

BUDGET PROPOSALS 2016/17

REPORT OF CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 7

**PORTFOLIO: CORPORATE SERVICES & PERFORMANCE (COUNCILLOR
GRAHAM HINCHEY)**

Reason for this Report

To enable the Cabinet to:

1. Having considered and reflected on the responses to all aspects of the consultation, submit to Council their proposal for the estimates of expenditure and income in order to set the Council Tax in accordance with the Local Government Finance Act 1992.
2. Recommend to Council the strategy and plan for the control of the Authority's borrowing and investments for the year 2016/17 (the Annual Treasury Management Strategy).
3. Recognise the financial challenges facing the Council as set out in the Medium Term Financial Plan and to note the opportunities for savings.
4. Recognise the work undertaken to raise awareness of and ensure the financial resilience of the Council.
5. Recommend to Council the Prudential Code, capital expenditure and treasury indicators for 2016/17-2018/19 and the Council's Minimum Revenue Provision Policy for 2016/17.
6. Set the rent levels for Housing Revenue Account properties, service charges and management fees for leaseholders for 2016/17.
7. Agree the rates of fees and charges for Council services for 2016/17.
8. Receive an update on the City Deal and recommend to Council that the City Deal Document be signed subject to the Final Agreement being subject to approval by Council.
9. Approve the Supporting People Spending Plan for 2016/17.
10. Approve the Day Opportunities Strategy and its implementation.

Structure of the Report

1. The Council's Budget Report needs to provide sufficient assurance that a balanced budget has been set and that robust advice has been given and considered in respect of the adequacy of reserves. A Council's financial strategy needs to consider impacts over the medium term and this report includes a significant section on this aspect. Given the materiality of the current and forthcoming financial challenges it is important that this level of detail is included.
2. The following table provides an explanation of where key sections of the report can be found. In addition the implications to the report and in particular the statement made by the Section 151 Officer within the financial implications should be noted.

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Background

3. The Council's key strategic documents are the Corporate Plan and the Budget. Cabinet members and officers have worked to ensure that a clear alignment exists between the Corporate Plan, the Council's service priorities and the budget setting process. This also demonstrates how the Council will interact with the statutory What Matters 2010-2020 Strategy and its update which is currently nearing completion.
4. For 2016/17, the Corporate Plan follows the direction introduced in 2015/16 which established it as a strategic and outcome focused document. The Plan will be considered by Cabinet and Council in February 2016 and is part of the same agenda as the Budget. The priorities are confirmed as:
 - Better education and skills for all
 - Supporting vulnerable people
 - Creating more and better paid jobs
 - Working together to transform services
5. The Corporate Plan captures the Council's strategic direction while the Directorate Delivery Plans demonstrate how the Corporate Plan will be achieved. These Delivery Plans will continue to provide an important link between the Corporate Plan, the work of directorates including 'business as usual' activities and the objectives set for individual employees. All plans will need to be resourced where relevant within this budget proposal.
6. The Council recognises that cities are the centre of economic activity and social change. Therefore, whilst working with severe financial constraints on resources the Council continues to progress initiatives to develop the City and the region. Following Cabinet approval in December 2015, work on concluding the Cardiff Capital Region (CCR) City Deal with our nine local authority partners, both the Welsh and Central governments is progressing apace with real anticipation of firm support included in the Chancellor's March 2016 Budget Statement. Further information on the City Deal is included later in the report. In addition, the Great Western Cities initiative continues to develop following the initial announcement in February 2015 whereby Cardiff, Newport and Bristol will work together in key areas such as connectivity, inward investment and sustainable energy.
7. Following the establishment of the Organisation Development Programme in May 2014, Cabinet received a progress report at its meeting in July 2015. The report reflected the progress that had been made towards the delivery of a new operating model and provided assurance that the Council's transition to new ways of working was proceeding at pace. In particular, the programme had been recast to:
 - accelerate the shift to online services and mobile working
 - facilitate the move to alternative models of service delivery
 - increase revenue from commercial activities where practicable

- reduce the Council's asset base through fewer but better buildings
 - maintain progress towards creating a culture of performance management, good workforce planning and staff engagement
8. The scope and scale of the programme has a rolling three year timescale and was predicated on the assumption that every service of the Council needed to plan for a radical adjustment of delivery models to reflect an era of severe budgetary constraint. This direction of travel for the Council is evident in the budget proposals for 2016/17 and the medium term as set out throughout this budget report.
 9. Cabinet received a Budget Strategy report in July 2015 which advised of the seriousness of the financial challenges ahead as a result of both expected reductions in government funding and the increasing financial pressures being experienced by the Council. This was predicated on information and anticipated announcements which led to the formulation of the Welsh Government's (WG) budget following the Comprehensive Spending Review (CSR) in November 2015. Following the approval of the Budget Strategy report, the Council wrote to the WG and the Welsh Local Government Association (WLGA). The letter expressed concern at the continued impact on the Council and the delivery of its services as a result of WG funding scenarios that are real terms cuts and fail to keep pace with the significant financial pressures that the Council is facing.
 10. The content of the Medium Term Financial Plan (MTFP) approved as part of the 2015/16 Budget Report has been incrementally updated during the year following technical refinements to budget lines and revised assumptions in respect of anticipated financial pressures. It was not possible to revise WG funding assumptions as no new information had been published since December 2014. The July 2015 Budget Strategy report detailed these changes and revised the anticipated budget gap for 2016/17 from £51.1 million (February 2015 report) to £47.4 million. The 2016/17 Provisional Revenue Support Grant (RSG) settlement announced in December 2015 was better than the planning assumption as a result of increases in Cardiff's population but mainly as a result of the implications following the CSR and the consequent decision by WG on the shape of its budget. However, the Provisional Settlement was still a cash reduction in absolute terms of £301,000 and means that the Council has experienced a cash reduction in RSG of £12.8 million since 2014/15. At the time of writing this report WG has not announced the Final RSG settlement but has stated that little change is expected between the Provisional and Final stages for 2016/17.
 11. The Budget Strategy report had acknowledged that because of the extent of the financial challenge in the medium term an updated approach to identifying budget targets was required which led to the Reshaping the Base Budget approach. This approach sought to establish linkages between the Reshaping Service Programme and the Council's target operating model. It looked to initially identify the shape of services and then understand the link to strategic priorities. Savings were then identified against the four drivers of:

- Policy led savings
 - Business Process efficiency led savings
 - Discrete Directorate led savings
 - Income/commercialisation savings
12. Given the significant level of savings required in 2016/17 following the unprecedented levels in the previous two years, it is more important than ever that the proposals are robust, planned effectively and deliverable. Following submission, the proposals from directorates have been progressively challenged to give Council confidence that all savings:
- included within directorate proposals are owned by the relevant director
 - identify residual risk as well as an achievability risk rating
 - are technically feasible from a financial perspective
 - are recorded as to their current planning status
 - have been subjected to a robust equality impact assessment where relevant
 - are categorised as to the theme of the saving
 - Include wherever possible the full-time equivalent employee implications of the saving proposal
 - identify cross directorate opportunities or risks that have been discussed by all relevant senior officers and portfolio members
 - demonstrate transparency to ensure clarity at scrutiny committees and with other stakeholder groups
13. The Budget Strategy Report also considered the approach to the development of the Capital Programme as this is an integral part of the Council's budget. The report restated the position that the Council's General Fund Capital Programme for 2015/16 - 2019/20 demonstrated the cumulative need for additional borrowing and general capital receipts of £132 million and £6.5 million respectively but also noted the significant WG capital funding cuts over the medium term.
14. It was recognised that a review of all schemes included within the current Capital Programme would be carried out as part of the budget process for 2016/17 alongside robust consideration of new schemes. New schemes would need to relate to Corporate Plan priorities, contribute to the rationalisation of buildings and services and, where possible, be self-financing or attract a significant level of partner or external grant support.
15. As highlighted previously the impact of the inadequate level of support from WG for capital resources has been that local government has had to find a greater share of the capital funding requirement to meet essential investment. The Council continues to undertake unsupported borrowing as part of the Capital Programme and the schemes within the period 2016/17 to 2020/21 are included later in this Report and set out in detail in the appendices. Affordability indicators are included in relation to the Council's borrowing and the Section 151 Officer must consider whether the amounts contained are prudent and affordable.

16. Since then, the Council's borrowing has increased as have the local affordability indicators that demonstrate that capital financing costs as a percentage of the Council's controllable revenue budgets are increasing year on year. The level of WG revenue budget funding means that even with no new borrowing this percentage would increase as the revenue base budget reduces. Against this backdrop the condition of the Council's assets is of concern as evidenced by increasing maintenance backlogs. It will be important for the Council to relentlessly progress the recently approved strategies for Operational and Non-Operational Property assets to ensure a smaller, but fit for purpose property estate.
17. Later sections of this report review the Council's financial position across the life of the MTFP and identify both the challenges ahead and the radical nature of the actions required. Council-wide solutions across this time frame will need to be holistic and could include consideration of both revenue and capital spend. Therefore whilst approving the Capital Programme for the period up until 2020/21 Cabinet should be aware that the later years of the Programme, together with any new material commitments in respect of these later years, will be subject to an ongoing review of the Council's financial standing and resilience.

Consultation and Engagement

18. The Council's co-operative values focus on fairness, openness and working together. Greater consultation, engagement and joint working with citizens are at the heart of these values which specifically mention the importance of being "open and honest about the difficult choices we face, and leading a debate where people can have their say on what's important to them and their communities."
19. Extreme budgetary pressure is a key driver of the difficult choices facing the Council and therefore budget consultation is an important opportunity to understand what is important to our stakeholders and to encourage their involvement in shaping Council services. The consultation on the Council's 2016/17 budget proposals "Changes for Cardiff" ran from 11 December 2015 to 12 January 2016. A number of mechanisms were used to ensure the consultation was as accessible as possible:

Council Buildings – 5,000 hard copies of the questionnaire were distributed throughout Cardiff to the City's public buildings including libraries, leisure centres and hubs. The consultation was also communicated to 6,000 staff within the Council.

Online – an online question and answer session took place in December with the Leader and Cabinet Member for Corporate Services and Performance and the online version of the questionnaire was made available on the budget page of the City of Cardiff Council's website, as well as on www.askcardiff.com and www.cardiffdebate.co.uk. The consultation was promoted through email to users of libraries, council tax online account holders, castle key holders, active card users, members of Cardiff Citizen's Panel and Library card holders (over 75,000 email

addresses). Links were also sent out through the Council and Cardiff Debate twitter accounts.

Community Engagement Events – 20 community engagement ‘drop-in’ events were held across the city during the course of the consultation period and an engagement forum with the Cardiff Youth Council took place. The Council’s Stepping-Up Toolkit was available at events to support community groups who may be considering opportunities to develop and manage services and assets and forms were available to record expressions of potential interest in volunteering opportunities.

Via Partner Organisations – the consultation was promoted via email to over a thousand stakeholders including partner organisations, MPs and AMs, Neighbourhood Partnerships and members of the public who expressed an interest via the previous Cardiff Debate summer events. It was promoted to 8,000 people via the Police Community Messaging Service and communicated to 7,000 staff within Cardiff & Vale University Health Board (UHB).

20. The consultation received 3,348 completed questionnaires and public views were also given via petitions, social media, attendance at the ‘drop-in’ public engagement events, and through correspondence. From this, a number of key themes emerged:
 - **The financial reality:** an overwhelming 88.5% (2,708) of respondents recognised the budget gap facing the Council meant that difficult choices would be required
 - **Support for new ways of working:** over three quarters of respondent (76% or 2,320) support the Council in exploring new ways of working to deliver its services
 - **Increased Charging:** there are mixed levels of support for the Council charging more for some services if it meant they could be continued with **46.5%** (1,417) supporting the proposal 24.0%, (732) disagreeing and 29.5% (901) unsure
 - **Increased digitalisation of services:** 88.1% (2,691) of respondents supported increased digitalisation of services
 - **Community involvement:** 34.3% (1,047) of respondents agreed that community groups and the third sector should be asked to run more services and facilities - 30.6% (936) disagreed and 35.1% (1,072) were unsure.
 - **Volunteering:** 23.7% (715) of respondents are currently engaged in volunteering in the city and 887 respondents expressed an interest. The highest levels of interest for volunteering were seen in relation to libraries, litter picks and parks maintenance
21. The findings of the consultation on the City of Cardiff Council’s 2016/17 budget proposals can be found in Appendix 1(a) and can be accessed through the Council’s website.
22. In 12 November 2015 Cabinet agreed that consultation be carried out on the draft Day Opportunities Strategy. Consultation was undertaken based on the proposed model and this included writing to 1,742 service

users (all older people currently receiving a package of care) as well as events at Council Hubs. Additionally, specific consultation with partners took place. The results of the consultation have been analysed and are attached as Appendix 1(b).

23. In addition, as part of regular budget preparation, consultation has taken place through:-

Scrutiny Committees – both overall briefings and consideration of the detailed proposals were undertaken in February 2016 while some committees also invited stakeholders to discuss particular topics at their January meetings. Responses received in respect of the Scrutiny deliberations will be tabled and considered as part of the Cabinet meeting.

Trade Unions – consultation has taken place with the trade unions and any comments will be considered in advance of the Cabinet meeting.

Employees – consultation has taken place both generally through staff meetings and particularly with employees impacted by individual savings proposals.

Schools Budget Forum – following a number of briefings over the budget formulation period, the Forum met on 20 January 2016 to consider the Cabinet's budget proposals as it affected their remit. Their response is attached in Appendix 1.

Audit Committee – the Treasury Management Strategy was considered at its meeting on 1 February 2016 as part of their scrutiny function. Comments have been incorporated into the relevant parts of this report.

Issues

24. It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. This Budget Report will set out in detail the financial issues facing all councils and the City of Cardiff Council in particular. It will outline the setting of the 2016/17 revenue budget against the context of the medium term and the continuing outlook of financial austerity, the Capital Programme and the Council's choices in respect of capital borrowing during a time of increasing difficulty in affording the historic and additional capital charges within reducing revenue budgets. It will also consider the Council's overall financial standing in respect of risks, reserves and resilience. The current and ongoing financially challenging conditions require a composite response to complex services including reshaping services, service realignment and service removal.
25. The following sections of the report provide an update on the current year, set out the impact of the WG Financial Settlement and then develop the components of the proposed budget for 2016/17.

