

**DRAFT CORPORATE PLAN 2016–2018 AND BUDGET PROPOSALS
2016/17**

Reason for the Report

1. To provide Members with context for the scrutiny of those sections of the Council's draft *Corporate Plan 2016 - 2018* and draft *Cabinet 2016/17 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 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 18 February 2016. The proposals will then be presented to Full Council on 25 February 2016.
3. The scope of the scrutiny is as follows:
 - The relevant sections of the *Corporate Plan 2016 - 18*, 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 2016 – 2018;
Appendix B	Post Consultation Changes, includes: <ul style="list-style-type: none">- Summary of Post consultation changes- Post consultation changes – Financial Resilience Mechanisms and Additional Pressures- Schedule of amended 2016/17 savings proposals
Appendix C	2016/17 Savings Proposals Overview
Appendix D1	City Operations Directorate Savings Proposals
Appendix D2	Communities, Housing and Customer Services Directorate Savings Proposals
Appendix D3	Economic Development Directorate Savings Proposals
Appendix E	Financial Pressure 2016/17
Appendix F	Capital Programme 2016/17 – 2020/21
Appendix G	Employee Implications of Budget
Appendix H1	City Operations Directorate Budgetary Analysis
Appendix H2	Communities, Housing and Customer Services Budgetary Analysis
Appendix H3	Economic Development Budgetary Analysis
Appendix I	Changes for Cardiff Consultation – Executive Summary

5. Throughout the appendices, the following colour coding is used:

Shaded pink – City Operations Directorate proposals, which all fall within this Committee’s terms of reference.

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

Shaded green – Economic Development Directorate proposals that 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

6. 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 2016/17 that fall under their area of responsibility.

The meeting will be structured as follows:

- Financial Overview and final Welsh Government settlement;
- Economic Development;
- City Operations;
- Communities, Housing & Customer Services.

7. 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;
- Ed Janes - Principal Research and Consultation Officer
- Cllr Peter Bradbury – Cabinet Member, Community, Development, Co-operatives & Social Enterprise;
- Cllr Phil Bale – Leader, Economic Development & Partnerships;
- Neil Hanratty – Director, Economic Development;
- Cllr Bob Derbyshire – Cabinet Member, Environment;
- Andrew Gregory – Director, City Operations
- Cllr Dan De'Ath – Cabinet Member, Skills, Safety & Engagement
- Sarah McGill – Director, Communities, Housing & Customer Services;

8. Cllr Graham Hinchey, Christine Salter and Ed Janes have been invited to open the meeting with an overview of the final Welsh Government settlement and the Councils finances and to discuss relevant feedback from the Changes for Cardiff Consultation.

Summary of Draft Corporate Plan 2016 – 18

9. 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.’ Seven shared outcomes are identified that need to be achieved if Cardiff is to achieve this vision. 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.

10. 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:

- Better Education and Skills for All;
- Supporting Vulnerable People;
- Creating more jobs and better paid jobs; and
- Working together to transform services

11. Targets for 2016/17 are shown under each of the Improvement Objectives detailed in the draft Corporate Plan 2016 -18, under the heading ‘Measuring Progress’. The Plan confirms that each Directorate will publish a Delivery Plan which will provide greater detail on how objectives contained in the Plan will be

delivered. The Corporate Plan, Directorate Delivery Plans and Organisational Development Plan will together shape dialogue with external stakeholders.

12. The Plan (page 8) 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.

13. Commenting on last year's Corporate Plan 2015-17, the Wales Audit Office noted that "the Council had made a step change in improving the quality of its 2015-16 Improvement Plan when compared to the previous year."¹

14. This Cover Report considers the sections of the Corporate Plan 2016-2018 and Budget Proposals 2016/17 relevant to this Committee terms of reference. This is split by directorate and will highlight the priorities and improvement objectives (paragraph 27 onwards).

