented to the Challenge Forum for peer scrutiny, and feedback from the Forum will be taken into account.

14. The Plan confirms that each Directorate will publish a clear Delivery Plan which will continue to provide the clear lines of accountability and responsibility established by the Administration. The Corporate Plan, Directorate Delivery Plans and Organisational Development Plan will together shape dialogue with external stakeholders.

15. The Plan clearly sets out the level of financial challenge facing the Administration, Council and City, coupled with the demographic pressures creating additional need. The Administration commits itself to working closely with staff and trades unions in maintaining strong and effective services during a time of austerity and uncertainty.

Previous Committee Scrutiny of the Corporate Plan

16. This Committee regularly considers a final draft of the Corporate Plan at its February meeting, alongside the draft Budget Proposals. During its scrutiny of the 2014-17 draft Corporate Plan in February 2014, the Committee made the following comments and recommendations:

- Members were uncertain about the ability to deliver a number of Sport Leisure and Culture projects given current financial realities;
- Members were pleased the Corporate Plan included objectives to secure more Private Sector Funding to help deliver the Councils vision;
- Members found it hard to form a judgement on the achievability of objectives without hard targets being included. It was hoped that the Directorate Delivery Plans would provide this additional detail;
- Members would have liked to see specific indicators or objectives allocated to the Library service.

Council Wide Savings Proposals

17. Recent Budget Strategy Cabinet reports have identified that the Council finds itself with a funding shortfall of approximately £48 million for 2015/16 (before savings or Council Tax increase). This breaks down as follows:

BUDGETARY GAP:	£000
Cardiff Council Commitments	30,764
Directorate Financial Pressures	4,483
Welsh Govt RSG Funding Reductions	13,047
TOTAL GAP	48,294

Funded by:	£000
Directorate Savings (per consultation)	(32,745)
Targeted Corporate Efficiencies	(2,487)
Continuation of Budget Strategy Assumptions	(13,062)
TOTAL FUNDING OF GAP	(48,294)

18. The tables above outline the position at November 2014 when the consultation proposals were released, taking into account the Welsh Government's Provisional Settlement. The Final Settlement which was received in December 2014 resulted in a position that was £401,000 more favourable to Cardiff Council. This additional sum, along with updates of commitments, pressures and due diligence considerations will form part of the balanced position in February 2015.

19. City of Cardiff Council commitments are listed as comprising the following:

- Increased employee costs;
- Price inflation;
- Unavoidable commitments;
- Capital financing assumptions;
- Demographic growth;
- Policy decisions; and
- Realignment issues.

20. This budget gap can theoretically be met through the use of reserves, increases to Council Tax or through savings proposals. The Section 151 Officer has consistently advised that there is limited scope - if any - to use reserves to meet the shortfall. Directors have therefore been asked to put forward savings proposals in relation to their controllable budgets. There is a Welsh Government requirement to protect schools' budgets, in Cardiff by +1.00%.

21. The proposed 2015/16 budget consultation proposals set out savings of £33.004 million. Of these £15,044 million are savings from employee costs, £16.557 million from other spend, and £1.404 million from income.

22. To enable the Committee to understand the prioritisation of proposed consultation savings across Directorates, the table below sets out the level of savings proposals as a percentage of overall consultation budgets for each Cabinet portfolio, as per the table below.

Total Savings	Employee Costs £000	Other Spend £000	Income £000	Total £000	% of Total
Children's Services	1,285	1,410	0	2,695	8.17%
Communities, Housing & Customer Services	698	1,141	475	2,314	7%
Corporate Affairs (including County Clerk and Monitoring Officer and Human Resources)	249	747	250	1,246	3.78%
Economic Development	261	166	454	881	2.67%
Education & Lifelong Learning	1,991	469	418	2,878	8.7%
Environment	1,673	5,100	285	7,058	21.39%
Finance (including Resources)	1,122	207	708	2,037	6.17%
Health and Social Care	3,066	3,159	(10)	6,215	18.83%
Sport, Leisure & Culture	3,895	1,674	(2,006)	3,563	10.8%
Strategic Planning, Highways & Traffic and Transportation	154	739	729	1,622	4.9%
Corporate	650	1,745	100	2,495	7.56%
Total Savings	15,044	16,557	1,404	33,004	100%

23. Members will be aware that there is a requirement for every savings proposal to have an equality screening or (if the screening identifies a red or red/amber risk) a full equality impact assessment. Members have the opportunity to view those Equality Impact Assessments which were identified as potentially having a significant negative impact on the various protected characteristics, on the Council's website at www.cardiff.gov.uk/EIA.