Budget Update 2015/16

26. The Council's Budget Report for 2015/16 identified significant operational and financial challenges and risks in the current and medium term. These are reviewed as part of the Council's financial resilience testing and monitoring process including updates to the Corporate Risk Register. The topics included:

- The challenging financial position in respect of reducing WG resources, increasing financial pressures against a reducing controllable base budget and increasing volatility and uncertainty in respect of hypothecated grants.
- Continuing demographic demand for social care services if trendlines vary significantly from the anticipated position.
- The impact of welfare reforms, in particular the phased implementation of Universal Credit during 2015/16, on the ability of individuals to contribute to the cost of services provided where relevant.
- Reducing demand for services where the Council has historically charged for the activity and so creating an income shortfall.
- The necessity to deliver budgeted savings from reshaping services and other change proposals that are not currently fully defined.
- The potential impact on insurance costs for the Council as a result of savings proposed.
- The need to build capacity within the community to support the empowerment of communities to take greater responsibility for the delivery of services.
- The need to deliver significant levels of savings during a period of prolonged financial austerity particularly given the impact that delays to delivery of the proposal has on the budget monitoring position
- The cumulative impact of achieving the savings, within this budget in addition to the non-achievable 2014/15 savings which remain to be realised in 2015/16.
- The service impact of a significant reduction in headcount expected to take place over the medium term.
- The Council's ability to meet the costs of voluntary severance, albeit the discretionary element of the scheme will be reduced from April 2015, as the Council reshapes itself in line with available resources in these times of continuing financial austerity.
- The ability to react to new demands resulting from welfare reforms as they are progressively implemented together with financial risks in respect of the Council Tax Reduction Scheme (CTRS).
- The level of additional borrowing undertaken in previous years and proposed will require more revenue resources to be used for capital financing in future years.
- Capital schemes that are approved on the basis of generating savings, increasing income or capital receipts but which fail to do so will also increase pressure on the revenue budget.
- The potential for additional capital receipts to fall short of the amount modelled in the budget in respect of the in-principle capitalisation direction.

- The impact of the potential adoption of alternative models of service delivery and the requirement to test consequential costs and benefits of the change, for example working through any potential TUPE implications.
 - The impact of continuing to increase the support of revenue budgets from the Civil Parking Enforcement (CPE) reserve.
 - The impact on Cardiff Bus, which is wholly owned by the Council should the WG make significant reductions to the reimbursement rate in respect of concessionary fares in 2016/17.
 - The ongoing uncertainty in respect of the establishment of a permanent CTRS scheme for 2016/17.
 - The financial impact of WG allocating education grants directly to the Central South Education Consortium rather than local authorities.
 - The deteriorating position in respect of delegated schools' balances.
 - The increasing financial exposure to the Council of the School Organisation Plan (SOP) consolidated financial model as the size of the programme and associated risks increase.
 - The risk of WG levying fines if the Council fails to realise recycling or land fill diversion rates.
 - The impact of functions delivered as part of a collaborative arrangement should the planned benefits not be realised.
 - Financial exposure should the Council breach its partial exemption calculation in respect of VAT.
 - The risk associated with the final settlement sum in respect of all remaining landlord councils exiting the existing HRA subsidy system from April 2015.
27. The Council's Month 9 revenue budget monitoring position is included elsewhere on the agenda for this meeting and shows a projected overall surplus position of £988,000. However, the directorate position is somewhat different with a projected overspend position of £1.6 million after use of the budgeted contingency of £4 million. Within this figure, financial pressures continue to be evident in a number of areas and particularly within Social Services. The council position includes the effect of a potential shortfall of £6.075 million against the 2015/16 budget savings of £32.473 million together with a projected shortfall of £2.954 million against the savings shortfalls carried forward from 2014/15.
28. The Month 9 Monitoring Report also includes an update in respect of the Capital Programme. This shows a projected out-turn for 2015/16 of £89.088 million which is a variance of £29.682 million against the spending plan. This variance comprises estimated slippage on schemes amounting to £28.684 million and £0.998 million of underspend on projects. Current slippage forecasts relate to various school schemes and projects across the City Operations Directorate.

Revenue

The 2016/17 Settlement

29. At this point in the budget process the Council would usually be in receipt of the Final Local Government Settlement and would therefore have a

firm figure of Aggregate External Finance (AEF) for the forthcoming financial year. However WG's budget timetable has been delayed as a result of the UK Government's CSR with the result that this budget is predicated on the Provisional Local Government Settlement that was published on 9 December 2015. The WG has stated that there is no intention for significant variation between the Provisional and Final figures for 2016/17.

30. The main points to note from the Provisional Settlement at an all Wales level are:

- a range of change in AEF comprising a decrease in RSG and NDR between minus 0.1% and minus 4.1% with an average of minus 1.4%.
- inclusion of an additional £35 million to prioritise schools funding together with an assumption of a protection requirement of 1.85%.
- inclusion of an additional £21 million for Social Services.
- the transfer into the RSG of the Outcome Agreement Grant at its current level and method of distribution.
- no indication of future year settlement figures.
- inclusion of the impact of the 2016/17 Council Tax Base which usually forms part of the Final Settlement calculation.
- no damping mechanisms.

31. Responding to the Provisional Settlement, WLGA leaders said: *"Times remain tough, but this settlement at least shows that Welsh Government Ministers are listening to local government leaders and working with us to protect local services from the worst impacts of austerity. Today's settlement offers a welcome slow-down in the daunting level of budget cuts local government has experienced over recent years."*

32. *"This will not detract from the need for councils to look at how they can transform their services."*

33. The position for Cardiff within the range of change in AEF set out above shows a funding decrease of 0.1% and a cash decrease of £301,000 in comparison with 2015/16. However, the actual decrease in spending power for Cardiff will be £501,000 as a result of the funding mechanism for the 21st Century Schools Local Government Borrowing Initiative (LGBI) because of the treatment used by the WG within the settlement.

34. In addition, as part of the overall settlement for Wales, information on specific grants amounting to £485.376 million was published although this is not a final list and details are still indicative in some areas. This figure is much lower than at the same time last year as a result of some significant grants not yet known for 2016/17. These include the

Education Improvement Grant and Concessionary Fares although the transfer of the previous Outcome Agreement Grant into the settlement for 2016/17 also accounts for some of the difference. Appendix 2 lists the currently known grants at an all Wales level. At the individual authority level the position is less clear with very little information currently available for Cardiff.

35. Once known these specific grants will be available to the particular directorates as additional resources subject to the relevant terms and conditions. As a significant number of grant allocations have yet to be declared by the WG there is a risk of future notifications resulting in a reduced level of funding. Should the Final Settlement include any transfer of additional specific grants then these resources will continue to be used as had been the position in 2015/16.
36. Careful consideration has been given as to how to manage the risk of compiling the budget based on the WG's Provisional Settlement rather than the usual Final Settlement position. The WG budget timetable is such that the Final Local Government Settlement will be published on 2 March 2016 with the final debate on the WG's budget due on 9 March 2016. The statutory deadline for Councils to set Council Tax for 2016/17 is on 11 March and historically the Council's arrangements have been to hold its Budget Council towards the end of February to enable Council Tax bills to be dispatched in time for cash to begin to flow to the Council by 1 April.
37. Informally the Council is aware that the WG intends that there is to be no material change to amounts between the Provisional and Final Settlements and so the judgement arrived at is that the Council continues with its planned Budget Council date of 25 February 2016. However, it will be necessary to note that a contingent arrangement will form part of the recommendations to this report whereby the Council will either add to or draw down from General Balances if the Final Settlement produces figures different from the Provisional Settlement.
38. To exemplify, if the final settlement is £20,000 less than the provisional settlement, the Council would need to increase its draw down on the general balance. Conversely, if the final settlement is £20,000 more than the provisional settlement, the Council would transfer a sum of £20,000 to the general balance.

Resources Available

39. In December 2015 Cabinet approved the release of savings for consultation as part of the 2016/17 budget process. This report identified a budget reduction requirement of £45.645 million in respect of savings of £33.897 million and budget strategy assumptions yet to be approved of £11.748 million. In the absence of any settlement information these figures were based on the best update of the figures included in the July 2015 Budget Strategy Report.

40. When published it became clear that the Provisional Settlement had provided Cardiff with less reduction in resources than had been anticipated amounting to £11.5 million.
41. Therefore the unhypothecated resources available from WG through the Provisional Settlement are set out in the following table.

Resources	£000
AEF (RSG & NDR)	422,941
Outcome Agreement Grant (subsumed into RSG)	3,344
Unhypothecated resources from WG	426,285

42. The report to Cabinet in December 2015 in respect of the Council Tax Base implied an increase in the number of Band D equivalent properties expected by 31 March 2017. As part of that report the ultimate Council Tax collection rate was increased to 98.5% in recognition of the sustained improvement in collection statistics as evidenced over recent years. Consequently and as confirmed once the Provisional Settlement had been published, this change in the Council Tax base increased Council resources by a further £1.9 million. This position would be impacted negatively should current arrangements to support CTRS claimants change. The present arrangement is that the WG provides funding for 100% of the liability. As this funding forms part of the Settlement it does not take account of the impact of the increase in Council Tax nor does it take into account the change in the number of claimants. In both cases these will need to be managed by the Council during 2016/17.
43. The following table sets out the total resources available to finance the budget before any increase in the rate of Council Tax.

Total Resources Available	£000
Resources from WG	426,285
Council Tax (at nil increase)	144,461
Use of reserves to support the budget	2,070
Total resources available	572,816

44. The Budget Strategy report included an assumption that £1.5 million would be available to support the budget through drawdown from reserves. Following the receipt of the Provisional Settlement this has been amended to £1.1 million in order to help protect the council's financial resilience. Detail of drawdown to support this £1.1 million is contained in the Appendix on Earmarked Reserves. The review has identified that a further reduction to the provision for Council Tax bad debts can be supported following the sustained increased recovery action over recent years. This has enabled £1 million to be released to support the budget. Information in respect of reserves and balances can be found in the section on Financial Standing, Risks and Financial Resilience.

Resources Required

45. The better than anticipated settlement together with the impact of Council Tax base change and a further reduction to the Budget Requirement as a result of lower assumed energy prices all serviced to increase the Council's resources by £14.095 million against that underpinning the proposals released for public consultation in December 2015.
46. Mindful that the budget gap for 2016/17 is still a significant £33 million and that the WG settlement is for one year only, Cabinet considered the use of the additional resources alongside the following principles.
- **Review budget planning assumptions** – to reduce use of one year only solutions, to take out areas of high risk e.g. capitalisation and to support key corporate priorities – i.e. schools.
 - **Introduce a new mechanism** - to reduce future risk, improve financial resilience and allow one off investment and development in priority areas
 - **Review financial pressures** - to address emerging risk areas, to review known areas of high risk/uncertainty, to address corporate priorities
 - **Review consultation savings proposals to:-**
 - a) Improve achievability for 2016/17 by addressing the pace and scale of most challenging areas
 - b) Improve the future financial position by pushing some proposals back into future years, giving a more robust set of proposals for the medium term
 - c) Address emerging issues and moveable assumptions upon which proposals are based (e.g. tonnages)
 - d) Take account of consultation feedback
47. The following table summarises the resources required to cover base expenditure, commitments and budget realignments.

Total Resources Required	£000
2015/16 adjusted base budget (after transfers)	573,506
Employees (pay awards, increments, NI etc)	5,849
Demographic pressures	7,521
Commitments	1,067
Directorate expenditure and income realignments	2,329
Special inflation	2,266
Schools growth (net)	7,183
Financial resilience mechanism	4,000
Total Resources required	603,721

48. An expanded version of the above including the total amount of savings required is shown in Appendix 3.

Funding Gap

49. A comparison of the resources available to the Council (with no increase in the rate of Council Tax) with the resources required results in the following shortfall.

Funding Gap	£000
Resources required	603,721
Resources available	572,816
Shortfall before savings and new pressures	30,905

50. In preparing this budget proposal, the Cabinet has been aware of the need to balance Corporate Plan priorities and service requirements with the impact on Council Tax payers particularly during the current extensive period of financial constraint. The responses to the Cardiff Debate, as described elsewhere in this report have been instrumental in informing Cabinet's view on the final shape of the budget.
51. As a result, the Cabinet together with the Council's Senior Management Team have considered carefully the need to provide for new financial pressures alongside savings options proposed by directorates. A list of pressures included within the budget is set out in Appendix 4.
52. Total savings included within this budget proposal amount to £28.835 million which equates to 8% of the non schools cash limit. The position in respect of schools is set out later in this report. The detailed savings schedule is attached as Appendix 5.
53. The following table identifies that the amount to be raised from additional Council Tax in 2016/17 is £4.293 million after allowing for the adjustment in respect of CTRS amounting to £1.052 million. This will result in a Council Tax increase of 3.7%.

Budget Shortfall	£000
Shortfall before directorate pressures and savings	30,905
New directorate pressures	2,223
Sub total	33,128
Less	
Total savings	(28,835)
Net amount to be raised from additional Council Tax	4,293

54. Further details in respect of the savings included in the above table are set out in the section on Service Implications of the Revenue Budget.

Financial Standing, Risks and Financial Resilience

55. In considering the Council's budget proposals, members must have regard to the financial standing of the Council and the impact of their budget decisions on services, citizens, customers and communities. The financial challenge facing the Council in meeting its Budget Reduction

Requirement of £30.905 million this year on top of the £112.75 million in the last three years is such that the significance of reviewing the financial standing, risks and financial resilience of the Council cannot be understated.

56. As part of this process the Council's Section 151 Officer has, as the Responsible Finance Officer (RFO), a number of statutory duties including under Section 25 of the Local Government and Finance Act 2003 a responsibility to report to members on the budget including the adequacy of reserves.
57. To report on these matters, the Council's Section 151 Officer has to have regard to the overall financial context of the Council against which the budget and the adequacy of reserves is being considered. The financial standing of the Council is informed by a number of factors including: the Council's financial position in the previous year's audited statement of accounts (particularly the balance sheet), the in year position as set out in the Month 9 Budget Monitoring Report, the financial risks and issues attached to the budget for the forthcoming year and the Council's financial resilience and sustainability going forward as detailed in the MTFP.
58. During 2015/16 an increased amount of work has been undertaken in relation to the Council's financial resilience, including regular reviews of the overall snapshot of the financial position and benchmarking with other authorities facing similar financial challenges. The information gathered as part of this work will play a vital role in informing future decisions surrounding the MTFP and the adequacy of financial resources. The financial outlook over the medium term remains a matter of concern and the MTFP section will detail these challenges in respect of ongoing financial austerity, increasing financial pressures and the difficulty of setting and realising year on year budget savings.
59. The paragraphs below set out the Council's financial position at present and that contained within the 2016/17 budget. They also detail the work that has been undertaken to provide further assurance in respect of the budget setting process and the Council's reserves together with the context in which this work has taken place.
60. A key contextual factor is the Corporate Assessment Report published by the Wales Audit Office (WAO) in September 2014 and how the Council has progressed the resolution of the range of issues identified within that Assessment. This progress has recently been tested in the Follow-on Corporate Assessment that was carried out by WAO in October 2015. In addition, the WAO has undertaken a review of the financial resilience of councils across Wales. As part of their work they will rate individual councils in respect of financial planning, financial control and financial governance. The Council is currently awaiting the receipt of the reports in respect of these exercises.
61. In addition, an issue identified in the report was the Auditor's concern in respect of the uncertain prospect for achieving proposed savings and

responding to future funding levels. The Council's response to these concerns has been to review the impact of non-achievability in respect of the savings included in the 2014/15 and 2015/16 budget, which has resulted in the write out of unachievable savings for 2016/17. In addition, a due diligence exercise has been undertaken on the 2016/17 proposed savings. The future outlook for achieving the budget gap highlighted in the MTFP has been further developed this year with a thematic set of later year proposals described in the Medium Term section of this report.

