

**DRAFT CORPORATE PLAN 2019 - 2022 and 2019/20 DRAFT CABINET
BUDGET PROPOSALS**

Purpose of Report

1. To provide Members with context for the scrutiny of the sections of the Council's draft *Corporate Plan 2019 – 22* (to follow) and draft Cabinet 2019/20 Budget Proposals that relate to Directorates falling within the remit of this Committee.

Structure of Papers

2. Attached to this report, Members will find a copy of relevant sections of the draft *Corporate Plan 2019 – 2022* and draft Cabinet budget papers 2018/19 that fall within this Committee's remit, and which Members may wish to scrutinise during the meeting. The papers include:

- Draft Corporate Plan 2019 -22 Extract containing sections relevant to Children and Young People, (**Appendix 1 – to follow**);
- Overview of 2019/20 savings proposals (**Appendix 2**);
- Financial Pressure (**Appendix 3**);
- Employee Implications (**Appendix 4**);
- Consultation (**Appendix 5**).

Social Services Directorate

- Controllable Budget analysis (**Appendix 6**);
- Draft budget proposals (**Appendix 7 lines 37, 40, 41**);

- Financial Pressures (**Appendix 3 lines FP4 – FP8, FP10**);
- Capital programme – (**Appendix 8 - To Follow**).

Education Directorate

- Controllable Budget Analysis (**Appendix 9**);
- Draft budget proposals (**Appendix 7 Lines 21 – 24, 57, 72**);
- Financial Pressures (**Appendix 3 Lines FP1, FP2 & FP17**)
- Capital programme (**Appendix 8 - to Follow**).
- Summary of Fees and Charges (**Appendix 10 Lines 244 - 253**)

Structure of Meeting

3. The following Cabinet Members and officers have been invited to attend the Committee:

- Councillor Weaver, Cabinet Member, Finance, Modernisation and Performance
- Christine Salter, Corporate Director Resources or Ian Allwood, Head of Finance
- Rob Green – Operational Manager - Finance;
- Councillor Hinchey - Cabinet Member for Children & Families;
- Claire Marchant – Director of Social Services;
- Councillor Merry – Deputy Leader and Cabinet Member for Education, Employment and Skills;
- Nick Batchelar – Director of Education and Lifelong Learning;
- Andrew Gregory – Director of City Operations
- Stephen Gerrard, Network Operations Team Leader

4. Robert Green (Operational Manager Finance) will initially provide a short outline of the final Welsh Government proposals as they impact on the Committee's terms of reference, and be available to answer questions that Members might have on this. Individual Cabinet Members and Directors

will then in turn present the sections of the Corporate Plan and Draft Cabinet Budget proposals that fall within their area of responsibility.

Background

5. The Council's Constitution allows for Scrutiny Committees to consider the draft Cabinet Budget Proposals prior to their consideration by the Cabinet and Full Council.
6. This Scrutiny Committee meeting will focus on those areas of the draft budget proposals that fall within this Committee's terms of reference, together with the alignment of those proposals with the areas of the Corporate Plan that impact on the lives of children and young people in Cardiff. Members will therefore be presented with the budget proposals, for the following Directorates: Social Services (Children's Services) and Education and Lifelong Learning.
7. Following the Scrutiny Committee meeting, the Chair will detail the Committee's comments or recommendations in correspondence to the Cabinet, for their consideration, prior to finalising their budget proposals. The Cabinet will consider their draft Cabinet budget proposals at their meeting on 21 February 2019, at that meeting the Cabinet will formally recommend their budget recommendations for consideration and adoption by Full Council, at its meeting on 28 February 2019.

Summary of Draft Corporate Plan 2019 – 2022

(To Follow)

Summary and overview of Budgetary Position 2019/20

8. .As at 11 February 2019, the Council finds itself with a budgetary gap of approximately £32 million for 2019/20, before savings have been accounted for. The shortfall comprises of:

BUDGETARY GAP	£000
Resources Available	612,608
Resources Required	645,046
Shortfall before savings	32,438

9. The resources available to finance the budget before any increase in the rate of Council Tax are made up as follows:

Resources Available	£000
Resources from WG	444,629
Council Tax (at nil increase)	167,979
Total Resources Available	612,608

10. The following table summarises the resources required to cover base expenditure, commitments and budget realignments.

Resources Required	£000
2018/19 adjusted base (after transfers)	610,400
New Responsibilities (per settlement)	637
New Specific Grant funding for Social Services (per settlement)	(3,000)
Employee Costs	4,412
Demographic Pressures	3,500
Commitments	2,997
Directorate Expenditure Realignments	5,599
Exceptional Inflation	3,186
Schools pressures	12,520
New directorate pressures	4,795
Total Resources Required	645,046

11. The table below identifies how the funding shortfall will be addressed:

Funding Gap	£000
Directorate Savings	(19,157)
Partial deletion of Financial Resilience Mechanism	(200)
Schools' contribution to meeting pressures	(3,586)
Net Council Tax increase at 4.9%	(6,745)
Use of Reserves	(2,750)
TOTAL	(32,438)

12. In respect of savings proposals of **£19.157** million, shown in **Appendix 2**:

- **£4.878 million** are savings from **employee costs**;
- **£15.976 million** are savings from **other spend**; and
- **£1.697 million** net reduction in **income budgets**.