Council Capital Programme 2015/16 to 2019/20

24. The proposed 2015/16 budget outlines capital expenditure proposals of **£715.583** million for the 2015/16 to 2019/20 financial years, of which £328.458 million is earmarked for 2015/16. The full Draft Capital Programme 2015/16 - 2019/20 can be found at **Appendix G**, and details of the individual Directorates' capital programme are included in the sections below.

Communities, Housing & Customer Services Directorate

Corporate Plan

25. Cllr Julia McGill (Cabinet Member – Education & Skills) and Cllr Peter Bradbury (Cabinet Member – Community, Development, Co-operatives & Social Enterprise) will be in attendance and will be invited to give a short statement on the sections of the *Corporate Plan* relevant to their Cabinet Portfolio, the Budget proposals for Consultation, and any key information raised through the Cardiff Debate consultation exercise. They will be joined by Sarah McGill who will provide a presentation on the Corporate Plan, Budget Proposals and Consultation Results for Communities, Housing & Customer Services relevant to the Committee's terms of reference.

Priority 1 – Education and Skills for People of All Ages

26. The *Corporate Plan*'s first priority is "Education and Skills for People of All Ages". The Plan states: *"The Council is committed to helping all citizens and communities achieve their full potential, and to developing a well-educated workforce that the city's growing economy requires. Creating an excellent and inclusive school system and high quality opportunities for adult learning are therefore amongst the Council's highest priorities."*

27. This Priority has three outcomes that the Council wishes to achieve:

- Every Cardiff School is a good school where learners achieve well (within the terms of Reference of the Children & Young People Scrutiny Committee)
- Looked after children in Cardiff achieve their full potential (within the terms of Reference of the Children & Young People Scrutiny Committee)
- Adult Learners achieve their potential

Outcome – Adult Learners achieve their potential

28. In relation to this outcome, the Draft Corporate Plan 2015-17 states (on **page 17 of Appendix A**):

'Adult Community Learning (ACL) is delivered through the Cardiff and Vale Community Learning Partnership, and offers a broad range of adult education courses that help support local people to meet their learning aspirations. The Council's contribution to ACL in Cardiff focuses on two key areas:

- ***Learning for Work:*** *This focuses provision on priority learners as defined by the Welsh Government, and these learners include those currently not in Education, Training or Employment and those aged 50+ who are currently unemployed. Key learning categories include English for Speakers of Other Languages and Basic Skills, Digital Literacy and Welsh medium provision.*
- ***Learning for Life:*** *This element provides opportunities for recreational lifelong learning courses on a cost recovery basis. These courses are available to all community members.*

The Cardiff and Vale Community Learning Partnership had an Estyn Inspection in January 2013 which highlighted areas of improvement required in the delivery of the service. The Council is now addressing these issues through the Post Inspection Action Plan, and will look to demonstrate improvement via further monitoring visits.

By increasing the number of accredited courses delivered to priority learners and improving levels of enrolment, the Council will support adult learners to achieve their full potential.'

29. The Draft Corporate Plan goes on to detail that in order to achieve this outcome the Council will:

- *Increase the number of accredited courses delivered to priority learners by March 2016.*
- *Increase the number courses for priority learners held in Communities First areas by March 2016.*
- *Increase enrolments for priority learners on a year by year basis by March 2016*

Priority 4 – Working with people and partners to design, deliver and improve services