62. The Month 9 Budget Monitoring Report identifies a projected surplus of £988,000, with projected overspends £5.6 million in directorate budgets offset by the £4 million general contingency. Within the directorate overspend position, there are projected shortfalls of £6.075 million against the savings targets for 2015/16, with a further shortfall of £2.594 million projected in relation to the shortfalls carried forward from 2014/15. This is a significant concern and, as such, as part of the due diligence for the 2016/17 budget process, consideration was given as to the likely achievability of these shortfalls in future years. Following this, a judgement was made that, in relation to £3.029m of these savings, the risk associated with achieving them was such that they should be written out. The consequential budget realignments that have been actioned are reflected in the directorate base budgets for 2016/17.
63. The 2016/17 budget process has been undertaken in accordance with the high level principles set out in the July 2015 Budget Strategy Report. The budget process has been rigorous and robust and has utilised the expertise of officers in directorates across the Council.
64. The following provides a detailed list identifying the processes to manage risk that have been undertaken as part of setting the 2016/17 Budget:
 - A Budget Strategy Report was presented to members in July 2015 setting out the budget principles and timetable that would be followed.
 - The Budget Strategy Report included a list of budget strategy assumptions to aid early consideration of how the anticipated budget challenges might be met.
 - Detailed budget documentation and guidance was prepared for directors to complete, to identify their savings and pressures and to identify Capital Programme bids.
 - The risks attached to all savings and growth pressures have been considered and scored in accordance with the Council's risk methodology.
 - The equalities impact of all savings and growth pressures have also been considered and impact assessments completed and updated following consultation for all those where the rating was red or red-amber.
 - The planning status of all savings has been identified to establish whether they are realised or whether general or detailed planning has been undertaken to inform the Section 151 Officer's view of the robustness of the proposals.
 - The General Contingency amount of £4 million which was established as part of the 2014/15 budget setting process has been maintained.

- The budget has continued to include Issue Specific Contingency allocations and for 2016/17 these amount to £2.468 million. Of this, £1.3 million relates to issues previously identified in respect of external residential placements in Children's Services (£950,000) and the market for recyclates from the Material Recycling Facility (£350,000) in the City Operations Directorate. An amount of £1.168 million is also included in the allocation to recognise the difficulty of predicting waste disposal tonnages in the City Operations Directorate.
 - A detailed MTFP has been developed to identify the emerging pressures that the Council will face in future years.
 - A 'Reshaping the Base' exercise has been undertaken in order to examine the minimum statutory level for services and, where services are discretionary, to consider the option to fund these services from income. The outcomes of this exercise fed into the savings proposals put forward for 2016/17.
 - Cabinet Members have been briefed on the emerging issues contained within the Provisional Settlement, along with briefings for all members on the shape of the budget and the budget process. Significant risks exist as a result of the delayed announcement of the Final Settlement and Cabinet Members are aware of the potential implications this might have.
 - Scrutiny Committees have been given the opportunity to review and scrutinise the budget proposals along with budgetary analysis sheets for all directorates.
 - The School Budget Forum has been consulted on the budget proposals in general and the proposals for schools budgets in particular.
 - The Council's Audit Committee reviewed the Treasury Management Strategy in February 2016 in accordance with their formal scrutiny role in relation to treasury matters.
 - Draft budget proposals were released for consultation in December 2015 and, as set out in other sections of the report, consultation activity has been undertaken from which a significant amount of feedback was provided to inform the decision-making process.
 - The Section 151 Officer has through Scrutiny briefings and this report made statements in respect of the financial challenges ahead and the financial resilience of both the revenue budget next year and on the medium term and the Capital Programme.
 - Lastly all Members are fully involved in the budget setting process as the approval of the Budget and Council Tax setting is a function of Council.
65. When setting budgets and reviewing the MTFP, the Council has considered the reserves that it has established and the maintenance of those reserves. The decision on the level of reserves has been considered alongside the strategic, operational and financial risks that the Council faces. These risks are identified and monitored in the Council's Corporate Risk Register as well as individual directorate risk registers and key risks are regularly brought to the attention of Cabinet. The risks are considered alongside the known financial position including commitments, spending plans and liabilities.

66. The directorate savings proposals as listed at Appendix 5 follow a similar format to last year and identify risk assessments in relation to residual risk, achievability and equality impact assessment. Appendix 6 sets out at a directorate level the breakdown of each of these ratings with the following table reflecting the breakdown at a Council level.

Risk Assessment	Residual Risk £000	Achievability Risk £000
Red	3,955	3,990
Red-Amber	5,933	7,673
Amber-Green	10,382	11,477
Green	8,565	5,695

67. As initiated in 2014/15 a Planning Status category has been included in the budget savings set out in Appendix 5. This identifies that savings of £729,000 have already been realised, £25.354 million are in the detailed planning stage and £2.752 million have a higher degree of risk as only general planning has been undertaken to date. This general planning category accounts for 9.5% of the total savings proposed of £28.835 million.
68. In recognition of both the quantum of savings required and the risk and planning status of savings put forward, a General Contingency sum of £4 million was established in 2014/15 and maintained in 2015/16. A review of the planning status and risk position has been undertaken to consider the amount that should be included in the 2016/17 General Contingency budget. The analysis compared the equivalent position at this stage last year, the overall quantum of savings and associated risks and the challenge of carrying forward savings into 2016/17 that are projected not to be achieved in 2015/16. On the basis of this information the General Contingency sum of £4 million has been maintained within the 2016/17 Budget.
69. The pressures and savings, shown in Appendix 4 and 5 respectively, set out for each item a consideration both of residual risk and achievability. In addition the following points identify a number of significant general and specific Council risks which in summary are:
- The challenging financial position in respect of reducing WG resources, increasing financial pressures against a reducing controllable base budget together with increasing volatility and uncertainty in respect of hypothecated grants.
 - Continuing demographic demand for social care services if trend lines vary significantly from the anticipated position.
 - The significant amount of savings that are predicated on the success of preventative strategies and the difficulty of tracking their impact in terms of financial monitoring.
 - The impact of welfare reforms, in particular the phased implementation of Universal Credit during 2016/17, on the ability of

individuals to contribute to the cost of services provided where relevant.

- Reducing demand for services where the Council has historically charged for the activity and so creating an income shortfall.
- The necessity to deliver budgeted savings from reshaping services and other change proposals that are not currently fully defined.
- The significant level of savings based on commercial and income initiatives that are yet to be tested in the market.
- The potential implications arising from the implementation of alternative delivery models for certain Council services.

70. In addition, other general risks to be managed include:

- The need to deliver significant levels of savings during a period of prolonged financial austerity particularly given the impact that delays to delivery of the proposal has on the budget monitoring position
- The cumulative impact of achieving the savings, within this budget in addition to the unachieved 2015/16 savings which remain to be realised in 2016/17.
- The service impact of an ongoing reduction in headcount expected to take place over the medium term but also the changing impact of alternative delivery models on the nature of the workforce.
- The ability to react to new demands resulting from welfare reforms as they are progressively implemented together with financial risks in respect of the CTRS.
- The level of additional borrowing undertaken in previous years and proposed will require more revenue resources to be used for capital financing in future years.
- Capital schemes that are approved on the basis of generating savings, increasing income or capital receipts but which fail to do so will also increase pressure on the revenue budget.
- The impact of the potential adoption of alternative models of service delivery and the requirement to test consequential costs and benefits of the change, for example working through any potential TUPE implications.
- The potential impact on insurance costs for the Council as a result of savings proposed.
- The impact on Cardiff Bus, which is wholly owned by the Council, should the WG make significant reductions to the reimbursement rate in respect of concessionary fares in 2016/17.
- The increasing financial exposure to the Council of the SOP consolidated financial model as the size of the programme and associated risks increase.
- The risk of WG levying fines if the Council fails to realise recycling or land fill diversion rates.
- The impact of functions delivered as part of a collaborative arrangement should the planned benefits not be realised.
- The potential impact on RSG funding if allowances for sparsity are included in future settlements and also any redistributive impact of specific grants transferred into the Settlement.

- The impact of the ongoing uncertainty in respect of the outcome of local government reorganisation.
71. Given the risks identified above, particularly in relation to reductions in head count, care will continue to be required to ensure that the significant changes to business processes or personnel do not impact on the financial control environment in a negative manner. In addition, as the Council moves to adopt different models for service delivery, attention will need to be given to understanding new, appropriate governance arrangements including financial accountability.
 72. The Council needs to continue to operate within a framework that ensures that it is able to maintain its current position in regard to VAT. The Council is able to recover all the VAT incurred in making exempt supplies provided that its exempt income does not exceed 5% of the total amount of VAT incurred. This calculation is known as the partial exemption calculation and applies to the Council as a Section 33 organisation. If the Council was to exceed the 5% limit in any one financial year all the input tax previously recovered on exempt supplies would need to be repaid to Her Majesty's Revenue and Customs (HMRC).
 73. Over recent years the Council's partial exemption calculation has been close to this limit and therefore the headroom in this calculation for the Council is limited. Clearly the Council needs to do all it can to minimise the risk of this 5% threshold being breached and careful management of the Council's activities, particularly in relation to the delivery of schemes included within the Capital Programme is required.
 74. In addition, challenges have arisen and new ones will be likely which will need managing and mitigation in respect of the development of alternative delivery models and significant capital projects such as a new school. For example, the tax position in respect of the new school in East Cardiff has proved particularly difficult to manage, given the structure of the development in relation to the provision of facilities for the Cardiff and Vale College, as part of this arrangement. A solution has been identified and is being progressed to deliver the most effective structure and its subsequent operation.
 75. The financial challenges ahead are such that the Section 151 Officer will continue to highlight the financial standing of the Council on a regular basis, as part of members' overall awareness of financial matters. As such, officers will continue to prepare snapshots of financial health to be reported to senior management and Cabinet on a regular basis. Similarly, WG is also considering these matters and it is likely that, in the future, accounting ratios between councils will be collated to provide comparative analysis. This information will provide further insight into the historic financial performance of councils. Whilst acknowledging that financial accounting ratios are not a direct measure of performance, they do highlight the financial impact of the decisions made by councils. They are particularly important as all councils face the ongoing financial

challenges of adapting to delivering services in an environment of reduced public resources.

76. The financial snapshots provided to Cabinet and senior management, alongside the 2016/17 Budget Strategy report, have been designed to give an overview of the financial health of the Council at a particular point in time. These snapshots provide information about past performance, including levels of reserves held, funding sources for the Council budget and financial performance ratios, such as those that demonstrate the level of working capital available, reliance upon external borrowing and net worth. In addition, information about the current year is provided, including the revenue and capital monitoring positions, the level of savings projected to be unachieved and risks relating to savings proposals accepted for the year in question. Finally, the snapshots also provide an insight into the MTFP, budget gap modelling, the capital financing requirement and affordability indicators for future years. Presenting the information in this way ensures that the future financial situation can be evidenced in the context of previous and current financial performance.
77. The snapshot displayed in Appendix 7, provides an overview of the financial health of the Council at the time of setting the budget for 2016/17. It shows the movement on reserves and key financial performance ratios during the past four financial years, highlighting the fact that reserve levels increased over 2014/15, despite the difficult financial circumstances faced by the Council. In addition, it highlights that, whilst most ratios show a resilient financial position, there has been a decrease in the working capital ratio and increase in the level of borrowing undertaken by the Council. However, both of these ratios still indicate a resilient position. The snapshot also gives a summary of the in-year monitoring positions and performance against savings targets, in line with the month 9 monitoring report. Furthermore, the snapshot gives an overview of the future years' outlook for the Council, highlighting the MTFP scenario, including financial pressures and savings requirements, the future capital financing requirement and the affordability of capital financing costs. This highlights an increasing Capital Financing Requirement (CFR) and capital financing costs increasing as a percentage of controllable budgets.

Council Reserves

78. The Council's strategy for holding and utilising reserves is set out in its Financial Procedure Rules and members, following advice provided by the Section 151 Officer, will consider both the level of reserves held and whether any amounts should be used to support the budget setting process. As part of this consideration members are made aware that the use of reserves is finite in nature and therefore care is required to ensure that their use does not create a significant budget gap which would need to be filled in the following year.
79. The Council holds earmarked reserves as outlined in Appendix 8(a), to meet known or predicted commitments, such as the Schools

Organisation Plan, insurance reserves to meet the self insurance responsibilities of the Council, reserves in connection with the HRA and school balances. The Council's total General Fund earmarked reserves, which exclude HRA and school balances, stood at £33.969 million at 31 March 2015 and are projected to be £37.587 million as at 31 March 2016. This projection includes assumptions contained with the Month 9 Monitoring report and, as such, there is potential for certain estimations to change before the end of the financial year. The projected balance as at 31 March 2017 is £32.945 million. This includes the impact of the movements stated in the following paragraphs as well as the contributions to and from other earmarked reserves in line with the purposes set against each reserve.

80. The Council also maintains a General Reserve as a contingency to help cushion the impact of unexpected events or emergencies. The Council's General Reserve as at the end of the 2014/15 financial year was £13.154 million, however as part of the completion of the Council's 2014/15 outturn position, an amount of £595,000 was transferred to the General Reserve, for use in funding the 2015/16 budget as had been approved as part of the Budget Report. The revised balance of £12.559 million is anticipated to increase in the current year with the Month 9 Monitoring report recommending that the projected surplus of £988,000 be transferred to the General Reserve. When this is taken into account the balance on the General Reserve at 31 March 2016 is projected to be £13.547 million. Following consideration of the Council's current position, in relation to risks and the advice of the Section 151 Officer, it is the intention of Cabinet not to make any use of the General Reserve to fund the 2016/17 budget. However, this is subject to no change to the General Reserve being required following receipt of the WG's Final Settlement as set out in paragraph 37.
81. In addition, the Council also holds a General Reserve in connection with the HRA, which comprises accumulated housing surpluses from previous financial years. This reserve is ringfenced for use in connection with the HRA only and cannot be used to fund the Council's overall budget. As shown in Appendix 8(b), the projected balance at 31 March 2016 is £8.438 million and it is currently anticipated that there will be no movements during 2016/17.
82. Benchmarking, undertaken internally, has identified that, as at 31 March 2015, the Council continued to have some of the lowest levels of general and earmarked reserves, compared to gross expenditure, in Wales. The General Reserve only represented 1.3% of gross expenditure in 2014/15 (1.1% in 2013/14) and earmarked reserves represented only 3.4% (3.0% in 2013/14). This further supports research undertaken by the WLGA in respect of the 2013/14 financial year, which identified that the Council had the lowest level of general reserves as a percentage of gross revenue expenditure across all councils in Wales and one of the lowest in terms of earmarked reserves as a percentage of gross revenue expenditure. As members are aware there is no set statutory minimum level of reserves and decisions made should reflect the individual position of each council.