Previous Committee Scrutiny of the Corporate Plan

15. Each year this Committee considers a final draft of the Corporate Plan at its February meeting, alongside the draft Budget Proposals. During its scrutiny of the 2015-17 draft Corporate Plan in February 2015, the Committee made the following comments and recommendations:

- Members welcomed news that the Great Western Cities partnership would be complimentary to the Cardiff City Region plans, rather than creating any form of conflict.
- Members raised concerns that plans for the Multipurpose Arena appeared somewhat vague despite having been discussed for many years
- Members saw the logic in creating a critical mass of Council services within a central location through a City Centre Superhub, however felt strongly that the building must retain its identity as a library.

¹ WAO Cardiff Council Annual Improvement Report 2014-15 (August 2015)

Summary of Budgetary Position

16. As at 12 February 2016, the Council finds itself with a funding shortfall of approximately £33,128 million for 2016/17 (before savings or Council Tax increase). The shortfall comprises of:

BUDGETARY GAP:-	£000
Resources Available	572,816
Resources Required	605,944
TOTAL GAP – to be found from Savings and Council Tax	33,128

17. The budgetary gap has decreased from the forecast gap of £45.6 million in December 2015. This is largely due to the Welsh Government provisional settlement resulting in an additional £11.56 Million for Cardiff Council, compared to the amount estimated for the Budget consultation as at December 2015. Due to the timings of the UK Government Comprehensive Spending Review, the Welsh Government Final Settlement to local authorities is not due to be announced until 9 March 2016.

18. The resources available comprise £572,816 and are made up as follows:

Resources Available	£000
AEF – Aggregate External Finance	426,285
Council Tax (at nil increase)	144,461
Use of Reserves to support the budget	2,070
TOTAL GAP	572,816

19. The Provisional Settlement, coupled with consideration of the responses to the consultation undertaken on draft proposals, has led to revised proposals. A summary of the Post Consultation Changes is shown at **Appendix B**, and includes:

- Summary of Post consultation changes – £14.095 million
- Post consultation changes further details – Financial Resilience Mechanisms and Additional Pressures– £4,971 million.

- Schedule of amended 2016/17 savings proposals (post consultation) – £2,833 million

20. Overall savings proposals have been identified, as shown in **Appendix C**, as follows:

Funded by:-	£000
Directorate Savings	20,344
Council Wide Savings	2,895
Addressable Spend Savings	5,596
TOTAL SAVINGS	28,835
Net Income from Council Tax	4,293
Total from Savings and Council Tax	33,128

21. In terms of the Directorate savings proposals of **£20,344** million:

- **£5,326 million** are savings from **employee costs**;
- **£9,850 million** are saving from **other spend**;
- **£3,923 million** from increased **income**; and
- **£1,245 million** is to be confirmed.

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 Directorate:

Total Savings	Employee Costs £000	Other Spend £000	Income £000	TBC	Total £000	% of Total
City Operations	1,820	3,013	1,903	850	7,586	37.29 %
Communities Housing & Customer Services	465	188	606	0	1,259	6.19 %
Corporate Management	54	253	0	0	307	1.51 %
Economic Development	273	263	355	395	1,286	6.32 %

Education and Lifelong Learning	1,249	1,580	245	0	3,074	15.11 %
Governance and Legal Services	50	10	65	0	125	0.62 %
Resources	780	313	749	0	1,842	9.05 %
Social Services	635	4,230	0	0	4,865	23.91 %
TOTAL	5,326	9,850	3,923	1,245	20,344	100 %

23. Details of the Directorate Savings Proposals are shown at **Appendices D1, D2 and D3**. These proposals provide risk analysis information in terms of residual risk, achievability and Equality Impact Assessment. Where a screening identifies a red or red/amber risk a full Equality Impact Assessment is undertaken. Members can view these at: <https://www.cardiff.gov.uk/ENG/Your-Council/Council-finance/Council-Budget/2016-17/Pages/Equality-Impact-Assessment-Budget-2016-17.aspx>

Financial Pressures 2016-17

24. **Appendix E** shows the Financial Pressures identified for 2016/17, these total to £2.233m. None of these Financial Pressures fall within the remit of this Committee's Terms of Reference.

