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Dyddiad / Date: 15 February 2018

Councillor Walker
Chairperson – Policy Review and Performance Scrutiny Committee
Room 271
Atlantic Wharf
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Dear David

Policy Review & Performance Scrutiny Committee – 14 February 2018

Thank you for your letter dated 15 February 2018 and the useful comments raised. I can assure you that Cabinet was able to reflect on the points raised prior to our meeting on 15 February 2018.

Draft Corporate Plan 2018-21

I want to reassure the Committee that there is a strong connection between the national goals contained within the Well-being of Future Generations Act and the well-being objectives contained within both the Cardiff Well-being Plan and the Council's Corporate Plan. All of the well-being objectives have been designed to maximise the authority's contribution to the goals.

With regards to the Council's commitment to addressing health inequalities in the city through working with public service partners, each of the seven well-being objectives in the Corporate Plan contributes towards the national well-being goal of 'A healthier Wales'. For example, the Council recognises that poverty is one of the greatest contributory factors to poor health and, therefore, the 'Supporting People out of Poverty' objective in its entirety contributes towards this goal. Similarly, 'Safe, Confident and Empowered Communities' confirms that the Council will respond to the recommendations of the Parliamentary Review of Health & Social Care in Wales and includes performance measures about the number of individuals participating in parks/outdoor sport. In addition, 'Cardiff grows in a resilient way' includes both steps and performance measures around improving air quality and increasing active travel in Cardiff.

With regards to visitor numbers to Cardiff, it is important to recognise that a 3% increase in the total number of visitors to the city over the next year is an ambitious figure and, if achieved, would put Cardiff ahead of the five-year target that has been set in 'Partnership for Growth', the Welsh Government's National Tourism Strategy.



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Cyflawni ein gweledigaeth o ddod y brifddinas orau i fyw ynddi yn Ewrop

Mae'r Cyngor yn croesawu gohebiaeth yn Gymraeg a Saesneg a byddwn yn sicrhau ein bod yn cyfathrebu â chi yn eich dewis iaith boed yn Gymraeg, yn Saesneg neu'n ddwyieithog dim ond i chi roi gwybod i ni pa un sydd well gennych. Ni fydd gohebu yn Gymraeg yn creu unrhyw oedi.

This challenging target needs to be considered in the context of very strong competition in the tourist market from other cities.

The Cabinet wholly support and recognise that the Corporate Landlord Model is much wider than compliance and have made presentations to the PRAP Scrutiny Task and finish group to explain this. The Corporate Landlord Delivery is a five year programme and in year 1 - 2018/19 - these are the first two priorities; to review the estate and to ensure compliance. Further improvements will follow. A minor amendment to wording in the corporate plan has been agreed to clarify this and Cabinet look forward to receiving the task and finish report.

Overarching Budget Proposals 2018-19

I note the concerns of the Committee in respect to the Budget Strategy planning assumptions on pay award and the link to an increase in Council tax from previous Budget strategy assumption. I would like to remind the Committee of my letter dated 10 October 2017 where I state the following;

- *The difference between a 1% and a 2% pay award, taking into account the above position on schools' growth, is £2.8 million. The reflection of pay awards beyond 1% in the MTFP will be considered when the position on the public sector pay cap is afforded greater clarity in the UK budget on 22 November and subsequently in the final Local Government Settlement in December.*

To explain the change between the consultation and final settlement position, I refer you to Appendix 12 of the Cabinet Budget Report which details the movements post consultation.

It would be helpful to bring Members attention to paragraph 437 of the Budget Report which states that whilst approving the Capital Programme for the period up to 2022/23, members should be aware that the later years of the programme will be subject to an on-going review of the Council's financial resilience. Amongst other factors that will be considered will be the interest rate position at that time.

As set out in the Budget Report, the S151 Officer is content that the Programme is affordable both in relation to 2018/19 and over the longer term. There are clearly significant financial challenges in the future though and these are set out in the Medium Term Financial Plan overview within the report. In this regard, any further capital investment over this period and in the future will need to be carefully considered within the overall context of future budgets and the financial resilience of the Council. This is made clear by the S151 Officer within the report.

It was explained to the Committee that in line with the CIPFA Prudential Code for Capital Finance in Local Authorities a number of financial indicators are included within the Budget Report. The Prudential Code was updated in December 2017 and as part of the 2019/20 Budget full Council will receive and be asked to approve a Capital Strategy that sets out the long term context in which both capital expenditure and investment decisions are made. The Budget Strategy Report in July 2018 will consider the main requirements of the Capital Strategy and set out the timescales for approval by Council.

I acknowledge that the savings proposed by Social Services are ambitious but it is important in these challenging times that directorates look at all savings opportunities and set themselves stretching targets in terms of their achievement. The Director is clear as to how these savings can be made and these will be closely monitored as the financial year progresses. Within the Social Services proposals, the only budget saving that impacts on costs to service users is the £350,000 (savings line 40) arising from an increase in the maximum weekly charge for non-residential care which reflects a change to the levels advised by Welsh Government as part of their charging policy for these services

The budget saving proposal in relation to improved attendance in Waste Management was discussed in some detail in the Environment Scrutiny Committee. The Assistant Director was clear that although challenging, measures have been put in place that will enable this saving to be achieved.

On all other points, the Committee's comments are noted.

Directorate Proposals

I note the Committee's comments in respect of these proposals.

I hope that this letter captures all the points raised in your letter and thank you again for your support in the budget process.

Yn gwyir/Yours sincerely



Y Cynghorydd/Councillor Christopher Weaver
Aelod Cabinet dros Gyllid, Moderneiddio a Pherfformiad/Cabinet member for
Finance, Modernisation & Performance