83. The Council has historically taken a proactive role in relation to the use of its reserves and identified, as part of its 2016/17 budget strategy, that a figure of £1.5 million would be considered for release, subject to the outcome of a balance sheet review. Following receipt of the Provisional Settlement, this figure was reduced to £1.1 million to help protect the Council's financial resilience. In addition to this sum, the Council has also been able to identify £1 million for release from the Council Tax provision for bad debts. This is as a result of a review of the level of provision required, in light of improving collection rates.
84. School balances, outlined in Appendix 8(c), form part of the overall balance sheet for the Council. Therefore, the risk of any liability or debt crystallising within the school balance sheet does have the potential to impact on the overall financial standing and resilience of the Council. Whilst schools do have delegated responsibilities and budgets, these are subject to the Council's scheme of financing and adherence to the Financial Procedure Rules. Schools are forecast to have net negative balances of circa £1.6 million, as at 31 March 2016, and these are projected to decrease by a further £251,000 by 31 March 2017. However, it is anticipated that the overall level of school balances will improve over the life of the MTFP.
85. Whilst, a negative balance is of concern there are two underlying items which will improve the March 2017 balance sheet position of £1.839 million debit. In 2014/15, a significant cost was incurred by schools in respect of redundancy costs which resulted in an over spend of £1.9 million for that year. The approach taken was to spread the cost of this overspend over the following five years starting in 2015/16 with an annual payment being identified of £380,000 to be paid from the overall delegated school budget. By spreading the cost over a five year period this has resulted in a temporary position where overall school balances are overdrawn but there is a mechanism in place with identified budget to pay the amount back. Therefore three years of the pay back (£1.12 million) will not have been taken into account in the 31 March 2017 figure. In addition, a significant deficit has been incurred by Glyn Derw and Michaelston which has been taken into account and identified within the School Organisation Programme when considering the relocation and building of a new school. Deficits can only be written off if a school is closed. These two schools are scheduled to be closed in September 2017 and at this point the deficit will be cleared thus improving the overall school balance position by £1.2 million. Therefore, the £1.839 million deficit figure needs to be considered in conjunction with the £1.12 million to be returned to balances over the medium term in respect of redundancies and the £1.2 million writing off of a deficit balance upon closure of the school.
86. The above paragraph puts into context the current position on school balances but does not take away the need for continuing due diligence so that schools ensure that spending plans are in alignment with their budget and wherever possible deficit balances are avoided or reduced. Work will continue to be carried out with those schools causing

significant financial concern. Where the Council's Section 151 Officer determines that the provisions contained within the scheme or procedure rules have been substantially or persistently breached or a budget share has not been satisfactorily managed, then intervention powers will be taken to suspend delegations for that school.

87. The Council instigated a practice of borrowing against earmarked reserves to fund the substantial costs of voluntary redundancy in 2014/15. These amounts have been re-profiled as part of the 2016/17 budget and all sums borrowed from reserves are anticipated to be fully repaid by the end of 2016/17. The planned repayment profile is set out in Appendix 9. No further sums are intended to be borrowed from reserves over the medium term because as set out in the MTFP, the base budget is anticipated to be sufficient to fully cover annual costs.
88. The judgement of the Council's Section 151 Officer, taking into account the budget monitoring forecast as at 31 December 2015, the corporate budget position, the General Reserve, as well as the General Contingency budget of £4 million, is that the projected level of both general and earmarked reserves up until 31 March 2017, is adequate when considering the 2016/17 budget. The position, therefore, allows for the £2.070 million drawdown from reserves to fund the budget and also allows for the ongoing use of earmarked reserves to meet the updated profile of repayments to meet the costs of voluntary redundancy. It should however be noted that the one off release of £2.070 million from the Balance Sheet increases the budget reduction requirement by an equivalent sum in 2017/18.
89. Overall, the position in respect of risk and reserves will require careful monitoring throughout the financial year, particularly in light of the achievability of savings and further financial interventions may need to be considered. Beyond this, given the information and uncertainty contained in the MTFP, the position with regard to reserves will continue to be carefully monitored alongside the Council's general standing in respect of financial resilience.

Service Implications of the Revenue Budget

90. In compiling the revenue budget for 2016/17 the Cabinet has recognised the continuing challenge for the general public in managing their finances through the difficult economic conditions. Consequently the budget includes savings of £28.8 million but despite this and in accordance with Corporate Plan priorities, the Cabinet has achieved a balanced budget by reducing expenditure and increasing income generation in the following manner:
 - increasing external income and identifying alternative funding streams
 - exploring different and more effective ways of delivering services.
 - Identifying and progressing opportunities to work in collaboration.
 - through efficiencies in back office functions and working smarter.

91. For 2016/17, the national pay award for employees other than teachers was offered as part of the award to cover the period to March 2018. The pay related increases for teachers are contained within the Individual Schools Budget (ISB) as described in the Schools section of this report. The total cost increases for employees other than school based staff included in this budget plan are shown in the following table.

Employee Cost Increases	£000
Pay inflation (including voluntary living wage)	1,952
Incremental progression	1,170
Change to National Insurance for contracted out pension schemes	2,727
Total	5,849

92. A list of posts deleted or created as part of the budget is shown in Appendix 10. The Appendix shows that there will be a net reduction of 138 full-time equivalent (fte) Council posts overall made up of the deletion of 168.5 ftes offset by the creation of 30.5 ftes. The information below reflects posts deleted or created in respect of budget proposals. They do not include the potential fte impact of TUPE that may result from the implementation of alternative models of service delivery.

93. The budget assumes that the post deletions will result from:

Reason	fte
Voluntary redundancy	(13)
Vacant posts	(40.1)
Redeployment	(3)
Retirement	(1)
To be confirmed	(111.4)
Total number of deleted posts	(168.5)
Posts created (inc 5 temporary posts)	30.5
Net impact	(138)

94. In addition to the employee savings reflected in the directorate proposals the following council-wide savings also impact on the workforce and these have been allocated and reflected in directorate budgets:

- An efficiency saving in respect of the overall employee budget (£270,000).
- A reduction in the number of agency staff employed as a direct result of improved levels of sickness absence (£300,000).
- A managed reduction in general use of agency staff resulting in a saving of £450,000.

95. It should be noted that the outcome of the annual review of the Council's Voluntary Redundancy scheme was reported to Cabinet in January 2016. The approved recommendation was that no change to the current arrangements would be made for 2016/17 but there would be a further

review of the scheme early in 2017. However, the budget does include the release of £1.9 million previously set aside to meet the cost of voluntary redundancy. An element of this was identified in the 2015/16 budget as a consequence of the scheme change in April 2015 but further savings have been identified including a recalculation of future commitments based on the most recent profile of leavers.

96. The budget includes a sum of £700,000 in 2016/17 to support employees in embracing change and methods of working as the Council implements the budget proposals. This sum will be used to enhance training provided by the Council's Academy, support Workforce initiatives through the Organisational Development Programme and enable improvements to be made to performance management arrangements.
97. Further council-wide exercises on the utilisation of the Council vehicle fleet and improved management of travel and mileage allowances will achieve savings of £400,000 and £350,000 respectively.
98. Following the implementation of the first phase of the new Customer Relationship Management System and the adoption of agile working for social workers it is planned to adopt a 'Digital First' solution for all relevant service delivery in Cardiff by the end of 2017/18. Therefore, in addition to savings in respect of digitalisation included within the directorate savings, a further target of £875,000 has been included in the budget for 2016/17. Directorates will be expected to embrace the opportunities presented by digitalisation in order to achieve the target.
99. As in recent years, no allowance for general inflation has been allocated to directorates. However research undertaken has identified budgets that should be increased as there is evidence of particular pressures. Consequently an inflationary allowance has been allowed in the budget for the following items:
 - Adult social services fee increases including domiciliary care arrangements
 - Non-domestic rates
 - Schools out of county placements
 - Special Guardianship Orders
100. As expenditure on energy and fuel is significant for the Council, research is undertaken using the expertise of the energy and procurement teams across the Council. Although volatile, prices have generally remained favourable when compared against the planned resources in this area and latest pricing information suggests that it is possible to reduce existing energy budgets to reflect falling prices. As a result a reduction of £559,000 has been made to Council-wide energy and fuel budgets.
101. A review of the level of insurance cover required based on the Council's current claims history recently undertaken by our external advisor has resulted in a budget reduction of £500,000 for 2016/17.

102. The capital financing budget reflects both the repayment of principal and interest on loans for capital expenditure together with receipt of interest payments from short-term investment of surplus cash. For 2016/17 a reduction of £535,000 against the current budget has been possible. This is based on an assumption of utilising internal borrowing whilst feasible to minimise short term interest costs and maintaining a single pool of debt for the Council. Over the medium term based on the current level of capital spending additional budget of £1 million will be required. The budget for 2016/17 assumes that a dividend payment of £150,000 will be received from Cardiff Bus and this position will be kept under review.
103. It is expected that the CTRS will remain unchanged for 2016/17 and will comply with CTRS Prescribed Requirements (Wales) Regulations 2013. In addition, the scheme will continue to provide additional assistance for war pensioners by disregarding the income from war pensions including War Widows Pensions, War Disablement Pensions and income from the Armed Forces and Reserve Compensation Scheme. This is in line with the Council's commitment to support veterans and their families. The cost of this disregard is estimated at £34,000. The income from these benefits will also continue to be disregarded for Housing Benefit purposes at an estimated cost of £14,000.
104. The continuation of the Office Rationalisation project which aims to reduce the area of occupied office space and focus occupancy in the Council's core administrative buildings is expected to deliver revenue savings of £1.25 million as well as achieving capital receipts through the disposal of interests in buildings that are no longer necessary.
105. This budget proposal does not include an allowance for a general increase in fees and charges. Directors were advised that they should consider the particular circumstances for which they charge for their functions and reflect any such changes in their savings proposals. The list of proposed revisions to fees and charges in 2016/17 is shown in Appendix 11.
106. Contained in Appendix 5 are budget savings proposals that suggest the alternative delivery of services potential from a source other than the Council. At the point that these changes occur then the fees and charges specific to those services may be reviewed and in some circumstances would cease to be the responsibility of the Council.
107. Some savings have assumed securing a wider market share through commercialising areas of City Operations (£400,000), Trade Waste (£78,000) and the Alarm Receiving Centre (£300,000). Other areas have looked at achieving additional income such as the bulk loading recycling facility (£90,000), landfill gas generator contract (£100,000) and land charges (£41,000). In addition Bereavement & Registration will increase their income by £100,000 as will a review of parks charges (£38,000) and outdoor sports (£22,000).
108. In order to support further investment in the highways infrastructure an additional £360,000 will be generated through an increase in the income

from Moving Traffic Offences. Litter enforcement will also generate an additional £50,000 income. Planning fees are expected to generate an additional £100,000 with a further £50,000 being anticipated through charging for bespoke planning applications.

109. For 2016/17, the School Catering Unit will increase the price of primary school meals by £0.10 per day thus taking the charge to £11.50 per week. The cost of Secondary School meals will increase by £0.10 per day to £2.75. This will result in an additional income of £220,000 thereby reducing the cost of catering to the Council. Additional income is also planned for within advertising & sponsorship (£88,000), City Centre Management activity sites (£45,000) and Tourism (£33,000).
110. Whilst recognising the continuing difficult economic conditions, it is important that the Council is able to react quickly and appropriately to changing events both in terms of opportunities and to address shortfalls. To aid this it is proposed that the Council continues to delegate to the appropriate officer the ability to introduce and amend prices as and when needed. This decision will be taken by the Section 151 Officer in conjunction with the Cabinet Member for Corporate Services & Performance. Where appropriate a report will need to be considered by the Cabinet within a reasonable timescale of the decision. From 2017/18, there will be a presumption an assumption that unless prohibited by statute or regulation, then all fees and charges will be increased on an annual basis at least in line with the Consumer Price Index.
111. Within the budget proposals are items which further build on a commercial approach. Whilst the primary nature of the savings will be income there remains the need to ensure the commercial approach delivers savings which also focus on cost and customers. This commercial approach will be developed through the Council's Commercialism Strategy which is due to be considered by Cabinet shortly and look to deliver a range of services some of which will be achieved in the first year with others requiring time in order for the sizeable opportunities to be delivered.
112. School transport is regarded as a corporate activity in Cardiff with responsibility for policy being held by the Cabinet Member for Education & Skills while responsibility for delivery of the policy is within the portfolio of the Cabinet Member for Transport, Planning & Sustainability. Savings of £371,000 have been included from school transport and cover:
 - Full year effect of the withdrawal of non-statutory primary school transport approved as part of the 2015/16 budget (£81,000)
 - Continuation of route optimisation and re-tendering for pupils with Additional Learning Needs (£100,000) and secondary and primary school pupils (£60,000)
 - Review of transport and policy for pupils with Additional Learning Needs who live within two miles from primary school and three miles from secondary schools (£125,000)
 - Increase of bus passes prices (£5,000)

113. The budget retains the Neighbourhood Partnership Fund at £60,000 but in future each of the six Neighbourhood Areas will set the priorities for use of £10,000 during 2016/17. This is a change from previous practice which was a grant bidding process and will reduce the administration of the arrangement.
114. The Equality Act 2010 places a general duty on the Council to eliminate unlawful discrimination and promote equality according to the nine protected characteristics. To comply with this duty, directors have undertaken Equality Impact screenings for each of their savings and financial pressure submissions with full Equality Impact Assessments undertaken on any regarded as higher than Red/Amber. Following moderation by the Council's equality team these assessments have informed the budget setting process.
115. The following paragraphs provide a commentary on significant areas of change within the budget. The overall changes to directorate budgets between 2015/16 and 2016/17 are shown in Appendix 12 while Appendix 13 shows the 2016/17 Revenue Budgets related to Cabinet Member portfolios.