Council Capital Programme 2015/16 to 2019/20

25. The 2016/17 budget outlines capital expenditure proposals of **£414.443 million** for the financial years 2016/17 to 2020/21, of which £114.329 million is earmarked for 2016/17. The full Capital Programme 2016/17 - 2020/21 can be found at **Appendix F**, with the schemes relevant to this Committee highlighted according to the following colour scheme:

Shaded pink – City Operations Directorate

Shaded yellow - Communities, Housing and Customer Service Directorate

Shaded green – Economic Development Directorate

Directorate Budgetary Analysis

26. The Directorate Budgetary Analysis sheets attached at **Appendix H1, H2 and H3**, and provide current year information by service divisions within the Directorates. Each line is coded alphabetically (on the far left) and the letters correspond to the 'cross-reference' column on the Savings Proposals spreadsheet.

Economic Development Directorate

Corporate Plan 2016-18

27. Cllr Phil Bale (Leader, Economic Development & Partnerships) and Cllr Peter Bradbury (Cabinet Member, Community Development, Co-Operatives and 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. 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 – Creating more jobs and better paid jobs (Page 26 of Appendix A)

28. The *Corporate Plan*'s third priority is "Creating more jobs and better paid jobs". 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.

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.

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

- 3.1. Cardiff has more employment opportunities and higher value jobs
- 3.2. Cardiff has a high quality city environment that includes attractive public space and good supporting transport infrastructure.
- 3.3. All young people in Cardiff make a successful transition into employment, education and training.

This third objective is new for the 2016-18 Corporate Plan and was not present last years commitments.

30. In order to achieve these outcomes a number of commitments are identified, alongside the Lead Cabinet Member responsible for their delivery. Included below are commitments relevant to this Committee terms of reference:

3.1 Cardiff has more employment opportunities and higher value employment

- Facilitate growth in the Financial and Professional Service sector by working with partners to deliver 300,000 square feet of Grade A office accommodation within the Cardiff Central Enterprise Zone by March 2018
Lead Cabinet Member - Cllr Phil Bale
- Deliver with partners a proposal to Central Government for a City Deal for Cardiff by March 2017, along with a subsequent programme for delivery
Lead Cabinet Member - Cllr Phil Bale
- Implement a delivery strategy for regeneration of the city centre including progressing a planning application for a Multi-Purpose Arena by March 2017
Lead Cabinet Member - Cllr Phil Bale

- Work with Cardiff University to deliver the masterplan for the Civic Centre heritage quarter including a detailed options appraisal for City Hall by March 2017

Lead Cabinet Member - Cllr Phil Bale

- Develop Cardiff Bay as a creative industries cluster including a plan for the regeneration of the Mount Stuart Square heritage quarter and the continued development of the Cardiff Bay waterfront by March 2017

Lead Cabinet Member - Cllr Phil Bale

- Continue the development of the International Sports Village as a major leisure destination including a review of the plan for the waterfront site by March 2017

Lead Cabinet Member - Cllr Phil Bale

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

The commitments given for this Improvement objective do not directly link to the Committee terms of reference; however the following will have an inevitable impact in terms of economic growth and regeneration in Cardiff and the wider Capital City Region:

- Work with partners to design and deliver a new transport interchange - including a new bus station - as part of a high quality gateway into the city by December 2017

Lead Cabinet Member – Cllr Ramesh Patel

- Support Welsh Government and other stakeholders in the formulation of proposals to develop the Cardiff City Region Metro

Lead Cabinet Member – Cllr Ramesh Patel

The merits of these commitments will be tested by the Environmental Scrutiny Committee as these are predominantly Transport initiatives.