30. The Corporate Plan states (on page 8) that the fourth priority of the Corporate Plan, *‘Working with people and partners to design, deliver and improve services’* contains specific objectives on ensuring sustainable long term provision of non-statutory but highly valued services such as cultural and leisure centres, libraries and community services. This priority, and the associated outcomes and actions can be found in **Appendix A, pages 26 – 31**.
31. In relation to this outcome, the Draft Corporate Plan 2015-17 states (on **page 26 of Appendix A**):
- “The Council recognises that there is an urgent need to change the way it delivers many services to ensure that their long term sustainability is secured and that underperformance in some statutory services is addressed. In order to do so, a three year Organisational Development Programme (ODP) has been established [...]”*
32. The Draft Corporate Plan 2015-17 does not provide explicit information with regard to how Libraries and community services are captured within Priority 4. Three outcomes are however provided that the Council wishes to achieve under this priority:
- Communities and partners are actively involved in the design, delivery and improvement of highly valued services
 - The City of Cardiff Council has effective governance arrangements and improves performance in key areas
 - The City of Cardiff Council makes use of fewer, but better, buildings
33. Of note for this Committee is one of the actions given under the outcome *‘Communities and partners are actively involved in the design, delivery and improvement of highly valued services’*, which states:
- Progress the agreed Community Hubs Strategy by opening a Grangetown Hub (September 2015), developing a new STAR Hub (March 2016) and bringing forward for consideration opportunities for future hub development in:*
- *Llandaff North*
 - *Fairwater*

- *Llanishen*
- *St Mellons*.

34. Members have the opportunity to scrutinise the above Projects and initiatives and the outcome measures contained within the draft *Plan*, to test their synergy with Budgetary proposals.

Draft Budget Consultation Proposals and Capital Programme

35. This report provides the Committee with an opportunity to consider the draft Cabinet consultation proposals and their alignment to the *Corporate Plan 2015 - 2017*, for the Communities, Housing & Customer Services Directorate which relate to this Committee's terms of reference. The proposals contain five key documents which are appended to this report:

- **Appendix B1: Controllable Budget Analysis 2014/15** - The financial information sheet provides the relationship between the 2014/15 controllable budget lines and budget proposals for the 2015/16 budget consultation. The Budget relevant within this Committee's terms of reference have been shaded **green**.
- **Appendix B2: Cabinet Consultation Proposals Summary** – This table provides a detailed analysis of the budget savings proposed for Communities, Housing & Customer Services, as well as showing the employees cost and the external spend element of the savings. The proposals falling within the terms of reference of this Committee are shaded **green**.

The savings proposals within this Committee's terms of reference total £767,000, and cover the following areas:

- Library and Community Hub Strategy – Line 31 - £100,000
- Review of Library Services – Line 32 – £283,000
- City Centre Superhub – Line 33 - £349,000
- Into Work Services – Line 34 - £35,000

These savings are broken down into the following categories:

Category	Saving
Employee costs	£351,000
Other	£431,000
Income	(£15,000)
Total	£767,000

- **Appendix F: Employee Implications** – This table provides a summary of the impact on posts across the Council. The employee implications of savings proposals within Communities, Housing & Customer Services are highlighted **green**.

- **Appendix E: Changes since Consultation Proposals** – This table provides a list of those proposals that have been amended since proposals were released in November, following a recent officer due diligence exercise. It indicates that no changes have been made to the proposals for Communities, Housing and Customer Services under this Committee's Terms of Reference.

- **Appendix G: Budget 2015/16 - 2018/19 – Capital Programme** – The extract from the draft Capital Programme provides an analysis of the Directorate's capital projects proposed over the next five years. To enable Members to identify those capital projects falling within the terms of reference of this Committee, the following lines have been identified:
 - Ongoing Schemes – Lines 27, 28 and 28.
Citizens Hubs, Pentwyn Community Facilities, STAR Hub.
 - New Capital Schemes – Lines 51
Community Hubs Programme.
 - Grant funded schemes – Line 73
Vibrant and Viable Places (Tackling Poverty) - Grangetown (Welsh Government).

Previous Scrutiny of Proposals

36. Following the approval of the 2015/16 Budget Proposals – For Consultation by The City of Cardiff Council’s Cabinet on Thursday 20 November 2014, this Committee has considered two items relevant to the proposals within the Communities, Housing & Customer Services Directorate. At the 4 December meeting, Members considered ‘Future Provision of Libraries Services in Cardiff – Options’ and at the 8 January meeting, Members considered ‘Stakeholder views - 2015/16 Budget Proposals – For Consultation’.