Amendments Since Publication of Consultation Proposals

116. As set out earlier in the report, the Council's budget proposals released for public consultation in December 2015 took account of neither the WG's Provisional Settlement nor the impact of the updated Council Tax base which was also a function of the settlement.
117. The additional resources received as a result of this better than anticipated position has enabled the Cabinet to change some proposals through reflecting on the results of the consultation exercise and they have also had regard to initiatives that improve the Council's financial resilience in the medium term. In addition, it has been possible to enhance provision for the priorities set out in the Corporate Plan.
118. As a result, Cabinet have identified a series of changes that are detailed in Appendix 14, and have been reflected in the commentaries on directorate budgets and are summarised below:
 - Reductions to savings proposals included within the public consultation document in order to take account of feedback and to address the pace and scale of change in the most challenging proposals.
 - Increased investment on priority initiatives as a combination of on-going and one-off additional funding.
 - Reduction in the proposed increase for Council Tax.
 - Amendments to budget lines as a result of updated information.

- Technical adjustments to improve future financial resilience and reduction of risk.

Directorate Commentaries

City Operations

119. Significant additional resources have been allocated to the Directorate in order to meet demographic and other financial pressures in 2016/17. In addition, allocations have also been made as part of the Financial Resilience Mechanism to provide improvements to services and infrastructure across the City during the coming financial year. These sums are allocated on a one-off basis and will then be available to support the Council's overall budget reduction targets in future years.
120. Demographic pressures totalling £288,000 have been funded as part of the budget with £197,000 in School Transport reflecting a number of specific pressures including the new Autistic Unit at Springwood and £91,000 in Waste Management reflecting the potential for increased tonnages to be collected and processed. As in the current year an earmarked contingency budget will also be maintained in order to offset any fluctuations in tonnages during the year. This will amount to £1.168 million in 2016/17. A budget realignment of £200,000 has also been made in order to reflect anticipated shortfalls in the level of income likely to be received by the Material Recycling Facility. In addition, as in the current year an earmarked contingency budget of £350,000 will be retained in order to reflect potential volatility in prices and income in this area. An amount of £367,000 has also been added to the Directorate budget in order to reflect the previous commitment to reinstate the revenue budgets for Eastern Leisure Centre once the upgrade to the facility had been completed.
121. Funding of £926,000 has been allocated to the Directorate to reflect specific financial pressures identified during the budget process. This includes £456,000 to offset the anticipated reduction in WG grant funding for the Single Environment Grant which supports a range of recycling processing and initiatives to drive recycling and avoid fiscal fines, local environmental quality improvements, prevention of fly tipping and flood prevention activities. Other financial pressures include £175,000 to support the cost of introducing new recycling initiatives for the public including mattresses, carpets and other materials such as hygiene waste and £75,000 to provide additional support for the development of supplementary planning guidance following approval of the Local Development Plan by Council in January 2016. Funding of £220,000 has also been allocated to meet pressures and fund improvements in relation to Neighbourhood Services. This includes the introduction of teams to support cleansing and enforcement activities including the provision of activities outside of normal working hours. The funding will also support tidal parking enabling a deep cleanse and help to prevent drainage issues, reintroduction of street washing to the city centre and also to provide street washing outside of the city centre in areas where liquids

can less frequently cause pavements to become unclean but also potentially hazardous. In addition two apprenticeships will be created.

122. The allocations made as part of the Financial Resilience Mechanism to provide improvements to services and infrastructure across the City during the coming financial year total £600,000. These are one-off allocations which include £320,000 to fund targeted interventions for potholes enabling approximately 3,000 potholes to be repaired. Other allocations include £100,000 for transport project delivery including increasing the number of 20 mph schemes in sensitive areas and improvements to residential parking schemes and £80,000 to support a new mobile recycling facility. A further £100,000 is also being made available to support visible street scene services including the creation of an additional enforcement unit to tackle high priority areas across the city. This is in addition to the £220,000 allocated to Neighbourhood Services as part of the financial pressures referred to above.
123. The savings proposed within this directorate total £7.586 million representing 22.8% of the net controllable budget. The savings include changes to service delivery including alternative delivery models, commercialisation and increased income generation and reduced expenditure and efficiencies within services.
124. Savings proposals based on changes to service delivery and alternative delivery models total £4.093 million. This includes £1.052 million for reshaping services within City Operations primarily through an alternative delivery model for Infrastructure Services. A saving of £850,000 is also proposed in relation to a new operating model for Leisure Services. The detailed business cases for these new models of service delivery are being developed and will be presented to Cabinet for decision in the next few months. A budget saving of £759,000 has also been identified in respect of waste disposal, this reflecting the projected savings as a result of the full implementation of the new contract arrangements in relation to Prosiect Gwyrdd. The overall costs in relation to waste disposal will be subject to a number of factors including fluctuation in tonnages. As such a budget contingency of £1.168 million will be maintained as part of the 2016/17 budget in order to offset any unforeseen cost increases. Funding is also available in the Waste Management Reserve should this be required. A saving of £450,000 is also proposed from reshaping the Grounds Maintenance Service, protecting core services but increasing productivity, whilst in relation to Regulatory Services a further saving of £310,000 is expected to be released from the Regulatory Collaboration with the Bridgend and Vale of Glamorgan Councils. The new model for Children's Play is also anticipated to release a saving of £270,000 in 2016/17 with play, including after school club activities being run from a range of community facilities within Neighbourhood Partnership areas in future. Other significant savings include £137,000 from the cessation of the contract for automated public conveniences with the units being taken out of operation from 1 April 2016 and £78,000 from the full year effect of the alternative delivery model for the Cardiff International Sports Stadium with the Cardiff & Vale College taking over the operation of the stadium in the current year. There are also proposed savings of £59,000

from the transfer of Insole Court to a community trust, £45,000 as a result of the Victoria Park paddling pool wet play improvements, £43,000 in relation to a new operator for Canton Community Hall and £40,000 from changes to the operation of the Heliport.

125. Savings proposals based on commercialisation and increased income generation total £1.416 million. This includes £400,000 from commercialisation within the Directorate including improved charging, income generation projects and areas such as sponsorship, selling services via the website and from fees and charges. A saving of £78,000 is also anticipated through increased commercialisation within Trade Waste by increasing income through the provision of new services and improved competitiveness. An increase in income from moving traffic offences will also provide a further contribution of £370,000 to fund transport and environmental improvements within the revenue budget. A saving of £128,000 is also anticipated as a result of an improved recharging process for landscape design fees with an additional £50,000 also proposed through optimising the recharging of Drainage staff costs to applicable grant schemes. Additional income of £100,000 is expected in relation to planning fees with a further £50,000 through improved charging for support on bespoke planning applications. Other significant savings include £100,000 as a result of increased income opportunities from the renewal of the landfill gas generator contract, £100,000 through reshaping services and increased income opportunities in Bereavement Services and £90,000 through income generated by optimising the marketing of transfer waste and the recycling bulk loading facility with other local authorities and businesses. A saving of £50,000 is anticipated as a result of increased enforcement powers in relation to dog fouling, highways and litter with £41,000 also projected as a result of optimising parks income through increasing sales of nursery plants and increasing income from Roath Park Conservatory and the Royal Horticultural Show. Savings are also identified in relation to Street Lighting with £33,000 from improved performance allowing alternative chargeable works to be undertaken and £26,000 through improving the recharging of design and inspection both externally and internally.
126. There are a range of proposals totalling £1.877 million based on efficiencies and reduced expenditure within the Directorate. This includes £252,000 as a result of increased productivity and plant maintenance efficiencies in relation to materials recycling, £240,000 through the alignment of core processes and identification of synergies across the directorate and £200,000 from improved digitalisation of services and payments, introducing e-auctioning to all areas of the Directorate. A saving of £105,000 is also proposed in relation to cost reductions arising from the implementation of improved customer management processes with an overall saving of £234,000 also anticipated as a result of improved business process efficiencies and contract rationalisation in the Electrical and Design Teams. Other savings include £90,000 through improved recharging for services and deletion of posts in Transportation Policy, £80,000 as a result of reduced maintenance costs following capital investment in the fans in the Butetown Tunnel and £68,000 through improved automation of the security at the Lamby Way depot. A

saving of £76,000 is also anticipated in respect of the household waste recycling centres (HWRCs) reflecting the full year effect of seasonal opening hours, charging for non-Cardiff householders and additional productivity and effectiveness once the new HWRC opens in the Summer 2016. Other significant savings include £60,000 from improved highway safety inspection resulting in a reduction in the level of insurance claims, £50,000 from rationalisation and reduction of vehicles in Highways Transport and £50,000 through a review of additional staff payments in Highway Operations. A saving of £50,000 is also proposed in relation to school crossing patrols reflecting a realignment of the budget and staffing structure. There will be no change to the number of crossings supported by patrols with locations being reviewed as officers retire. Outdoor Sports is also anticipating a saving of £50,000 reducing subsidy through reductions in employee and supplies and services costs, a remodelling of fees and charges and implementation of alternative delivery models. A range of other efficiency and cost reduction proposals across the Directorate will provide further savings of £272,000.

127. A number of addressable spend savings also impact on the City Operations Directorate. These include £371,000 of targeted savings on School Transport, £210,000 within Street Lighting including conversion to LED lighting and £175,000 in relation to the facilities management costs at the Cardiff International Sports Stadium with the Cardiff & Vale College taking a lease of the stadium in the current year. The savings also include energy savings totalling £90,000.

Communities, Housing & Customer Services

128. The savings proposed within this directorate total £1.259 million representing 7.69% of the net controllable budget. They include £250,000 in relation to the continued rollout of the Libraries / Hub Strategy including the implementation of the Cabinet decision on Roath Library to advertise for expressions of interest for a community asset transfer incorporating the re-provision of a library service in the building. The saving also relates to the vacation of the Dominions Way storage facility. A saving of £100,000 is also proposed as a result of refocussing services from the Hubs. Currently advice in the Hubs is provided through a variety of approaches. This proposal would reduce Council funded partner advice services to specialist financial advice with less complex issues delivered by the Hub Advice Officers. A number of the savings proposals are based on income generation. This includes £300,000 from further realisation of income opportunities following the creation of the Alarm Receiving Centre. Others include £49,000 from additional income in relation to the Learning for Life Programme thereby reducing the level of subsidy within the Adult Community Learning Service and £30,000 by commercially exploiting the expertise of the Council's Web Team to achieve additional income. Changes to the alignment of the Adult Community Learning Grant will also assist in delivering outcomes and a saving of £130,000 in relation to Into Work Services.
129. Budget savings are also proposed as a result of reviewing service structures and opportunities to recharge costs. This includes £142,000 in

relation to the recharging of service costs in Neighbourhood Regeneration either to capital schemes or to the Housing Revenue Account. A saving of £65,000 is also proposed through efficiencies in the allocation and recharging of management costs within the Directorate. A review and restructure of Reablement Services, refocussing towards reablement activities with fewer and better trained staff is also anticipated to provide a saving of £193,000.

130. As part of the due diligence for the 2016/17 budget process the level of risk attached to current shortfalls against budget savings targets in 2015/16 was assessed. Based on this a previous year budget saving of £35,000 in relation to reorganising the way community meals are delivered has been re-instated into the base budget for 2016/17. This reflects a change to the proposals for the delivery of this service.

Corporate Management

131. The savings proposed in Corporate Management amount to £307,000 and represent 11.26% of the net controllable budget. The proposals include efficiencies of £77,000 in Communications and Media based on a reduction in campaign budgets and £54,000 through staff reductions in the Cabinet Office. A saving of £131,000 is also proposed in relation to corporate initiatives with a reduction made to the amount available to support events and market the city. Other corporate savings include £30,000 from an anticipated reduction in audit charges reflecting increased partnership working and £15,000 as a result of savings made in relation to corporate banking charges.
132. Other corporate savings, identified as part of the addressable spend proposals include £32,000 through a net reduction in precepts and levies paid to other bodies. A further reduction of £25,000 in respect of audit fees is also anticipated reflecting a review to ensure that all areas of the Council are being appropriately charged for the audit work undertaken.
133. As part of the due diligence for the 2016/17 budget process the level of risks attached to current shortfalls against budget savings targets in 2015/16 was assessed. Based on this a previous year budget saving of £40,000 in relation to increased Communications and Media income targets has been reinstated into the base budget for 2016/17. This reflects the continued unachievability of this proposal. The budgets within Corporate Management also include £500,000 to reflect the reinstatement of the funding for the Central Enterprise Zone which was temporarily reduced in 2015/16 and £250,000 to reflect the increase to the Fire Service Levy as a result of price changes and demographic changes which impact on the relative distribution of the levy amongst constituent authorities.

Economic Development

134. Budget savings totalling £1.286 million have been proposed representing 56.13% of the net controllable budget. This includes £430,000 based on a review of costs, income and service delivery in two Arts venues.

Following public consultation a number of changes were made to proposals in respect of Arts and Culture including the re-instatement of budgets for Community Arts Grants (£68,000), Artes Mundi (£20,000) and Cardiff Singer of the World (£36,000). The £37,000 budget for the Cardiff Contemporary Initiative has also been reinstated, however a saving of £50,000 is still anticipated as a result of identifying alternative funding sources for the Arts Management budget. A number of other savings are also proposed as a result of reviewing and realigning existing services. This includes £122,000 through a new approach to funding the taxi marshalling service for the night time economy in the city centre on weekends and £95,000 from rationalising existing culture, venues and events marketing and sales provision. Other savings include £41,000 from a service redesign of Strategic Estates and £15,000 from a reduction in part time hours within Economic Development.

135. A number of the savings proposals relate to increased income generation including £88,000 through increased sponsorship and advertising in Economic Development and £86,000 from a further capitalisation of staff costs in Major Projects to reflect capital works undertaken. Additional rental income of £56,000 is anticipated from the Council's property estate through the periodic rent review process with an additional £47,000 also anticipated from increased rental income in the managed industrial workshop estate. Budget savings based on increased income are also proposed in relation to City Centre Management with £45,000 expected through the use of activity sites in the city centre and additional tourism income of £33,000 through increased local business subscriptions to the Cardiff Convention Bureau and the Cardiff Tourism Network. The budget saving of £47,000 previously proposed in relation to a reduced service in Tourism has been reinstated following the outcome of the public consultation. Other savings within Economic Development include £120,000 from a reduced subsidy to the Cardiff Business Council, £51,000 by removing the budget for the provision of discretionary grants to small to medium sized enterprises (SMEs) and £7,000 through a reduction in miscellaneous revenue support budgets.
136. As part of the due diligence for the 2016/17 budget process the level of risks attached to current shortfalls against budget savings targets in 2015/16 was assessed. Based on this a previous year budget saving of £300,000 based on savings in cultural venues has been reinstated into the base budget for 2016/17. This has been replaced by updated proposals submitted as part of the 2016/17 budget process.