3.3 All young people in Cardiff make a successful transition into employment, education and training.

Again, many of the commitments here fall under the responsibility of the Children and Young People Scrutiny Committee. The following commitment is however relevant to this Committee:

- Enhance the range of opportunities for young people to develop employability skills and secure employment in Cardiff

Lead Cabinet Member – Cllr Phil Bale

31. 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 Proposals and Capital Programme

32. This section of the report provides the Committee with an opportunity to consider the draft Cabinet budget proposals for the Economic Development Directorate and their alignment to the sections of the *Corporate Plan* 2016 - 2018 which relate to this Committee's terms of reference. The proposals contain four key documents which are appended to this report:

- **Appendix D3: Directorate Budget Savings Proposal Summary** – This table provides a detailed analysis of the budget savings proposed for the Economic Development Directorate, also shown is the risk analysis for each proposal. 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 to £867,000, and cover the following areas:

- Economic Development Income – Line 68 - £88,000
- Economic Development Revenue Budget – Line 74 - £51,000
- Cardiff Business Council – Line 75 - £120,000
- Tourism Income – Line 79 - £33,000
- Arts Venues and Arts Active – Line 82 - £430,000
- Cardiff Contemporary Project Budget – Line 85 - £50,000

- Function rationalisation – Line 86 - £95,000.

These savings are broken down into the following categories:

Category	Saving
Employee costs	£95,000
Other	£256,000
Income	£121,000
TBC	£395,000
Total	£867,000

- **Appendix G: Employee Implications of Budget** – This table provides a summary of the impact on posts across the Council. The employee implications of savings proposals within Economic Development are highlighted **green** (line 20). In total these amount to 3.00 full time equivalent posts.
- **Appendix B: Schedule of Amended 2016/17 Savings Proposals** – This table (on page 4) provides a list of those proposals that have been amended or removed following the Changes for Cardiff Consultation exercise. The following proposals have been amended (highlighted **green**) ;
 - **Reduced Service in Tourism - £47,000** – Proposal removed
 - **Reduce Arts Grants to Organisations - £68,000** – Proposal removed
 - **Remove Arts Grants to Artes Mundi – £20,000** – Proposal removed
 - **Remove Budget for Cardiff Signer of the World - £36,000** – Proposal removed
 - **Cease Cardiff Contemporary Initiative - £37,000** – Proposal removed
- **Appendix F: Capital Programme 2016/17 – 2020/21** – Highlighted in **green** are the proposed projects that fall under the Economic Development Directorate:
 - Ongoing Schemes – Lines 24, 25, 26, 39 and 44
Cardiff Capital Fund /S4C - £75,000
Central Square - Integrated Transport Hub - £20,000,000

- Central Square - Public Realm - £8,620,000
- New Theatre – Priority Works - £95,000
- St David’s Hall – Priority Works - £267,000
- Additional Borrowing – Line 71
 - Cardiff Enterprise Zone - £15,000,000

Previous Scrutiny of Proposals

33. Following the approval of the 2016/17 Budget Proposals – For Consultation by The City of Cardiff Council’s Cabinet on Thursday 10 December 2015, this Committee has received representations from affected stakeholder groups at its meeting on 14 January 2016. The focus of these representations was the proposed savings in relation to arts and culture. Following this item, 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:

- Members recognise that hard decisions must be made as to where required savings will be found, and as such, do not feel able to demand that all proposed cuts to the arts be removed. Members would, however, be disappointed if the full level of proposed savings from the arts was accepted in light of a more favourable settlement from the Welsh Government.
- Members stressed that the impact of each proposal should be considered individually, and combined as a collective contribution to the Arts in Cardiff.
- Members sought reassurances that arts funding decisions are underpinned with an assessment of the impact these proposals would have on the organisations involved, and the groups accessing their services.
- Members recognise the need for a strategic approach to the Council working with the Arts Community, or a clear vision from the Council with respect to Arts and Culture in the city.
- Members sought assurances that the savings proposals from the Arts were discussed within the Cultural Conversation forum established by the Leader.
- Members recognise that some events, such as Cardiff Singer of the World and Antes Mundi are highly mobile and could be hosted in many other major UK cities. Members fear that if funding from Cardiff Council is removed they

may look to relocate to another city that is willing to provide this finance.

With this in mind Members stress the need to assess the full impact of all the cuts being proposed.

34. As noted in **Appendix B**, following the Changes for Cardiff Consultation, four proposals relating to Arts and Culture funding were removed from the 2016/17 Budget Proposals.

