

‘CAPITAL AMBITION’

REPORT OF THE CHIEF EXECUTIVE

AGENDA ITEM: 2

PORTFOLIO: LEADER (COUNCILLOR HUW THOMAS)

Reason for this Report

1. This report seeks to:
 - set out the administration’s ambitions for Cardiff and establish the Cabinet’s key priorities for the coming municipal term.
 - set out how the Council’s corporate and partnership planning framework will be reshaped to deliver the new vision.

Background

2. Following the local government elections on 4 May 2017, a new Council administration was formed. To outline its ambitions for the city, the new administration has set out a new policy programme and associated delivery commitments both for the coming municipal term, entitled ‘Capital Ambition’ (attached as **Appendix A**). This report also outlines how these ambitions will be translated into the Council’s strategic policy, organisational development and budgetary framework.

‘Capital Ambition’

3. Cardiff has been reinvented over the past quarter of a century as an internationally recognised capital city. In response to deindustrialisation, a programme of major urban regeneration projects was delivered that transformed the city by focusing on investment into Cardiff’s culture and leisure infrastructure. This enabled Cardiff to host major international events, lifting the city’s international profile and repositioning the city as a great place to visit and an even better place to live and study. The 2017 UEFA Champions League Final underlined the extent to which Cardiff is now positioned as a front ranking European Capital City.
4. Cardiff has also benefitted from investment in the city’s business infrastructure. With a focus on supporting high-value creative and knowledge-based businesses, delivering transport improvements and upgrading ICT capacity, the aim was ensuring that Cardiff’s business infrastructure was on a par with its quality of life offer.

5. The success of this strategy can be seen in the rapid growth of the city's population. Cardiff is now one of the fastest growing and most highly skilled major British cities. It can also be evidenced by strong performance in a number of headline economic indicators:
 - Unemployment is at its lowest level since 2009;
 - Employment growth is the faster than all the Core Cities;
 - Business growth rate is faster than the UK average; and
 - Visitor numbers and spend have doubled over the last decade.
6. However, the proceeds of Cardiff's growth over recent decades have not been felt by all of the city's residents. The gap between the most and least prosperous communities in Cardiff is substantial, with economic inequalities aligning closely with health and educational inequalities across the city. Similarly, while Cardiff's population growth is a sign of strength for the city, unless it is well-planned and well-managed it will put the city's physical and social infrastructures under real strain. This risk to the city's productivity, quality of life and standard of public services must be addressed. Tackling inequality and managing growth sustainably will therefore be at the heart of the administration's agenda. The administration also recognises that it must deliver for Cardiff during a period of unprecedented financial austerity for the Council, and its public service partners.
7. The 'Capital Ambition' document sets out a programme of action to continue to drive the city economy forward whilst ensuring that the benefits of success are felt by all residents. In delivering its Capital Ambition, the administration will focus on four main areas:
 1. **Working for Cardiff** – Making sure that all citizens can contribute to, and benefit from, the city's success.
 2. **Working for Wales** – A successful Wales needs a successful capital city.
 3. **Working for the Future** – Managing the city's growth in a sustainable way.
 4. **Working for Public Services** – Making sure public services are delivered efficiently, effectively and sustainably in the face of rising demand and reducing budgets.

Delivering the 'Capital Ambition'

8. The 'Capital Ambition' document sets set out the administration's ambitions for Cardiff and establishes the Cabinet's key priorities for the coming municipal term.
9. These commitments must be delivered in the context of a budgetary position that continues to deteriorate rapidly. The Council is approaching a £1¼bn in cumulative savings made over the past ten years, including over £105m from 2014/15 to 2016/17. With funding for schools and social services broadly maintained, this has necessitated a significant reduction

in the proportion of Council spend on other services, from 39% of the budget in 2005/06 to 24% in 2017/18. Alongside funding reductions, the Council has lost a number of staff, with a reduction of over 20% in non-school staff numbers since 2012/13.

10. Looking ahead, the Council's Medium Term Financial Plan anticipates that the Council will have to make savings of £27m in 2017/18 and almost £81m over the next 3 years, with other public services organisations facing similar pressures. The Council, along with its public service partners, is therefore facing a continued period of severe budget constraint at a time when demand for services is projected to rise significantly and citizen expectations of excellent quality services remains high.
11. In order to deliver the administration's policy priorities while transitioning to a new phase of financial constraint, there is a need to "reset" the Council's organisational and financial strategy. This 'reset' will recognise and build upon the progress that has been made but fundamentally challenge all aspects of service delivery to adapt to the constraints of a permanently reduced cost base.