These overall figures include the write-out of budgets linked to the proposal to secure a private tenant for the New Theatre within Economic Development. This includes a reduction in income budgets, which offsets other savings in respect of the generation of additional income, which otherwise total £3.855 million overall.

13. 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 Directorate, as per the table below.

Total Savings	Employee Costs £000	Other Spend £000	Income £000	Total £000	% of overall saving
Corporate Management	40	126	0	166	1%
Economic Development	1876	6679	5402	3,153	16%
Education and Lifelong Learning	270	1032	140	1,442	8%

People & Communities – Communities and Housing	423	95	350	868	5%
People & Communities – Social Services	0	5750	250	6,000	31%
Planning, Transport & Environment	477	1810	1982	4269	22%
Resources – Governance & Legal	119	42	211	372	2%
Resources - Resources	1,673	442	772	2,887	15%
Total	4,878	15976	(1697)	19,157	100%

14. 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. A copy of the equality impact assessment relevant to this committee is attached at **Appendix 11**

Draft Capital Programme 2019/20 to 2023/24

(To Follow)

Social Services (Children’s Services)

i. Draft Corporate Plan 2019 – 2022

(To Follow)

b) Draft Budget Proposals and Capital Programme

15. This section of the report provides the Committee with an opportunity to consider the draft Cabinet budget proposals and their alignment to the Children’s Services section of the Corporate Plan 2019 - 2022, which relate to this Committee’s terms of reference. Claire Marchant (Director of Social Services) will present the budget savings and

answer any questions Members may have. The proposals are contained in the five key documents which are detailed below:

- **Controllable Budget Analysis 2018/19 (Appendix 6)** - This financial information sheet provides the relationship between the Social Services 2018/19 detailed controllable budget lines and budget proposals for the 2019/20 budget.
- **Cabinet Budget Proposals Summary (Appendix 7)** –The table provide a detailed analysis, of the budget saving proposed as well as showing the employees cost, external spend and income elements of the savings. To enable Members to identify those items falling within the terms of reference of this Committee the following lines have been identified as Children’s Services – total proposed savings - £3,000,000 - (**Lines 37, 40 & 41**).
- **Financial Pressures (Appendix 3)** – The appendix extract provides details of the Financial Pressures that have been identified for 2019/20, totalling £1,339,000 (**Lines FP4 to FP8, & FP10**).In addition Legal services have had an additional £351,000 for Children’s safeguarding work **Line FP18**.
- **Capital Programme 2019 – 2022 (To Follow)**
- **Employee Implications (Appendix 4)** – The appendix extract provides details of the Employee implications of the creation of two posts for 2019/20, (**Reference FP5, FP6 & FP10**).

Education and Lifelong Learning

a) **Corporate Plan 2019 – 2022**

(To follow)

b) **Draft Budget Proposals and Capital Programme**

16. This report provides the Committee with an opportunity to consider the draft Cabinet budget proposals and their alignment to the *Corporate Plan 2019 - 2022*, for the Education and Lifelong Learning Directorate, which relate to this Committee's terms of reference. Nick Batchelar (Director of Education and Lifelong Learning) will present the budget savings and answer any questions Members may have and Andrew Gregory, Director of City Operations or Stephen Gerrard, Network Operations Team Leader, will present the budget savings in respect of School Transport Budget Savings Proposals. The proposals are contained in the five key documents which are detailed below:

- **Controllable Budget Analysis 2019/20 (Appendix 9)** - This financial information sheet provides the relationship between the Departmental 2018/19 controllable budget lines and budget proposals for the 2019/20 budget.
- **Cabinet Budget Proposals Summary (Appendix 7)** – This table provides a detailed analysis of the budget saving proposed, as well as showing the employees cost and the other spend element of the savings. To enable Members to identify those items falling within the terms of reference of this Committee the following lines have been identified.