Equality Impact Assessments

35. As noted in paragraph 23, all savings proposals provide risk analysis information in terms of residual risk, achievability and Equality Impact Assessment. Where a screening identifies a red or red/amber risk a full Equality Impact Assessment is undertaken. The following proposals were subject to a full Equality Impact Assessment, and can be accessed via the links provided. It is important to note that some of the proposals given were removed, as shown in **Appendix B**.

- Reduce Arts Grants to Organisations

<https://www.cardiff.gov.uk/ENG/Your-Council/Council-finance/Council-Budget/2016-17/Documents/EIAs/Reduce%20Arts%20Grants%20to%20Organisations.pdf>

- Remove Arts Grant to Artes Mundi

<https://www.cardiff.gov.uk/ENG/Your-Council/Council-finance/Council-Budget/2016-17/Documents/EIAs/Remove%20Arts%20Grant%20to%20Artes%20Mundi.pdf>

- Cease Arts Active Programme

<https://www.cardiff.gov.uk/ENG/Your-Council/Council-finance/Council-Budget/2016-17/Documents/EIAs/ECD12%20-%20EIA%20Cease%20Arts%20active%20programme%20%281%29.pdf>

- Remove Arts Active Education Team

<https://www.cardiff.gov.uk/ENG/Your-Council/Council-finance/Council-Budget/2016-17/Documents/EIAs/ECD13%20-%20EIA%20%20Remove%20Arts%20Active%20Education%20Arts%20active%20team%20Equality%20Impact%20Assessment%20Template%20%281%29.pdf>

- Remove Subsidy for St Davids Hall

<https://www.cardiff.gov.uk/ENG/Your-Council/Council-finance/Council-Budget/2016-17/Documents/EIAs/ECD16%20-%20EIA%20%20Remove%20Subsidy%20for%20St%20David%27s%20Hall%20%281%29.pdf>

- Remove Subsidy for New Theatre

<https://www.cardiff.gov.uk/ENG/Your-Council/Council-finance/Council-Budget/2016-17/Documents/EIAs/ECD17%20-%20EIA%20Remove%20Subsidy%20for%20New%20Theatre%20%281%29.pdf>

City Operations Directorate

Corporate Plan 2015-17

36. 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 Andrew Gregory 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.
37. The Corporate Plan recognises the importance of the Cardiff's sporting and cultural offer under the heading 'Delivering for Cardiff: Our Core Business' (**page 11 of Appendix A**). 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. In the next few years, the city will host the World Half Marathon, a leg of the Volvo Round the World Race and club football's biggest game – the Champions League Final.*

Cardiff has a strong cultural offer but, due to budgetary pressures, the Council needs a new model to support art and culture in the city. By working with artists and communities, art and culture are 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 support the Arts in the future.

Priority 3 – Creating more jobs and better paid jobs

38. As outlined above previously in paragraph 28, 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.
39. A key measure identified in the Corporate Plan (Page 30 of Plan) in order to deliver on this commitment is the Number of green flag parks and open spaces – with a target of 10 set for 2016/17.

Priority 4 – Working together to transform services

40. The Corporate Plan's fourth priority is "Working together to transform services". The Plan states;

The Council needs to fundamentally change the way it delivers services to ensure that it can provide long term sustainable services at a time of reducing budgets and increasing demand.

In order to do so, a three year Organisational Development Programme (ODP) is underway to:

- *review the shape and scope of the organisation and the way in which services are currently delivered to meet demand;*
- *enhance citizen engagement and widen opportunities for people and communities to shape services around their needs;*
- *identify delivery models that may be established to meet demand pressures and reflect budgetary realities;*
- *significantly strengthen performance management, workforce development and staff engagement arrangements;*

- *identify opportunities for further efficiency savings through better internal and external collaboration, integration of service delivery and better use of assets and infrastructures.*

41. One of the three objectives identified to achieve this priority is relevant to this Committee terms of reference;

4.1 Communities and partners are actively involved in the design, delivery and improvement of high valued services

In order to achieve this improvement objective the following is one of the commitments made:

