

Ref: RDB/PM/GH/03.02.15

5<sup>th</sup> February 2015

Councillor Graham Hinchey,  
Cabinet Member for Corporate Services & Performance,  
County Hall,  
Atlantic Wharf,  
Cardiff,  
CF10 4UW.



Dear Councillor Hinchey,

**Environmental Scrutiny Committee – 3<sup>rd</sup> February 2015**

On behalf of the Environmental Scrutiny Committee I would like to thank you and the officers for attending the Committee meeting on Tuesday 3<sup>rd</sup> February 2015. As you are aware the meeting considered the “Draft Corporate Plan 2015 – 2017 & 2015/16 Draft Budget Proposals.” In reviewing these proposals the Committee used the following documents to set the context of the discussion:

- Draft Corporate Plan – 2015 - 17;
- Equality Impact Assessments;
- Draft Budget Proposals;
- Capital Programme;
- Employee Budget Implications Table;
- Results of the Cardiff Debate consultation – ‘Changes for Cardiff – Consultation Results & Feedback Report on the City of Cardiff Council’s 2015/16 Budget Proposals’.

This letter contains the observations and requests for information agreed by Members during the Way Forward at the end of the meeting, which we hope will be of assistance to you in shaping the final budget recommendations.

The comments made below refer to the Corporate Overview which was provided by yourself and the Corporate Director Resources:

- Slide 6 provides a high level summary of the resources required for 2015/16. When discussing this slide a Member asked why the demographic growth figure of £5.1 million was so high and how it compared to previous years. I would be grateful if you could provide some detail on the demographic growth estimate for 2015/16 to include a financial breakdown of the areas where the various financial pressures arise. In addition to this I would ask that you include the demographic pressures figures applied to the 2012/13 and 2013/14 budget setting process.
- Members of the Committee welcome the additional £4.821 million made available by the Welsh Government for capitalisation. It provides some relief from the huge financial pressures currently placed on the Council and offers some protection for a range of important services.
- During the meeting there was a discussion about internal financial pressures and internal inflation. I would be grateful if you could provide the Committee with a detailed breakdown of the main inflationary pressures and internal financial pressures facing the Council.
- The Committee asked about the Council's overall level of borrowing. The Corporate Director Resources explained that planned borrowing had increased in recent years and that this had placed additional pressures on revenue budgets going forward. I would be grateful if you could provide figures for the overall level of borrowing for 2012/13, 2013/14 and the projected amount for 2015/16.
- The Committee note the quote from the Corporate Director Resources in slide 17 of the presentation which references the July 2014 Budget Strategy Report:

*“As set out in the July 2014 Budget Strategy Report it is important to reiterate the materiality of the service choices ahead of the Council. In particular, anything other than a radical reduction and reset of the Council's services will over the life of the MTFP term lead to financial*

*resilience issues for the Council. Against this backdrop members will need to consider whether the choices made to date are commensurate with the scale of the financial challenge ahead.”*

Members feel that this is a very sobering comment which accurately summarises the financial challenges facing the Council.

I would be grateful if you would consider the above comments and provide a response to the requests made in this letter.

Regards,

A handwritten signature in black ink that reads "P. D. Mitchell". The signature is written in a cursive, slightly slanted style.

Councillor Paul Mitchell  
Chairperson Environmental Scrutiny Committee

Cc to:

Councillor Bob Derbyshire, Cabinet Member for the Environment  
Councillor Ramesh Patel, Cabinet Member for Transport, Planning & Sustainability  
Christine Salter, Corporate Director Resources  
Marcia Sinfield, Projects & Technical Accountant  
Paul Keeping, Operational Manager, Scrutiny Services  
Joanne Watkins, Cabinet Office Manager  
Cheryl Cornelius, Cabinet Support Manager  
Councillor Nigel Howells, Chair of the Policy Review & Performance Scrutiny Committee  
Members of the Environmental Scrutiny Committee