Education & Lifelong Learning

137. Within Education £500,000 has been allocated in order to establish a fund that as part of the Cardiff Commitment provides opportunities for apprenticeships therefore offering another route into higher education. This is one off funding but will be reviewed as other apprenticeship schemes develop.
138. Whilst additional funds have been allocated to delegated school budgets the Education directorate has had to identify budget savings totalling

£3.074 million which represent 18.1% of the net controllable budget. They include £650,000 saving in respect of the continued remodelling of the Youth Service which commenced in 2015/16. The Council will continue to support the delivery of youth provision throughout the City, directly supporting provision with targeted Council run services for young people and communities in greatest need. A reduction in the number of Out of County placements through partnership working by reducing the number of new placements will deliver a £680,000 saving whilst reductions in the costs of existing placements will deliver a saving of £150,000. Working in partnership with Children's Services a review of Looked After Children will reduce the number of Out of County Placements (£100,000) whilst a different approach to commissioning tutors for pupils who are not educated in school will deliver savings of £149,000.

139. A restructure of the Specialist SEN teams will produce a £60,000 saving whilst a reduction in the Childcare Team will achieve a saving of £100,000. A reduction in the staffing capacity in the Education Welfare Service structure delivers £100,000 with further savings in Performance Management (£35,000) and directorate business process redesign (£100,000) respectively. Rationalisation of budgets such as energy efficiency and the revision of service level agreements will deliver a saving of £569,000 with a reduction in the contribution to the Central South Consortium contributing a further £81,000. Additional income will generate £300,000 savings through increasing school meal charges.
140. As part of the due diligence for the 2016/17 budget process the level of risk attached to current shortfalls against budget targets was assessed. Based on this a previous year budget saving of £42,000 in relation to staffing restructures has been re-instated into the base budget for 2016/17.
141. In 2015/16 delegated school budgets were increased by 3.2% which was the largest increase across all Local Authorities in Wales. For 2016/17, the delegated school budgets will increase by a further £11.185 million (5.4%).
142. Whilst there has been no formal announcement from WG there is an expectation that all Welsh Local Authorities will need to continue to demonstrate that they have met School Protection. For Cardiff this means that the 2016/17 delegated school budget of £205.609 million needed to be increased by at least 3.823 million (1.85%) excluding any changes for pupil numbers. This budget allocates to delegated school budgets an additional £7.152 million (3.47%) for non-demographic growth which exceeds protection by £3.329 million.
143. The £7.152 million will contribute to meeting 75% of the inflationary pressures facing schools such as pay awards, teachers superannuation, National Insurance, increments and free school meals.
144. In addition, demographic pressures in relation to pupil numbers (and their associated needs) have required extra resources of £4.033 million.

These demographic pressures are primarily represented by pupil increases in both mainstream and special school settings but also include the resulting increase in free school meals, breakfasts and pupils with complex needs.

Governance & Legal Services

145. Budget savings of £125,000 are proposed representing 5.32% of the net controllable budget. A saving of £50,000 is proposed in relation to the scrutiny research function. This is being offset by a one-off allocation of £50,000 to undertake a full review of the function during 2016/17. Other savings include £7,000 from a reduction in the level of directorate printing and £3,000 though the provision of in-house welsh language translation at Council meetings. There are two savings proposals based on income generation with £41,000 of additional income anticipated in relation to land charges through a combination of increased demand and price and £24,000 via a proposed invest to save initiative in respect of welsh translation.
146. Additional budget of £258,000 is proposed in order fund financial pressures. This includes £158,000 to fund additional solicitors and to meet the demands of the workload. This will enable further legal work to be carried out in-house with less reliance placed on more costly external services. In particular additional legal posts are required in order to carry out work in relation to child protection and procurement. An additional £100,000 has also been allocated to member support to enable preparation for the future implementation of the Local Government (Wales) Act.

Resources

147. Budget savings of £1.842 million are proposed representing 13.3% of the net controllable budget. This includes savings of £645,000 on employee budgets of which £322,000 relates to Finance with post reductions and other employee savings in Exchequer and Development, Audit, Service Accountancy and Business Administration. Other employee savings include £215,000 in Human Resources, £56,000 in ICT, £30,000 in the Central Transport Service and £22,000 in the Improvement and Information Team all reflecting a reduction in posts.
148. Savings based on income generation amount to £884,000. This includes £165,000 in relation to Revenue Services with £150,000 based on an extension of the recent changes to bring more of the enforcement of penalty charge notices directly under the control of Council staff and £15,000 in relation to the recovery of additional court cost income from business rates. A saving of £135,000 is also identified in relation to Security and Cleaning, this being linked to the process of implementing an alternative delivery model. An income target of £125,000 is also being introduced to reflect the Enterprise Architecture Team's support in driving out the adoption of digital services across the organisation thereby improving customer experience, increasing automation and enabling employee efficiencies. A similar target of £105,000 has also

been introduced for ICT reflecting the transitional support required in respect of alternative delivery models. Other income targets include £82,000 through the delivery of information governance responsibilities across Council services and £35,000 from reviewing the pricing and charging model for the Council's Record Centre. Additional income of £60,000 is anticipated through the sale of staff time to an employee owned mutual or local authority trading company in relation to Commissioning and Procurement and £50,000 through maximising internal income and marketing services to public sector bodies by Building Services. An income stream of £30,000 is also anticipated in relation to Security and Cleaning based on partnership working with the Alarm Receiving Centre. Other additional income targets include £54,000 of funding from the Fraud Detection Reserve in relation to Audit work, £29,000 of additional income generated by Cardiff Works and £14,000 in Project Accountancy based on support provided to Major Projects.

149. Other proposed savings reflect service efficiencies or a reduction in external costs. This includes a reduction of £111,000 in the spend on licences, network, telephony links and support and maintenance within ICT and £68,000 through procurement efficiencies in relation to the vehicle replacement programme in the Central Transport Service. A reduction of £60,000 is also proposed in relation to third sector infrastructure funding reflecting efficiencies and increased collaboration of back office functions with a reduction of £35,000 also proposed in relation to Community Safety funding. This includes savings based on the removal of mobile CCTV cameras and reductions to the events/Operation Mistletoe budget with this anticipated to be replaced by alternative funding mechanisms later in the year. Other efficiencies and savings totalling £39,000 have also been identified across the Directorate including £20,000 as a result of reduced costs in the Central Transport Service.
150. As part of the due diligence for the 2016/17 budget process, the level of risks attached to current shortfalls against budget savings targets in 2015/16 was assessed. Based on this a previous year budget savings of £26,000 in relation to charges for credit card payments has been reinstated into the base budget for 2016/17. This reflects a technical change which means that this proposal can no longer be achieved. The budget for the Resources Directorate has also been increased by £981,000 to reflect the reinstatement of the revenue budget for the Organisation Development service. This budget was temporarily reduced in 2015/16 as part of the one-off capitalisation funding available to the Council that year.

Social Services

151. Significant additional resources have been allocated in the budget in order to meet existing and new financial pressures within Social Services. This includes both Children's and Adult Services with additional budget provided to meet demographic pressures, fee increases, financial pressures including the impact of the Social Services

and Wellbeing Act and to write out unachievable savings targets from the current and previous financial years.

152. In Children's Services an additional £1.6 million has been allocated in order to reflect the budget pressures in the current financial year. This includes the increased costs of external placements for looked after children including both fostering and residential placements. The budget has also been increased by £435,000 in order to reflect the full year effect of the proposed increase to the allowances for Special Guardianship Orders. As in the current financial year a specific contingency allocation of £950,000 will also be maintained for 2016/17 in order to fund any growth in external placements should this become evident during the year.
153. In Adult Services an additional £1.6 million has been allocated in order to meet the impact of new demographic pressures in services such as domiciliary care, direct payments and residential and nursing placements. Additional budget of £1.95 million has also been allocated to meet cost increases in 2016/17 which includes a contingency for any exceptional increases in the coming year.
154. Funding of £953,000 has been allocated in order to meet specific financial pressures in Social Services. This includes £193,000 directly relating to the implementation of the Social Services and Wellbeing Act with £143,000 required to support a new duty to meet the care and support needs of the prison population and £50,000 for an advocacy service for people with care and support needs. Additional budget of £410,000 has also been allocated to fund a range of measures forming part of an Early Help Strategy in Children's Services. The proposals include the establishment of an Adolescent Resource Centre to offer support to children aged over eleven, the introduction of a safer families initiative and the development of family group conferencing. The component elements will provide additional support to families and young people and will contribute to an anticipated reduction in the number and cost of looked after children. This is reflected in the savings proposals put forward by the Directorate. From 1 April 2016, Welsh local authorities must have implemented a 'When I'm Ready' Scheme providing financial support for young people in foster care past the age of 18. Additional funding of £200,000 has been allocated to support this and to provide funding for increased pressures on the Fostering Service in relation to connected persons assessments. Additional budget of £150,000 has also been provided in order to meet the anticipated increase in the level of support payments to families with children who have no recourse to public funds. This reflects an on-going and anticipated further increase in the level of migrant families with children.
155. As part of the due diligence for the 2016/17 budget process, the level of risks attached to current shortfalls against budget savings targets in 2015/16 was assessed. Based on this, a total of £2.586 million has been reinstated into the Social Services base budget for 2016/17. This relates to seven specific savings targets, one in Children's Services and six in Adult Services. These are either considered unachievable or have a

level of risk in terms of achievability that is considered unacceptable in terms of the future budget monitoring and financial resilience for 2016/17. The most significant of these savings targets is the projected shortfall of £1.676 million in relation to efficiencies in strategic commissioning in Adult Services. Other significant shortfalls include £400,000 in relation to spot contracting for domiciliary care and £300,000 in relation to commissioned services including residential and nursing contracts.

156. The budget savings proposed by the Directorate for 2016/17 total £4.865 million and represent 3.6% of the net controllable budget. The savings include £2.035 million in relation to Children's Services, of which £1.75 million is specifically based on reducing the number and cost of looked after children in care. This includes a proposed saving of £700,000 based on the establishment of an Adolescent Resource Centre to assist in supporting young people to stay at home. Other savings in this area include £340,000 from the introduction of an 'Early Help Strategy' to promote and facilitate early interventions to tackle problems emerging for children, young people and their families and £210,000 from the introduction of a Safer Families Initiative. This will utilise and encourage volunteering in the community to provide a mentoring service aimed at reducing looked after children's admissions. As noted earlier, additional budget of £410,000 has been provided as a financial pressure in order to implement these preventative measures and to support the release of budget savings. A saving of £500,000 is also proposed in relation to reducing the number of children placed in out of area placements. This is a continuation of the savings proposed in 2015/16 based on an enhanced fostering scheme with the aim of 'stepping down' children who are in residential care into a family placement with wrap around support. Other savings in Children's Services include £130,000 from an anticipated reduction in external legal costs, £90,000 from a restructure of social work teams and £65,000 from a review of staffing in the Family Support/Youth Offending Service involving utilisation of grant funding.
157. The proposed budget savings include £2.675 million in relation to Adult Services. This includes £1.0 million which is based on a range of commissioning opportunities that have been identified by the Directorate to be targeted in 2016/17. Other savings include £350,000 which will be realised as a result of the full year effect of the new arrangements for the supported living contract which commenced in August 2015 and £250,000 from reshaping day services for older people. The day service proposals are subject to the consultation with service users but will be achieved through the development of day opportunities that will be more outcome focused. A saving of £250,000 is also proposed in relation to demand management with increased sign posting of service users to alternative forms of care and preventative services in order to reduce overall demand and cost. In addition a further saving of £250,000 is also proposed in relation to locality based service delivery with initial mapping indicating opportunities for improved service delivery and reduced costs through service redesign on a locality focussed basis. Other proposals include £200,000 from a review of the administrative arrangements for Direct Payments, £100,000 from a review of staffing within Assessment and Care Management, £100,000 from a review of commissioning within

the Community Alcohol and Drug Team, £100,000 from a review of continuing health care eligibility for Physical Disability care packages and £75,000 from a review of third sector grants. Cross Directorate savings of £155,000 are proposed with efficiency savings of £130,000 due to the integration of the Directorate's central functions and £25,000 from a reduction in travel costs arising from office rationalisation.

Supporting People Programme Grant Spending Plan

158. The Supporting People Programme provides nearly 7,000 units of housing-related support to vulnerable individuals in Cardiff to assist them to live independently and to prevent homelessness. Support can be provided in the clients own home, in hostels, sheltered housing or other specialist supported accommodation. Thirty two organisations deliver this support, the majority of which are charitable organisations. However the Council does also provide some services directly including two homeless hostels.
159. The WG provides Supporting People funding in the form of a grant and local authorities administer the funds and commission services. A multi-agency Regional Collaborative Committee (RCC) for the Vale of Glamorgan and Cardiff operates to provide a collaborative approach and share best practice.
160. The WG requires each local authority to develop a Local Spending Plan in a prescribed format that indicates the areas where the Council intends to spend the grant. This is prepared following an indicative grant allocation figure from the WG.
161. The indicative grant allocation for Cardiff for 2016/17 is £16.2million which has remained the same as in 2015/16. The level of intended spend within each spend category can be seen at Appendix 15 and is broadly similar to that of the current year, however there has been some realignment of funding.
162. Each region has been tasked by WG to ensure services for Older People are targeted at the most vulnerable and work is continuing to ensure that is the case. There has been an increase in Community Alarm service users and costs which is increasing the expected spend in this category.
163. The Council has reviewed its services for young people and due to void and demand data the number of floating support units have been reduced while at the same time increasing spend in 24 hour supported accommodation for the most vulnerable young people.
164. The proposed Local Spending Plan is a reflection of regular and ongoing engagement with all stakeholders and direct discussions with individual providers and reflects the Council's priorities for 2016/17. Work has commenced on recommissioning the Council's floating support services with the intention of procuring new services during 2016/17 for implementation from April 2017 and further information about this will be reported to Cabinet in due course.

Day Opportunities Strategy

165. A report in respect of the Council's proposed Day Opportunity Strategy was considered by Cabinet in November 2015.
166. This Strategy is aligned to the councils' key corporate policies and the new requirements as part of the new Social Services and Well-being (Wales) Act 2014. It takes into account the rising population, changing expectations from existing and future service users, and the need to address loneliness in Cardiff. At the same time, ensuring public funds are directed to those with the highest need that will achieve the best outcomes.
167. The aim of the Strategy is to prevent social isolation and enable older people to achieve their chosen outcomes based on individual level of need by:
- Providing information, advice and assistance to encourage independent access to social activities and engagement opportunities
 - Providing assistance to those who need it to access community services and activity through targeted intervention and support
 - Supporting the most vulnerable through high quality specialist day services
168. At Council on the 28 January 2016 an amended Notice of Motion was agreed that included: "In relation to the Alzheimer's Society service at Oldwell Court, it is proposed that:
- The Council will continue to fund places for those people who currently receive a service funded by the council at Oldwell Court
 - The Council will continue funding for these individuals until such time as the arrangements are no longer required
 - The Council will support the Alzheimer's Society to help them secure their current accommodation into the future."
169. In line with this notice of motion, the response to the consultation and through the productive meetings with the Alzheimer's Society, the proposed Day Opportunities Strategy has been updated (attached Appendix 16). Therefore, the recommendation in this report requests the approval of this strategy and the authorisation to implement.