Establish the future leisure needs of the city and develop options for alternative models for the sustainable delivery of leisure infrastructure and services by June 2016

Lead Cabinet Member – Cllr Peter Bradbury

42. 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 Proposals and Capital Programme

43. This section of the report provides the Committee with an opportunity to consider the draft Cabinet budget proposals for the City Operations Directorate and their alignment to the sections of the *Corporate Plan 2016 - 2018* which relate to this Committee's terms of reference. The proposals contain four key documents which are appended to this report:

- **Appendix D1: Directorate Budget Savings Proposal Summary** – This table provides a detailed analysis of the budget savings proposed for the City Operations Directorate, also shown is the risk analysis for each

proposal. 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 £1,793,000, and cover the following areas:

- Canton Community Hall – Line 1 - £43,000
- Cardiff International Sports Stadium – Line 2 - £78,000
- Alternative Delivery for Leisure – Line 3 - £850,000
- Insole Court – Line 4 - £59,000
- Parks business administration – Line 6 - £24,000
- Tree Management – Line 7 - £25,000
- Parks Income – Line 8 - £41,000
- Grounds Maintenance Service – Line 9 - £450,000
- Outdoor Sports Facilities – Line 10 - £50,000
- Victoria Park Paddling Pool – Line 11 - £45,000
- Landscape Design Fees – Line 12 - £128,000.

These savings are broken down into the following categories:

Category	Saving
Employee costs	£282,000
Other	£395,000
Income	£266,000
TBC	£850,000
Total	£1,815,000

- **Appendix G: Employee Implications of Budget** – This table provides a summary of the impact on posts across the Council. The employee implications of savings proposals within City Operations Directorate are highlighted **pink** (line 15). In total these amount to 9.50 full time equivalent posts.
- **Appendix B: Schedule of Amended 2016/17 Savings Proposals** – This table (on page 4) provides a list of those proposals that have been amended

or removed following the Changes for Cardiff Consultation exercise. The following proposals have been amended (highlighted **pink**) ;

- **ADM Leisure – Reduction £150,000** – Reduced from £1m to £0.850m

- **Appendix F: Capital Programme 2016/17 – 2020/21** – Highlighted in **pink** are the proposed projects that fall under the Economic Development Directorate:
 - Ongoing Schemes – Lines 31, 36, 40 and 50
 - Eastern Leisure Centre - £1,500,000
 - Leisure Centres – Priority Works - £437,000
 - Parc Cefn Onn- £130,000
 - Water Play Park at Victoria Park - £185,000
 - Bids for New Capital Schemes – Line 60
 - Replacement of Athletics Track – Cardiff International Stadium - £500,000
 - Grant Funded Schemes – Line 66
 - Harbour Authority Grant (Welsh Government) - £1,750,000
 - New Invest to Save Bid – Line 77
 - Leisure Centres – Alternative Service Delivery - £4,000,000

Equality Impact Assessments

44. As noted in **paragraph 23**, all savings proposals provide risk analysis information in terms of residual risk, achievability and Equality Impact Assessment. Where a screening identifies a red or red/amber risk a full Equality Impact Assessment is undertaken. The following proposals were subject to a full Equality Impact Assessment, and can be accessed via the links provided. It is important to note that some of the proposals given were removed, as shown in **Appendix B**.

Alternative Delivery Model for Cardiff International Sports Stadium

<https://www.cardiff.gov.uk/ENG/Your-Council/Council-finance/Council-Budget/2016-17/Documents/EIAs/Alternative%20Delivery%20Model%20for%20Cardiff%20International%20Sports%20Stadium.pdf>

Alternative Delivery Model for Leisure

<https://www.cardiff.gov.uk/ENG/Your-Council/Council-finance/Council-Budget/2016-17/Documents/EIAs/Alternative%20Delivery%20Model%20for%20Leisure%20-%20new%20op.pdf>