37. Following these items, the Committee agreed to write to Cllr Bradbury, Cabinet Member (Community, Development, Co-operatives & Social Enterprise) with a number of observations and recommendations. These are summarised below:

4 December 2014 - Future Provision of Libraries Services in Cardiff – Options

- The Committee welcomes the fact that this has been undertaken at an early stage, allowing for public consultation to take place, and publishing an options paper on the Council's website
- The Committee would be interested in receiving evidence of CyMAL’s viewpoint on the closure of Central Library to sustain seven community libraries, and also CyMAL’s point of view on the proposed future options as a whole
- It was clear to the Committee that research has been undertaken into the approaches taken in other local authorities across the United Kingdom, with a number of good examples referenced.
- The Committee was concerned at the level of proactivity by the Council in generating interest and supporting groups who may be in a position to take over the running of a library facility. Members were not convinced that a clear strategy was yet in place to attract community and commercial interest further than publishing a toolkit on the Council’s website
- Members had strong reservations about a consideration of charging the public to use Libraries, or to be a Library member. While they accepted it is an option that should be explored alongside others, Members felt it would

have a detrimental effect on deprived communities, and act as a disincentive to access services at Libraries.

- Members questions whether there will be a dramatic shift toward electronic formats books or magazines given that only 1% of books loaned out in Cardiff are eBooks rather than physical books

8 January 2015 - Stakeholder views - 2015/16 Budget Proposals – For Consultation'

- Members were concerned that these proposals for consultation could result in the loss of important community facilities that have naturally evolved into informal 'hubs' for the local area over a period of time
- Members were concerned that a number of the libraries proposed for removal of Council funding are in fact some of the most well used libraries in Cardiff. It seems unusual that some of the most popular libraries in the City are the ones this Council is proposing to cease supporting.
- The Committee was concerned that if no alternative operating model is secured for these libraries, the northern half of the city will be left with limited access to Library services, with the promise of a mobile library service in no way offering the same level of service as the current Library buildings.
- Members felt that the time and money simply isn't available for community groups to come forward with suitable alternative operating models for the libraries, particularly in the timeframe provided by the Cabinet's consultation period. They questioned whether it is realistic to expect community or friends groups to have the knowledge, skills and access to finance that will be required to take over the running of any of the other Libraries that potentially face having their Council funding removed.
- The Committee has reservations about the prospect of libraries in the city being solely run by volunteers without the support of a qualified librarian.
- Members feel that the closure of a local library would be more than just a loss of access to books. There will be an impact on the local economy, where shops and cafes benefit from the passing trade of those who are visiting the library.
- Members were concerned that the proposals for consultation in relation to Libraries, have created significant levels of discontent and unhappiness in

local communities, and questioned whether the relatively small levels of savings to be achieved through these proposals are really worth the large levels of public dissatisfaction created and the potential loss of important community facilities if no alternative operating arrangement is secured.

- The Committee had major reservations about proposals which may result in Libraries across the city closing if no alternative methods of operation can be found through commercial, community and partner involvement.
- In relation to Canton Community Hall, Members are concerned that a new operator will inevitably be profit driven, and that less profitable activities for adults with learning difficulties, or volunteer schemes that help keep young people off the streets, may no longer be provided. Members felt that the Council must put restrictions in place that will safeguard the access to services for some of the most vulnerable groups of individuals in the area, or must provide access to similar groups being run elsewhere in Cardiff.

Sport, Leisure & Culture Directorate

Corporate Plan 2015-17

38. Cllr Peter Bradbury (Cabinet Member, Community, Development, Co-operatives & Social Enterprise) and Cllr Bob Derbyshire (Cabinet Member – Environment) will be in attendance and will be invited to give a short statement on the sections of the *Corporate Plan* relevant to their Cabinet Portfolio, the Budget proposals for Consultation, and any key information raised through the Cardiff Debate consultation exercise. They will be joined by Chris Hesse who will provide a presentation on the Corporate Plan, Budget Proposals and Consultation Results for the Sport, Leisure & Culture Directorate relevant to the Committee's terms of reference.