Resetting the Council's Policy and Budgetary Framework

12. The Corporate Plan translates the administration's policy ambitions into clear organisational objectives. In this way, the Corporate Plan will set out what the Council wants to achieve, and how it will organise itself to achieve it.
13. As the Corporate Plan will be set at a strategic level, it will continue to be supported by directorate delivery plans, which will set out in greater detail how Corporate Plan Objectives will be delivered, as well as how directorate business will be taken forward. The Council's objectives will be supported by a strengthened approach to performance management which has underpinned the recent performance improvement, particularly in statutory services.
14. The 'Capital Ambition' document will initiate the process of developing the Corporate Plan 2018-19 by providing a clear signal to the organisation of the administration's direction of travel. This enables the development of a budget strategy that is led by the administration's policy position, and a refresh of the Council's organisation development programme. The Corporate Plan and Budget will then be developed in tandem and approved by Council in early 2018. Progress against the existing objectives set out in the Corporate Plan 2017-19 will continue to be monitored and reported throughout 2017/18.
15. Delivering the 'Capital Ambition' will also require coordinated action by the Council and its partners. The Cardiff Public Services Board (PSB), chaired by the Leader of the Council, brings together the city's public and third sector leaders, and builds on the long-established platform of partnership working in the city. The Wellbeing of Future Generations Act has placed in statute the role of PSBs and requires PSBs to publish an

assessment of local wellbeing, a local wellbeing plan and annual progress reports.

16. The Cardiff PSB has produced its statutory Wellbeing Assessment which sets out how Cardiff is performing across the partnership's seven city outcomes. This assessment was approved and published by the Cardiff PSB on 21 March 2017. Using the evidence provided in the Wellbeing Assessment, the Cardiff PSB is then required to produce a Wellbeing Plan by April 2018 which sets out how the public services will work in partnership to address the major long-term challenges facing the city.
17. A 12-week statutory public consultation is required on the draft Wellbeing Plan. In order to meet the statutory publication date, it is proposed that this public consultation run from October to December 2017. To ensure clarity for the public, avoid consultation fatigue and to make the most of available resources, it is proposed that the Council's Corporate Plan and Budget are also released for consultation during this period as part of a co-ordinated programme of public engagement on the future development of Cardiff and its public services.
18. The refreshed policy and delivery framework will therefore be characterised by the following key components:
 - **Corporate Plan:** The Corporate Plan 2018-19 will set out the Council's objectives in order to deliver the administration's ambitions.
 - **Budget Strategy:** The Council's Budget Strategy will be reworked to support the delivery of the administration's priorities and will be brought forward to Cabinet in July 2017.
 - **Programme of Change:** The Council's organisational change strategy will be recast in the light of the administration's priorities. A report will be considered by Cabinet in September 2017 which sets out how the Council's new 3-year Organisational Development Programme will be reshaped to deliver the commitments contained in the 'Capital Ambition' document.
 - **Wellbeing Plan:** The Council's policy position will be informed by the evidence provided by the Wellbeing Assessment and inform the development of the city's Wellbeing Plan, which will be launched for public consultation in October 2017 and approved by Council and all PSB members by April 2018.
 - **Performance Management Framework:** The Council will build on the performance management framework which has supported effective delivery and performance improvement in key areas. As the 'Capital Ambition' document is translated into performance objectives, clear performance milestones will be developed.
 - **Consultation and Engagement:** A programme of engagement will be brought forward to support the implementation of the administration's policy ambitions and involve residents and stakeholders in the budget process ahead.

Reason for Recommendations

19. To enable the Cabinet to approve a statement on the administration's ambitions and priorities.

Financial Implications

20. Set out in the body of the report in paragraph 9 and 10 are the financial budgetary challenges facing the Council over the next three years. Paragraph 9 also set out the cumulative savings achieved over the last 10 years and the increasing proportion of the budget that is spent on social services and schools.
21. This report sets out the key priorities for the coming municipal year and the medium term and in the event of there being a financial impact in the current year then this will be considered in future budget monitoring reports. In respect to the medium term, where a financial impact is identified then this will form part of the detailed work in delivering the Council's Budget for 2018/19 and beyond. The first step will be the Council's Budget Strategy that will be considered by Cabinet in July 2017.

Legal Implications

22. As noted in the body of the report, the ambitions and priorities of the new administration represent the start of the policy planning process, whereby those ambitions and priorities will be developed into objectives and policies.
23. The Cabinet is responsible for recommending the Council's key policies, referred to as the Policy Framework (comprising of the Wellbeing Plan, the Corporate Plan and the Improvement Plan, as well as a number of other statutory plans and strategies), for approval by full Council.
24. Legal advice will be provided in respect of specific policy proposals as they arise.

RECOMMENDATIONS

Cabinet is recommended to:

- 1) approve the 'Capital Ambition' as a statement of the administration's priorities; and
- 2) submit the 'Capital Ambition' document to Full Council for noting.

PAUL ORDERS

Chief Executive

30 June 2017

The following appendix is attached:

Appendix A: Capital Ambition