New Operator for Canton Community Hall

<https://www.cardiff.gov.uk/ENG/Your-Council/Council-finance/Council-Budget/2016-17/Documents/EIAs/New%20operator%20for%20Canton%20Community%20Hall.pdf>

Insole Court Community Asset Transfer

<https://www.cardiff.gov.uk/ENG/Your-Council/Council-finance/Council-Budget/2016-17/Documents/EIAs/Insole%20Court%20Community%20Asset%20Transfer.pdf>

Communities, Housing & Customer Services Directorate

Corporate Plan

45. Cllr Daniel De'Ath (Cabinet Member – Skills, Safety & Engagement) 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 – Better education and skills for all

46. The *Corporate Plan*'s first priority is "Better education and skills for all". Of importance to this Committee is the third improvement objective under this priority – **1.3 Adult Learners Achieve their potential**. The Plan states: "*The Council is committed to supporting those on low income. Income poverty can have a profound impact on people's aspirations. Unemployment and financial exclusion has an impact on household income as well as broader effects on the health, well-being and safety of citizens.*"

The Adult Community Learning (ACL) service offers a broad range of adult education courses that help support the citizens of Cardiff to meet their learning aspirations. It 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 aspiration.

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.

The Council also provides Into Work Advice services in Hubs across the city, which includes hosting Job Clubs to support job seekers and providing work preparation courses.

47. In order to achieve these outcomes a number of commitments are identified, alongside the Lead Cabinet Member responsible for their delivery. Included below are commitments relevant to this Committee terms of reference:

- Increase the number of courses for priority learners in Communities First areas by March 2017 ensuring an increase in enrolment, retention and attainment, which leads to an increase in the overall success rate for learners

Lead Cabinet Member – Cllr Dan De’Ath

- By March 2017, the Into Work service will:
 - Offer taster sessions in different employment sectors
 - Hold 2 major Jobs fairs in collaboration with partner agencies
 - Hold guaranteed interview events in community buildings across the city
 - Put together an employment offer which provides sourcing, training, shortlisting and assistance in interview process to employees for organisations.

Lead Cabinet Member – Cllr Dan De’Ath

Priority 4 – Working together to transform services

48. As stated in previously in paragraph 39, the Corporate Plan’s fourth priority is “Working together to transform services”. Under this Committee’s terms of reference the work undertaken under the Libraries Strategy and Hubs Strategy will be of importance.

49. One of the three objectives identified to achieve this priority is relevant to this Committee terms of reference;

4.1 Communities and partners are actively involved in the design, delivery and improvement of high valued services

In order to achieve this improvement objective the following is one of the commitments made:

- Progress the agreed Community Hubs development programme by delivering new Hubs in:
 - Fairwater by June 2016;
 - Splott by October 2016;
 - Llanedeyrn by December 2016;
 - Llandaff North by January 2017; and
 - Agreeing plans for Llanishen and St Mellons Phase 2 Hubs by July 2016.

Lead Cabinet Member – Cllr Peter Bradbury

50. 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 Proposals and Capital Programme

51. This section of the report provides the Committee with an opportunity to consider the draft Cabinet budget proposals for the City Operations Directorate and their alignment to the sections of the *Corporate Plan 2016 - 2018* which relate to this Committee's terms of reference. The proposals contain four key documents which are appended to this report:

- **Appendix D2: Directorate Budget Savings Proposal Summary** –This table provides a detailed analysis of the budget savings proposed for the City Operations Directorate, also shown is the risk analysis for each proposal. The proposals falling within the terms of reference of this Committee are shaded **yellow**.

The savings proposals within this Committee's terms of reference total £429,000, and cover the following areas:

- Adult Community Learning – Line 56 - £49,000

- Libraries / Hub Strategy – Line 57 – £250,000
- Into Work Services – Line 58 - £130,000.