39. The Corporate Plan recognises the importance of the Cardiff's sporting and cultural offer under the heading 'Delivering for Cardiff: Our Core Business' (page 10). This states;

*Supporting the city's **leisure and recreational offer** not only ensures that people in Cardiff have a wide choice of physical activities, but it also helps keep people healthy and reduces the likelihood of long term health problems.*

*Cardiff has a long and successful track record of delivering **major sporting and cultural events**. Hosting **Rugby World Cup matches and the first Test match in the Ashes Cricket series in 2015**, will again demonstrate the city's capacity to deliver globally recognised events.*

*Cardiff's reputation as a sporting capital is being matched by our **cultural offer**. Important events such as Cardiff Contemporary – a city wide festival of visual arts- points to how things can be done in the future. By working with artists and communities, art and culture is being taken out of museums and galleries and into the communities of Cardiff. It is an exciting agenda and a real demonstration of how the Council can continue to support the Arts in the future.*

Priority 4 – Working with people and partners to design, deliver and improve services

40. As outlined above in Paragraph 33-35, the fourth priority of the Corporate Plan contains specific objectives on 'ensuring sustainable long term provision of non-statutory but highly valued services such as cultural and leisure centres.' Of note for this Committee is one of the actions given under the outcome '*Communities and partners are actively involved in the design, delivery and improvement of highly valued services*', which states:

Establish the future cultural and leisure needs of the city and ensure the sustainable delivery of cultural and leisure infrastructure and services at less cost through new operating models, by June 2016.

41. This priority and outcome is also of relevance for the Parks aspect of this Committee's terms of reference. With one of the key actions being;

Commence implementation of a new approach to infrastructure services (which includes waste, cleansing, Parks, Highways, Design, Fleet and Facilities Management services) to improve effectiveness whilst reducing costs from 2016

Priority 3: Sustainable Economic Development as the Engine for Jobs and Growth

42. The *Corporate Plan*'s third priority is "Sustainable Economic Development as the Engine for Jobs and Growth". This Priority has two outcomes that the Council wishes to achieve:

- Cardiff has more employment opportunities and higher value employment.
- Cardiff has a high quality city environment that includes attractive public space and good supporting transport infrastructure.

Outcome - Cardiff has a high quality city environment that includes attractive public space and good supporting transport infrastructure

43. In relation to this outcome, the Draft Corporate Plan 2015-17 states (on **page 25 of Appendix A**):

'Economic success will be reliant upon much more than delivering major urban regeneration schemes. It will demand a much broader approach to ensure that the city's develops in a sustainable, resilient and inclusive manner.'

Creating sustainable communities, with high quality housing, great parks and open spaces and excellent transport links, will be a priority.'

One of the key measures in the achievement of this outcome is to 'Maintain the status of 9 green flag parks and open spaces in 2015/16'

44. Members have the opportunity to scrutinise the above Projects and initiatives and the outcome measures contained within the draft *Plan*, to test their synergy with Budgetary proposals.

Draft Budget Consultation Proposals and Capital Programme

45. This report provides the Committee with an opportunity to consider the draft Cabinet consultation proposals and their alignment to the *Corporate Plan 2015 - 2017*, for the Sport, Leisure and Culture Directorate which relate to this

Committee's terms of reference. The proposals contain five key documents which are appended to this report:

- **Appendix C1: Controllable Budget Analysis 2014/15** - The financial information sheet provides the relationship between the 2014/15 controllable budget lines and budget proposals for the 2015/16 budget consultation. The Budget relevant to this Committee's terms of reference have been shaded **blue**.
- **Appendix C2: Cabinet Consultation Proposals Summary** –This table provides a detailed analysis of the budget savings proposed for the Sport, Leisure & Culture Directorate, as well as showing the employee cost and the external spend element of the savings. The proposals falling within the terms of reference of this Committee are shaded **blue**.