Education – total proposed savings £1,442,000 – **lines 21 – 24.**

School Transport - total proposed savings £450,000 – **lines 57 & 72**

Additional Income to HR from Schools – **Line 84**

- **Financial Pressures (Appendix 3)** – The appendix extract provides details of the Financial Pressures that have been identified for 2019/20 totalling £914,000 **line FP1 FP2 & FP17.**
- **Employee Implications (Appendix 4)** – The appendix extract provides details of the Employee implications of the Local Development Plan 2019/20, **Reference FP2.**
- **Capital programme 2019/20 - 2022/23 – To Follow**
- **Fees and Charges 2019 - 2020 (Appendix 10)** The appendix extract provides the changes to the fees and charges that have been identified for 2019/20, (**Lines 244 – 253**)

Consultation and Engagement

17. The Cabinet report setting out the *2019/20 Budget Proposals – For Consultation* was approved on 15 November 2018, including details of the consultation and engagement used in the development and consideration of the budget proposals.
18. 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.
19. The Council's budget consultation survey launched on the 16 November 2018 and ran until 2nd January 2019. A range of mechanisms were used as part of the process, including:

Email

- The survey was promoted via email to:
 - The Citizens' Panel (approximately 6,000 residents)
 - Councillors, Council Staff and Cardiff Public Services Board members Community Councils
 - 100 third sector organisations working with target groups including Minority Ethnic, younger people and those with a disability.
- Teams across the Council were encouraged to promote the survey (where GDPR1 rules allowed) by emailing customers through existing email lists, particularly where budget proposals may affect specific groups.
- The consultation was promoted to Council supported networks, including:
 - Cardiff 50+ Forum

- Cardiff Access Forum
- Employee Black Minority Ethnic Network
- Cardiff Youth Council
- A separate shorter survey of 5 key questions from the main survey and 3 demographic questions was distributed to secondary schools across Cardiff, offering entrance into a Prize Draw to win a £20 shopping voucher. Any enquiries from the public were directed to consultation@cardiff.gov.uk where they were picked up by Cardiff Research Centre staff and directed to relevant officers across the Council.

Internet/Intranet

- The consultation was given dedicated pages on the Council's website and promoted to Council employees via DigiGov, the Staff App and the Council's computer screen saver.

Social Media

- The survey was promoted to almost 90,000 followers via Facebook and Twitter by the Corporate Communications Team throughout the consultation period.
- Targeted promotion was facilitated via stakeholder's social media accounts and Facebook boosts aimed at those less frequently heard i.e. under 25's, Minority Ethnic groups and those living in the 'Southern Arc' of the city.
- A series of online polls were hosted on Facebook/Twitter to boost responses to key questions within the consultation.

Face to Face and Hard Copies

- Posters and 2,500 hard copies of the consultation document (plus 500 Welsh) were distributed to libraries, hubs, core council buildings and community settings (Thornhill Church Centre, Dusty Forge and Chapter Arts). Drop boxes were provided in hubs and libraries for the public to

deposit their returns. Council officers were on hand at Central Library and Grangetown Hub to answer questions.

- Hard copies, with freepost return envelopes, were also delivered to selected streets in St Mellons, Llanrumney, Ely and Caerau (areas that typically have a poor response rate).
- A facilitated focus group session was held with Diverse Cymru members.

RESULTS

- A combined total of 2,078 validated responses were received (*2937 in 2018/19*). The results presented in Appendix 5 to this report are set out by well-being objective – Cardiff Council’s priorities as set out in Capital Ambition.
 - Responses are broken down by age, gender, ethnic background, Welsh Speakers, those with a disability and those living in the least or most deprived areas of the city.
 - In addition, the analysis includes the response from those living in the ‘Southern Arc’ of Cardiff which comprises the following electoral divisions: Adamsdown, Butetown, Caerau, Canton, Ely, Grangetown, Llanrumney, Riverside, Rumney, Splott, Trowbridge
 - Comments most frequently made, including those during face-to-face engagement, are included alongside the core data.
 - A summary of comments from the focus group facilitated by Diverse Cymru are included for relevant questions.
 - Results of the Youth Survey are also included for relevant questions - 30 responses were received to the Youth Survey. Whilst an important contribution to the consultation, the survey response should be seen as providing contextual feedback and should not be treated as statistically robust.
20. The consultation document is attached at **Appendix 5**. Summarised below are the results from the key questions that relate to the Terms of Reference of this Committee:

- Q1 – Do you support the proposals to increase the funding that the Council provides to schools, known as delegated school budgets by £10.23m or 4.43% (Page 6)
- Q2 – Do you agree that these delegated school, budgets should contribute to the financial challenge facing the Council (Page 8)
- Q3 Family Help and support project – Would you be interested in being involved as these services are developed further (page10)
- Q4 – Would you be interested in learning more about becoming a foster carer
- Q5 – What would encourage you to consider a career in fostering

Way Forward

21. Officers will make a presentation on the budget position, draft Cabinet 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.
22. 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 21 February 2019. The Committee will also have the opportunity to have the letter considered at the Policy Review and Performance Scrutiny Committee due to be held on 20 February 2019.

Legal Implications

23. 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

24. 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 on 21 February 2019 and to the Chairman of the Policy Review and Performance Scrutiny Committee for consideration at their meeting on 20 February 2019.

Davina Fiore
Director of Governance and Legal Services
12 February 2018