Medium Term Financial Plan and Financial Strategy

Future Outlook and Inherent Uncertainties

170. The budget reduction requirement is influenced by numerous external factors including new Government policy initiatives, new legislation, future funding settlements, economic conditions and price inflation. It is therefore a dynamic figure which requires regular review and refresh to ensure it reflects emerging issues and the most recent information. As an

important part of financial resilience and sound financial planning, the Council undertakes regular updates to the Budget Reduction Requirement. Following this report the next reported update will be included in the Council's Budget Strategy Report in July 2016.

171. In recognition of the areas of uncertainty inherent within the plan, the MTFP includes both a base case and a sensitivity analysis which is covered further in the report. A further significant area which will impact the period covered by the MTFP and which it is not possible to model within scenario analysis, is the prospect of Local Government Reorganisation. The recent consultation on the Local Government Wales Bill will have many implications for Local Authorities to consider over the plan period, including the harmonisation of Council Tax rates and shadow arrangements.

Medium Term Financial Plan – Overview

172. This section sets out, as far as possible through use of available information the financial challenges facing the Council for the period 2017/18 - 2019/20. As set out in the table below, a budgetary gap of £73 million is estimated over this three year period. An extended version of the table below is set out in Appendix 17 (a).

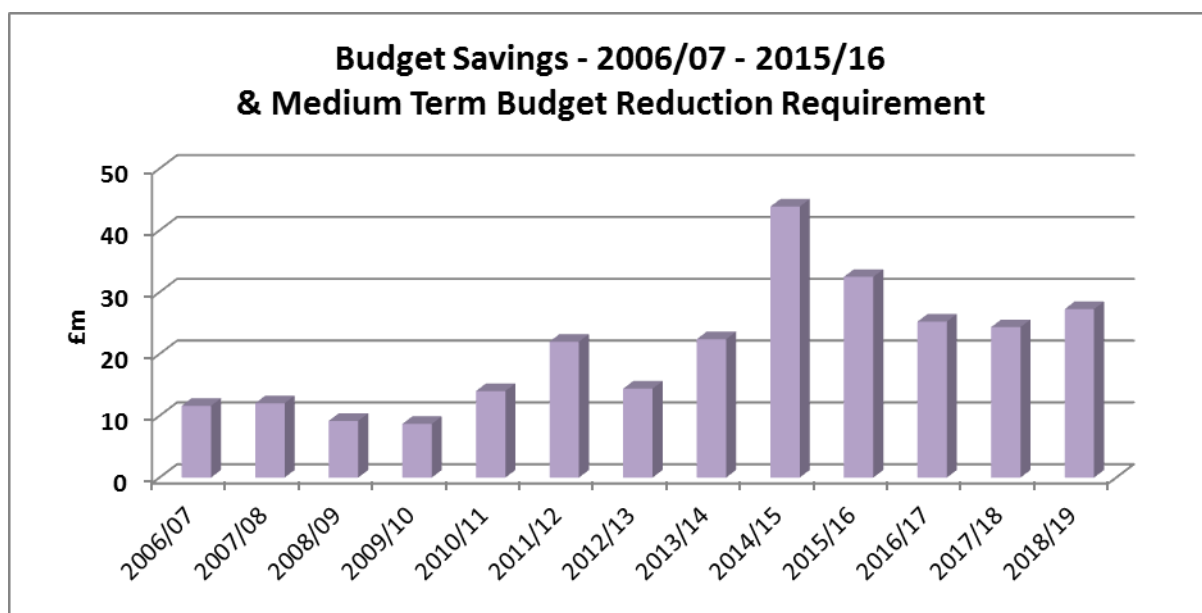
Component of Budget Gap	2016/17 £000	Medium Term Financial Plan		
		2017/18 £000	2018/19 £000	2019/20 £000
Adjusted base Budget B/forward	573,506	578,161	571,828	567,608
Pay*	5,849	3,685	3,080	2,704
Price Inflation	2,266	2,760	2,760	2,760
Schools Growth	11,216	7,770	7,049	7,186
Capital Financing	0	(1,258)	242	2,017
Commitments	6,119	2,073	480	50
Realignments	2,329	(3,600)	(1,900)	0
Non Schools Demographic Growth	3,488	3,900	3,900	3,900
Emerging Financial Pressures	2,223	3,000	3,000	3,000
2016/17 Savings	(28,835)			
Budget Reduction Requirement		(24,663)	(22,831)	(25,753)
Net Expenditure	578,161	571,828	567,608	563,472
Funding				
Aggregate External Finance	(426,285)	(422,022)	(417,802)	(413,666)
Use of Earmarked Reserves**	(2,070)			
Council Tax (at 2016/17 Rate)**	(149,806)	(149,806)	(149,806)	(149,806)
Total Funding	(578,161)	(571,828)	(567,608)	(563,472)

* Schools pay pressures are included in the Schools section of the table

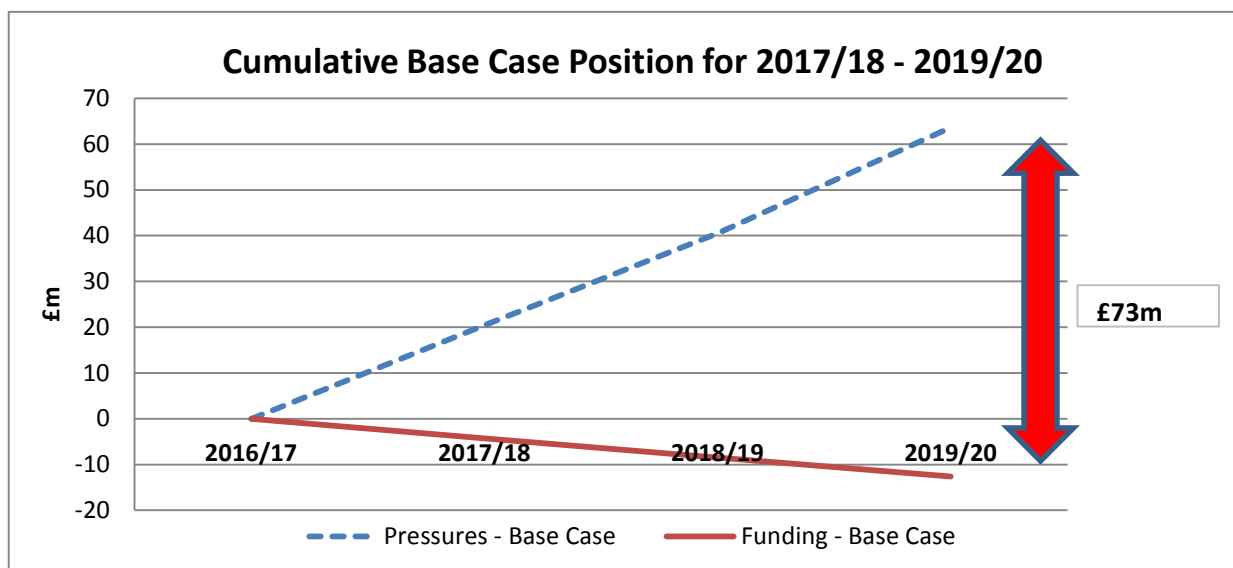
** Before any planning assumption on use of reserves and council tax increase which are considered in the response to the Medium Term Plan Section of this Report

Budget Reduction Requirement	£000
2017/18	24,663
2018/19	22,831
2019/20	25,753
Total	73,247

173. A budget reduction of £73 million over a three year period is a lower medium term reduction requirement than in recent budget rounds. However, it will still be a significant challenge, as the £73 million budget gap builds from the Council having made £190 million savings over the 10 year period 2006/07 – 2015/16, over half of which were over the three year period 2013/14 – 2015/16.



174. Although the Council has made £190 million savings over the past decade, the base budget has not reduced by this amount. This is because the most significant driver for the Council to find savings is escalating demand, as illustrated by the graph below.



175. As the gap between central funding and increasing demand has widened over recent years, the areas of the Council's budget that are afforded WG protection (such as Schools) or are the subject of escalating demand (such as Schools and Social Services) are accounting for proportionately more of the Council's budget as budgets are redirected into these areas. Over an extended time-frame this makes addressing the budget reduction requirement through directorate savings increasingly challenging, as explained further in the following section.

Controllable Savings Base

176. As set out above, the budget challenge facing the Council is exacerbated by the fact that it is not possible to make cuts across the whole of the Council's budget. For example in setting the 2016/17 budget, out of a base budget brought forward of £570 million, the majority of cuts were only able to be directed at budgets totalling £223 million, just 39% of the overall budget, compounding the impact for those services.

177. As a result, those areas in which it is possible to make cuts, (known as the controllable savings base) are contracting at a steeper rate and will continue to do so whilst pressures and funding levels diverge. It is also worth noting that many of the services included within the £223 million, are themselves, the subject of escalating demand, such as Social Services which accounts for circa 65% of the £223 million, further limiting the scope for targeting cuts.

178. In recognition that savings from within the controllable base will not be a sufficient solution to ongoing budgetary pressure, the Council has made every effort to extend its budget strategy into the other areas of its budget which are summarised below.

Budget Element	£000
Controllable Savings Base	222,963
Other Areas of Addressable Spend	311,101
Non Controllable	36,155
Total Cash Limit 2015/16	570,219

179. Addressable spend budgets, which account for £311 million (55%) refer to those areas in which it is more difficult for individual directorates to propose savings. This is because budgets included within this area are:-
- The subject of Government protection requirements – for example the £205 million Delegated Schools budget
 - Under pressure from demographic growth – again, the £205 million Delegated Schools budget
 - Externally set – for example, the £17 million fire levy budget
 - An important part of financial resilience – for example the £5 million insurance budget
 - Property related – for example office accommodation budgets
 - Necessary to service debt- for example the £37 million capital financing budget required to support borrowing undertaken in relation to the Capital programme
180. The 2016/17 budget includes £5.6 million savings in relation to the non-schools areas outlined above, with further challenging targets for the medium term. As part of the 2016/17 budget strategy, each of these areas have been designated champions in order to maximise potential savings in this area. In addition, review of the non-demographic growth allocated to schools has been an important budget strategy consideration over recent years.
181. The residual £36 million non-controllable budget, relates to areas in which it is not possible to make savings, the largest component being the £28 million Council Tax Reduction Support Budget.
182. The budgetary gap will need to be addressed through a further fundamental realignment downwards of directorate budgets, further targeting of addressable spend budgets along with potential Council Tax increases. Given the scale of the gap, and the challenges associated with the Council's budget profile referred to above, this will inevitably entail reductions in service delivery, ongoing consideration of alternative delivery models and continued commitment to becoming a more commercially minded Council. The Council's Programme of Organisational change will continue to review the shape and scope of the evolving organisation. Further detail on bridging the funding gap over the medium term is at paragraphs 228 to 234.

MTFP Assumptions - Future Expenditure

183. Financial pressures account for £58.5 million (80%) of the anticipated budget gap. Within the £58.5 million, a total of £22 million relate to pressures in schools.

Employee Expenses

184. Local Government pay is a matter for collective bargaining between the national employers and trade unions through the National Joint Council. The pay award reflected within the first year of the MTFP reflects the latest offer made by National Employers (December 2015) which covers the period 1 April 2016 to 31 March 2018.
185. The impact of the NJC award for Cardiff is broadly 1%. Whilst the offer includes significantly higher uplifts for lower pay scales, the Council's commitment to the voluntary living wage (VLW) means that at Cardiff, these pay scales are already supplemented to a level over and above that included in the offer.
186. In the absence of any firm indication of teacher's pay awards, an increase of 1% has been assumed. Later years of the plan allow for annual pay awards of 1% for all categories of staff within the base case MTFP. However, in recognition that there could be a significant in-year budgetary impact if awards of over 1% are agreed, the worse case scenario reflects the possibility of annual pay awards of 2% from 2018/19 onwards.
187. The MTFP makes the assumption that the VLW will increase incrementally at a rate which will bring it into line with the projected National Living Wage (NLW) by 1 April 2020. This progression is estimated to cost the Council approximately £1.2 million over the life of the plan. It is anticipated that approximately one additional spinal point per year will be encompassed by the VLW rate over this period. As the number of spinal points encompassed by the VLW grows, erosion of pay differential is likely to become an increasing issue.
188. The medium term plan allows for incremental salary drift for both schools and non-schools staff. Each year, a reduced proportion of estimated drift is allowed within the plan on the basis that over time, annual provision for the cost of increments should result in a budgeted establishment that is sufficient to cover each post being at maximum spinal point.
189. The Council's Local Government Pension Fund (LGPS) is subject to an Actuarial Review on a triennial basis. It is difficult to predict the outcome of the 31 March 2016 valuation which will set rates for 2017/18, 2018/19 and 2019/20. The MTFP included in the 2015/16 Budget Report had assumed, as a base case, that employer's pension contributions would remain at 22.9% following the March 2016 Actuarial Review. However, given increasing volatility in investment markets, it is considered prudent to revise this assumption so that the base case MTFP reflects an increase in the employer's contribution rate to 23.4%. It is assumed that the Council would take advantage of the mechanisms available to manage upward pressure on the contribution rate and step this increase over a three year period. In recognition of the difficulty in predicting future rates, the worse case scenario reflects a potential stepped increase to 24.9% over the same period.

190. Cardiff's auto-enrolment date was 1 February 2013. However, Cardiff chose the deferral option and all employees qualifying for auto-enrolment as at the start date, were deferred to 1 October 2017. In estimating the potential cost associated with the enrolment of these employees, it could be considered likely that most employees will opt out having previously decided not to join or remain in the Pension Fund. However, it would be imprudent to assume that there would be no additional LGPS members following auto-enrolment. The base case MTFP therefore includes provision for 10% of those who are auto-enrolled to remain in the fund, with the worse case scenario allowing for a further 10%. Given the enrolment date is half way through the year, these costs initially impact on 2017/18 with a full year effect in 2018/19.
191. The changing shape of the organisation will also impact the current shape of the Council's pension budgets. When staff transfer to alternative delivery models, the Council will retain the deficit recovery component of current employer's pension contributions; currently 7.9% within the 22.9% rate. Given that budgets already exist in respect of these retained costs, no additional sums need to be factored into the MTFP.