The savings proposals within this Committee's terms of reference total £2,560,000, and cover the following areas:

- Sherman Theatre, end of grant – Line 145 - £80,000
- Cessation of Events (Calennig, St David's Parade, County Fair) – Line 146 - £159,000
- Cardiff Museum ownership transfer – Line 147 - £50,000
- Reduction in staffing – Line 148 - £329,000
- Park Ranger Service remodelling – Line 149 – £250,000
- Parks Apprenticeship Scheme restructure – Line 150 - £72,00
- Cardiff in Bloom & Christmas Tree provision – Line 151 - £26,000
- Allotment Subsidy reduction – Line 152 - £8,000
- Heath Park car park charges – Line 153 - £28,000
- Bowls Subsidy removal – Line 154 - £50,000
- Outdoor Sport – Line 156 - £40,000
- Flatholm Island – Line 157 - £20,000
- Canton Community Centre – Line 158 - £53,000
- Eastern Leisure Centre closure (for refurbishment) – Line 159 – £200,000

- Cardiff International Sports Stadium – Line 160 - £305,000
- Leisure Centres new operating model – Line 161 - £435,000
- Leisure Centres reduced subsidy – Line 162 - £340,000
- Cardiff Riding School subsidy removal – Line 163 - £40,000
- Sailing Centre – Line 165 - £5,000
- Cardiff International White Water – Line 166 - £30,000
- Bute Park Horticultural Nursery – Line 167 - £40,000.

These savings are broken down into the following categories:

Category	Saving
Employee costs	£3,259,000
Other	£1,507,000
Income	(£2,206,000)
Total	£2,560,000

- **Appendix F: Employee Implications** – This table provides a summary of the impact on posts across the Council. The employee implications of savings proposals within Communities, Housing & Customer Services are highlighted **blue**.
- **Appendix E: Changes since Consultation Proposals** – This table provides a list of those proposals that have been amended since proposals were released in November, following a recent officer due diligence exercise. The following proposals have been amended;
 - **SLC24 Bute Park Horticultural Nursery**
Reduced from £120,000 to £40,000 in line with due diligence discussions.
 - **SLC 10 Removal of Bowls Subsidy**
Savings amended to £10k employees and £40k other (previously £50k employee).
 - **SLC19 Cardiff Riding School**
Change in 2015/15 Controllable Budget.
 - **SLC2 Cessation of Events**
Risk Update Achievability revised from Amber-Green to Green.

- **SLC9 Heath Park Car Park Charges**
Risk Update Residual risk revised from Red-Amber to Green.
 - **SLC11 Closure of public conveniences**
Risk Update Residual risk reduced from Amber-Green to Green.
 - **SLC15 Full Year closure of Eastern Leisure Centre for development**
Risk Update Residual risk revised from Red-Amber to Green.
 - **SLC18 Leisure Centres**
Risk Update Achievability risk revised from Green to Amber-Green.
 - **SLC19 Cardiff Riding School**
Risk Update Achievability risk revised from Amber-Green to Green.
 - **SLC24 Bute Park Horticultural Nursery**
Risk Update Residual and achievability risk revised from Red to Green.
- **Appendix G: Budget 2015/16 - 2018/19 – Capital Programme** – The extract from the draft Capital Programme provides an analysis of the Directorate’s capital projects proposed over the next five years. To enable Members to identify those capital projects falling within the terms of reference of this Committee, the following lines have been identified:
 - Annual Sums Expenditure – Line 24
Heritage Enhancement Programme.
 - Ongoing Schemes – Lines 28, 31, 45, 46, 47 and 48
Pentwyn Community Centre, Eastern Leisure Centre, Insole Court, Bishops Palace, Hywel Dda and Parc Cefn Onn.
 - New Capital Schemes – Lines 52, 57, 59, 60 and 61
Leisure Centres, Water Play at Victoria Park, Community Asset Transfer, New Theatre and St David’s Hall.
 - Grant funded schemes – Lines 75 and 79
Harbour Authority Grant (Welsh Government)
Insole Court (Heritage Lottery Fund, CADW, Welsh Government, Trust).

Budget Proposals under Environmental Scrutiny Committee Terms of Reference

46. It has been agreed that the Economy & Culture Scrutiny Committee will scrutinise two savings proposals from the Sport, Leisure & Culture Directorate that fall under the Environmental Scrutiny Committee terms of reference. These are highlighted in **Appendix C2** shaded **purple**.