These savings are broken down into the following categories:

Category	Saving
Employee costs	£295,000
Other	-
Income	£134,000
TBC	-
Total	£429,000

- **Appendix G: Employee Implications of Budget** – This table provides a summary of the impact on posts across the Council. The employee implications of savings proposals within City Operations Directorate are highlighted **yellow**. In total these amount to 9.00 full time equivalent posts.
- **Appendix B: Changes since Consultation Proposals** – Following the Changes for Cardiff Consultation exercise there have been no changes made to the proposals from the Communities, Housing and Customer Services
- **Appendix F: Capital Programme 2016/17 – 2020/21** - Highlighted in **yellow** are the proposed projects that fall under the Economic Development Directorate:
 - Ongoing Schemes – Lines 45 and 46
 - St Mellons Hub - £3,320,000
 - STAR Hub - £2,019,000
 - Citizens Hubs - £1,803,000
 - Bids for New Capital Schemes – Line 55
 - Citizens Hubs - £649,000
 - Grant Funded Schemes – Line 64
 - Cymru Museum Archives and Libraries (CYMAL) - £80,000

Equality Impact Assessments

52. As noted in **paragraph 23**, all savings proposals provide risk analysis information in terms of residual risk, achievability and Equality Impact Assessment. Where a screening identifies a red or red/amber risk a full Equality Impact Assessment is undertaken. The following proposals were subject to a full Equality Impact Assessment, and can be accessed via the links provided. It is important to note that some of the proposals given were removed, as shown in **Appendix B**.

Refocusing Services from Hubs

<https://www.cardiff.gov.uk/ENG/Your-Council/Council-finance/Council-Budget/2016-17/Documents/EIAs/Refocusing%20Services%20from%20the%20Hubs.pdf>

Continued rollout of the Libraries Hub Strategy

https://www.cardiff.gov.uk/ENG/Your-Council/Council-finance/Council-Budget/2016-17/Documents/EIAs/Continued%20roll%20out%20of%20the%20Libraries_Hub%20Strategy.pdf

Consultation and Engagement

53. A number of mechanisms are being used to consult and engage with citizens and stakeholders to gather their views regarding the budget proposals. These include:

- Cardiff Debate –
 - i. *Changes for Cardiff*, consisting of on line and hard copies of consultation survey re budget proposals, launched 11th December 2015 and running till 12th January 2016.
 - ii. A series of drop in events in the city centre and each neighbourhood partnership area and with representative forum for young people, 50+ fora and Access Focus Group.
- Links on the Cardiff Council website to the Council Budget, featuring links to the Cardiff Debate, a video explaining the budget position, links to the proposals, background papers, Equality Impact Assessments, details of how to have a say and the on-line survey and the timeline for the budget process².
- Engagement with Trade Unions.
- Engagement with Cardiff Partnership.
- Audit Committee.
- Cardiff Third Sector Council.
- Schools' Budget Forum.
- Employee Consultation.

54. 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.

55. The Cabinet report setting out the 2016/17 Budget Proposals – For Consultation, was approved on 10 December 2015, included details of the consultation and engagement used in the development and consideration of the budget

² These are available at: <https://www.cardiff.gov.uk/ENG/Your-Council/Council-finance/Council-Budget/Pages/default.aspx>

proposals. The timetable for the budget consultation process ran from the 11th December 2015 until 12th January 2016. Results have now been analysed and an Executive Summary can be found at **Appendix H**. A full copy of the consultation document is available via the Council website:

Consultation Results and Feedback report on the City of Cardiff Council's 2016/17 Budget Proposals

<https://goo.gl/4AGZvE>

Report Appendix 1 – Results by Geography and Demographics

<https://goo.gl/HCEqaT>

Report Appendix 2 – Additional comments on budget proposals

<https://goo.gl/60UiXU>

Of particular interest to the Economy and Culture Scrutiny Committee are the headline findings in relation to the arts questions (pages 6, 7 and 11 of main report), and the full results for arts and culture (pages 66 - 75 of main report). Appendix 2 also contains a log of the additional comments provided to the consultation; there are substantial comments in relation to the arts proposals (pages 28 - 36 of Appendix 2).

Way Forward

56. 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.

57. 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 18 February 2016.

Legal Implications

58. 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

59. 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

Director of Governance and Legal Services

12 February 2015