- Closure of Public Conveniences – Line 155 - £53,000
- Increase in Bereavement and Registration Fees – Line 167 - £200,000

47. Members of the Environmental Scrutiny Committee have been given the opportunity to submit their questions on these proposals to the Chair of the Economy & Culture Scrutiny Committee, and Members of this Committee will also be able to question the relevant Cabinet Members and officers on them.

Economic Development Directorate

Corporate Plan 2015-17

48. Cllr Phil Bale (Leader, Economic Development & Partnerships) will be in attendance and will be invited to give a short statement on the sections of the *Corporate Plan* relevant to his Cabinet Portfolio, the Budget proposals for Consultation, and any key information raised through the Cardiff Debate consultation exercise. He will be joined by Director of Economic Development Neil Hanratty who will provide a presentation on the Corporate Plan, Budget Proposals and Consultation Results for the Sport, Leisure & Culture Directorate relevant to the Committee's terms of reference.

Priority 3 – Sustainable Economic Development as the Engine for Jobs and Growth

49. The *Corporate Plan's* third priority is "Sustainable Economic Development as the Engine for Jobs and Growth". The Plan states;

Increasing the number and quality of jobs is essential to improving the quality of life for people in the city and wider region. The Council is therefore committed to helping create the conditions that will enable businesses to succeed, for attracting high quality investment and for more and better jobs to be created in the city.

This Council priority will help contribute to the What Matters outcome “Cardiff has a thriving and prosperous economy”. Working closely with the business community and other public and third sector organisations – in the city, across the wider city-region, nationally and internationally - will be essential in creating the right environment to deliver sustainable economic development.

Economic success in the knowledge economy is dependent on growing, attracting and keeping talented people, and so quality of life is becoming as important as the quality of job opportunity on offer. As Cardiff grows its development will need to be managed in a sustainable, resilient and inclusive way if the city is to retain its high quality of life, with a particular focus on achieving a modal shift towards sustainable travel.

50. This Priority has two outcomes that the Council wishes to achieve:

- Cardiff has more employment opportunities and higher value employment.
- Cardiff has a high quality city environment that includes attractive public space and good supporting transport infrastructure.

Outcome - Cardiff has more employment opportunities and higher value employment

51. In relation to this outcome, the Draft Corporate Plan 2015-17 states (on **page 24 of Appendix A**):

The Council will work with partners in the public and private sector to create an environment which is attractive to investment, and one where businesses succeed. This will require investment in infrastructure to support business; continued support to start-ups and existing businesses as well as a proactive

approach to securing inward investment and attracting visitors. Doing so will increase the number and quality of the jobs available for people in the city and across the city-region.

52. In order to achieve this outcome, the Draft Corporate Plan 2015-17 states that the Council will:

- *Deliver, with partners, 200,000 square feet of Grade A office as part of a new business district in the vicinity of central station between March 2014 and March 2016;*
- *Deliver with partners a proposal to Central Government for a City Deal for Cardiff by March 2017, along with a subsequent programme for delivery;*
- *Implement a delivery strategy to progress a Multi-Purpose Arena by March 2016;*
- *Develop a heritage quarter proposal for the Civic Centre, including a plan for the refurbishment of City Hall by March 2016;*
- *Establish a new Tourism Development Strategy by June 2015 with a view to doubling the value of overnight tourism in the city-region by 2020.*

53. Members have the opportunity to scrutinise the above Projects and initiatives and the outcome measures contained within the draft *Plan*, to test their synergy with Budgetary proposals.

Draft Budget Consultation Proposals and Capital Programme

54. This report provides the Committee with an opportunity to consider the draft Cabinet consultation proposals and their alignment to the *Corporate Plan 2015 - 2017*, for the Economic Development Directorate which relate to this Committee's terms of reference. The proposals contain five key documents which are appended to this report:

- **Appendix D1: Controllable Budget Analysis 2014/15** - The financial information sheet provides the relationship between the 2014/15 controllable budget lines and budget proposals for the 2015/16 budget consultation. The

Budget relevant to this Committee's terms of reference have been shaded **pink**.

- **Appendix D2: Cabinet Consultation Proposals Summary** – This table provides a detailed analysis of the budget savings proposed for the Economic Development Directorate, as well as showing the employees cost and the external spend element of the savings. The proposals falling within the terms of reference of this Committee are shaded **pink**.

The savings proposals within this Committee's terms of reference total to £571,000, and cover the following areas:

- Economic Development Management Structure Review – Line 52 - £87,000.
 - Major Projects, Capitalisation of posts – Line 53 - £163,000.
 - Events Park and Ride budget – Line 54 - £13,000.
 - Economic Development service review – Line 55 - £28,000.
 - Cardiff Business Council reduced budget – Line 56 - £160,000.
 - Tourist Information Centre – Line 63 - £120,000.
- **Appendix F: Employee Implications** – This table provides a summary of the impact on posts across the Council. The employee implications of savings proposals within Communities, Housing & Customer Services are highlighted **pink**.
 - **Appendix E: Changes since Consultation Proposals** – This table provides a list of those proposals that have been amended since proposals were released in November, following a recent officer due diligence exercise. The following proposals have been amended;
 - **ECD2 Capitalisation of Posts in Major Projects**
Amended subjective profile from Employees to Income.
 - **Appendix G: Budget 2015/16 - 2018/19 – Capital Programme** – The extract from the draft Capital Programme provides an analysis of the Directorate's capital projects proposed over the next five years. To enable

Members to identify those capital projects falling within the terms of reference of this Committee, the following lines have been identified:

- Ongoing Schemes – Lines 32, 35 and 36
Economic Development Infrastructure, Cardiff Capital Fun, Cardiff Social Innovation Fund.
- Grant funded schemes – Lines 73 and 79
Vibrant and Viable Places (Tackling Poverty) - Grangetown (Welsh Government)
Urban Broadband (Department for Culture, Media, Sport & Leisure).

55. **Appendix H** – Directorate Financial Pressures 2015/16 is also of relevance to this Committee's scrutiny of the Draft Corporate Plan 2015-17 and Budget Proposals 2015/16. A Financial Pressures bid was made in relation to the Dr Who naming rights and running costs. This bid for £80,000 was rejected.

Consultation and Engagement

56. The Cabinet report setting out the 2015/16 Budget Proposals – For Consultation, was approved on 20 November 2014, included details of the consultation and engagement used in the development and consideration of the budget proposals.

57. In consultation with both the public and partners a range of ideas have been explored as to how savings and income can be maximised, although the scale of cuts required means that consideration must be given to the level of services provided, and in some instances whether the resources remain to enable them to continue. The reality of this is that to maintain or improve some services, reductions will need to be made in other areas.

58. To aid in these difficult decisions the Council undertook the first phase of the Cardiff Debate. As part of this a total of 37 events were undertaken between the middle of June and the end of September. These events included on-street engagement and drop-in workshops as well as on-line consultation and leaving postcards and drop boxes at hubs, libraries and leisure centres across the City.

59. An on-line consultation document was launched on the 21 November and hard copies were distributed to hubs, libraries and leisure centres. In addition a series

of drop-in consultation events was arranged in each of the Neighbourhood Partnership Areas as well as the City centre during November and December, alongside specific engagement sessions with young people, the Cardiff Access Focus Group and the 50+ Forums.

60. The timetable for the budget consultation process ran from the 21 November 2014 until mid-day on the 12 January 2015. Results have now been analysed and a full copy of the consultation document is attached at **Appendix I** (to follow). A separate consultation report has been compiled as an appendix to the Libraries Consultation on Future Options, as this generated significant amounts of public interest – this is attached at **Appendix J**.

Way Forward

61. Officers will make a presentation on the budget position, consultation proposals, financial pressures and capital items falling within the terms of reference of this Committee. The Cabinet Members and Officers will also be available to answer questions arising from their presentations and the attached papers.

62. Following consideration of the budget proposals, presentations and answers to Member questions, the Committee may wish to provide its comments, concerns and recommendations for the Cabinet at its business meeting on 19 February 2015.

Legal Implications

63. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person

exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

64. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATION

The Committee is recommended to give consideration to the information received at this meeting, and to submit any recommendations or comments to the Cabinet prior to its consideration of the final budget proposals.

MARIE ROSENTHAL

County Clerk and Monitoring Officer

28 January 2015