Price Inflation

192. Inflation is currently running well below the Bank of England's 2% target (Consumer Price Index.) In line with the practice in recent years, the plan assumes that directorates will be expected to absorb the impact of price inflation within their existing resource base, except in instances that are deemed to be truly exceptional.
193. The plan includes estimated future provision in respect of NDR, Out of County placement costs and potential fee increases in relation to Adults' Social Services. Whilst it is recognised that price fluctuations in relation to energy and fuel are likely over the three year period, given the absence of any indicative pricing beyond 2016/17 and the volatility of prices in this area, the base case plan assumes static pricing. Any price fluctuations, including reductions, will be factored into the budget gap at the appropriate MTFP refresh points.

Capital Financing

194. The assumptions that underpin the capital financing figures included within the plan are covered in further detail elsewhere in the report. Three key assumptions to note are:-
- A change in Minimum Revenue Provision (MRP) policy from 4.5% to 4% per annum with effect from 2017/18 to align the provision for the repayment of debt on supported borrowing with WG assumed levels
 - The Capital financing costs included within the MTFP reflect the 2016/17 capital programme contained within this report. There is no

assumption of any further new scheme approvals in 2017/18 and onwards

- The MTFP assumes a level of internal borrowing which minimises external interest costs

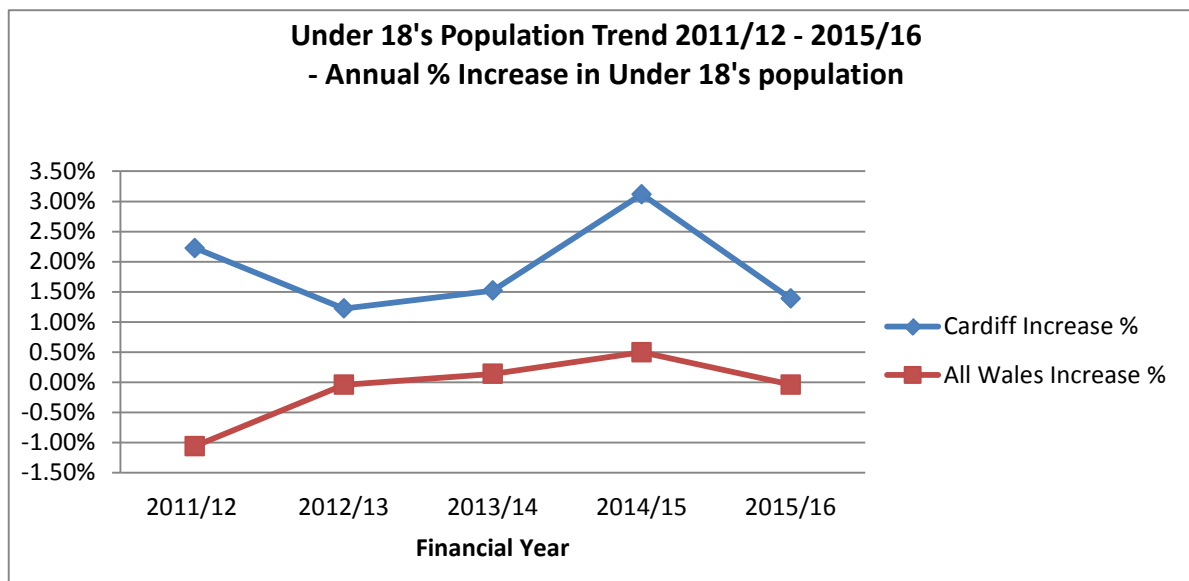
Commitments

195. The financial year 2017/18 includes a new anticipated commitment in respect of an Apprenticeship Levy. The Chancellor announced in the Summer 2015 Budget that a new levy on large employers would be introduced in order to fund new apprenticeships. Further detail announced in the November 2015 Comprehensive Spending Review indicated that the levy will apply to all employers, regardless of sector, at 0.5% of pay bill. Each employer will receive an allowance of £15,000 to offset against the levy which effectively means that it will only be payable on paybills exceeding £3 million. Whilst much of the detail around the levy, especially the Welsh context, is yet to be confirmed, available information suggests that the Council should plan for a levy of approximately £1.5 million per annum from 2017/18 onwards.
196. The commitments section of the MTFP includes a £4 million realignment downwards of the voluntary severance budget over the first two years of the plan. This is based on a reset of the anticipated number of annual leavers included within the voluntary severance model. The reset reflects the fact that the number of staff exiting the Authority on voluntary severance during 2015/16 is significantly lower than in previous years. It is considered prudent to assume that this position is likely to continue over the medium term given that the anticipated annual savings requirement is less than in recent years. It is also the case that the nature of savings has shifted, with alternative delivery models forming a key component of the medium term plan.
197. As part of the 2014/15 budget, a £4 million general contingency budget was established in recognition of the financial challenge associated with delivering savings of the scale required. Over the medium term, it is anticipated that whilst still significant, the annual savings requirement will be lower than in the years 2014/15 and 2015/16. It is therefore considered prudent to release £1 million of the general contingency in 2017/18.
198. The commitments section of the MTFP includes provision in relation to the Central Enterprise Zone (CEZ) budget. A £1.5 million budget for CEZ was due to be established by 2014/15 however, slippage from estimated CEZ timescales meant that provision of the £1.5 million was delayed. Moreover, in order to assist with the challenges of achieving a balanced budget, extant budget provision for CEZ was cut in 2015/16. Amounts are included within the 2016/17 budget and over the MTFP period to reinstate the 2015/16 budget cut and establish a full £1.5 million budget by 2018/19, in line with anticipated commitments in this area.
199. The commitments section of the MTFP also includes the full year effect of commitments included within the 2016/17 budget along with one-off

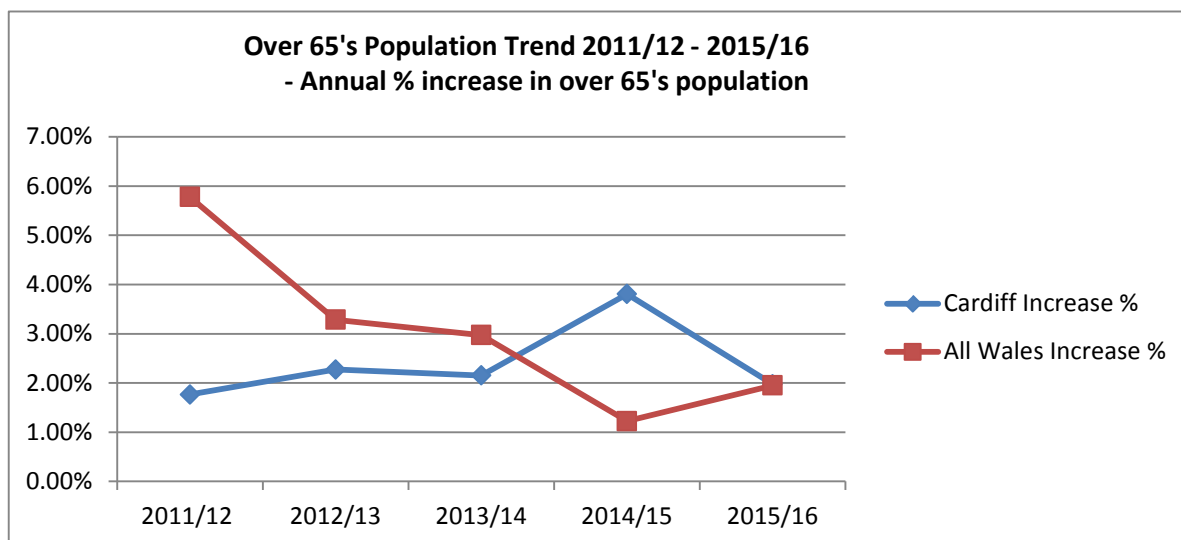
costs of £0.5 million associated with hosting the Volvo Round the World Yacht Race. It is planned that the Cardiff Harbour Project Fund will contribute the remaining £0.5 million of the Council’s contribution to the race, with a further £3 million grant funding provided by WG.

Demographic Pressures

200. Of the £58.5 million expenditure pressures identified over the next three years, 38% is attributable to pressure on services as a result of demographic growth. Over recent years, Cardiff has had one of the fastest growing populations of any UK core cities. Projections suggest that this trend will continue with statistical projections suggesting significant population growth out to 2034.
201. These demographic trends have been reflected in the Council’s financial position for a number of years and are reflected within the data that underpins the Council’s Standard Spending Assessment (SSA) as illustrated below. The SSA is a formula based calculation of “Relative need to spend” that is used by the WG to determine funding distribution across Wales. However, even though the city’s demographic growth is recognised within the calculation it does not begin to address the escalating cost pressures associated with such a demographic profile as the overall fund available for distribution has significantly diminished.



Figures sourced from Welsh Government's Annual Green Book Publication



Figures sourced from Welsh Government's Annual Green Book Publication

202. The above graphs highlight the issue raised earlier, that there has been substantial growth in age groups in which demand for services can be more costly. An increasing school age population places additional financial burdens on the education service. Similarly, an increase in the older population can create additional financial pressures on social services budgets as people become more likely to need services to help them continue to lead independent lives.

203. This trend places pressure on both capital and revenue budgets, for example, the SOP section of this report sets out the financial exposure the Council faces as a result of seeking to meet suitability and sufficiency issues within the schools estate over the life of the MTFP and into the longer term. In addition, £1.9 million has been allocated to supplement the disabled adaptations budget elsewhere in this report, to help people continue to leave independent lives.

204. The demographic pressures included within the MTFP are set out in the table below and are in areas that already account for 60% of the Council's budget. As referred to earlier in this section, in the absence of additional central government funding, the £22.1 million estimated requirement will involve an element of redirection from other areas of the Council's budget.

Demographic Increases	Predicted Three Year Pressure £m
Social Services – Adults	6.0
Social Services – Children's	4.5
Schools	11.1
Other	0.5
Total	22.1

205. It should be noted that whilst labelled as demographic growth, the sums in respect of Children's Services are also reflective of increasing complexity of demand. This is very difficult to predict and a small number of high cost packages can significantly impact on the Council's budget. In recognition of this issue, in addition to the sums identified for Children's Services, the Council's base budget contains £950,000 as a service specific contingency.
206. A further area that will need to be monitored in terms of its demographic impact is the recently approved Local Development Plan. Over the life of the plan (2006-2026) provision is made for 41,100 new homes and 40,000 new jobs, based on projected population growth over the same period. As the LDP progresses, there will be a need to consider the impact of these increases both in terms of a positive impact on council tax base and future settlements, and the associated increased demand for services. Future modelling within the MTFP will need to give consideration to the timing of these impacts, which is currently uncertain, with particular recognition that there is an inherent delay between an increase in population and a resultant increase in settlement.
207. A further area that will need to be monitored in terms of its demographic impact is the recently approved Local Development Plan which will see significant property growth in the city over the period to 2026. Whilst additional properties will mean an increase in council tax base; the MTFP shows the base as static. This is to reflect the fact that additional council tax income will be accompanied by increased demand for services. Future modelling will need to be undertaken as the LDP progresses.

Emergent Financial Pressures

208. The MTFP includes a sum of £3 million per annum to address emerging financial pressures. This sum, which represents just over 0.5% of the Council's cash limit, has been included in recognition that it is impossible to foresee all issues and that in reality, additional burdens may arise due to issues including legislative and policy change and specific grant fall out, an issue which is covered in further detail in the funding section below. These sums will be reviewed at the MTFP incremental refresh points referred to above and updated to reflect most recent information.

Aggregate External Finance

209. In the absence of any indicative funding figures for 2017/18 onwards, the level of AEF across the plan has had to be estimated. It is widely accepted that the future funding outlook for Welsh Local Government will remain challenging
210. The base case MTFP for the financial years 2017/18 – 2019/20 assumes an AEF reduction of 1% per annum.
211. In recent years, the absence of multi-year settlements for Welsh Local Government and significant changes to indicative funding figures when

they have been provided, has been a significant obstacle to financial planning. This uncertainty is set to continue over the medium term as the 2016/17 settlement covers only the forthcoming financial year unlike the position in England.

212. Ongoing budget reductions of the scale required to achieve a balanced position require difficult decisions with long-lead in times. The absence of sound evidence upon which to base future funding assumptions is extremely problematic, especially given that a 1% fluctuation in AEF for Cardiff equates to £4.3 million.
213. As set out earlier in the Report, in recognition of this key risk the Council has established a £4 million financial resilience budget as part of the 2016/17 budget. The financial resilience budget, which equates to approximately 1% of AEF, will operate as a base budget that will be spent on one off initiatives to support the reshaping of the organisation and to invest in priority areas. The one-off nature of investment means that in future years, the budget will be available for immediate release should settlements be more challenging than included in the MTFP base case, thereby reducing the need for significant additional directorate savings at short notice. In summary, the base budget is a mechanism that will enable short term investment in priority areas, whilst managing risk and providing surety to the medium term position.
214. The November 2015 CSR documentation contained estimates of the future level of the Welsh Block Grant. Using these indications as a starting point, the Welsh Local Government Association (WLGA) modelled future funding scenarios for WLGA. The scenarios cover a variety of potential protection levels for other parts of the Welsh public sector including NHS Wales, and range from an optimistic scenario which suggests modest annual AEF increases over the MTFP period, through to a most pessimistic scenario which sets out potential reductions of 2%-2.5% over the period. The Council's base case MTFP reflects reductions of 1% per annum. This is a "middle of the road" scenario aimed to allow for some protection of the NHS with cash flat settlements for the rest of the sector. Steeper funding reductions of 2% per annum are modelled in the worse case scenario, although as noted above, the financial resilience base budget offers some assurance against this risk from a planning perspective.

Specific Grant Funding

215. The Council receives a significant amount of specific revenue grant funding. The WG has committed to provide greater flexibility and to reduce the administrative burden on Local Government by transferring specific grants into RSG wherever possible. Whilst this is helpful, there is a risk that upon transfer, the overall quantum and / or the distribution mechanism of the grant will be altered. There is also a risk that specific grants may simply reduce or fall out altogether.
216. Future changes to specific grants, either by way of transfer or reduction are arguably even harder to predict than AEF levels. This uncertainty is

compounded where there are unconfirmed changes to existing arrangements such as the potential for separate grant streams to merge into one, or where complicating factors such as consortia arrangements exist. Within the Local Government settlement, information on specific grants is usually in outline form and no indicative sums are provided beyond the forthcoming financial year.

217. The Council has an existing base budget of £250,000 to deal with specific grant funding issues. There are no specific sums included in the MTFP over and above this amount. The assumption is therefore that any future specific grant reductions would be dealt with by either reviewing the grant funded activity or addressing the issue through the sums set aside within the plan for emerging financial pressures.

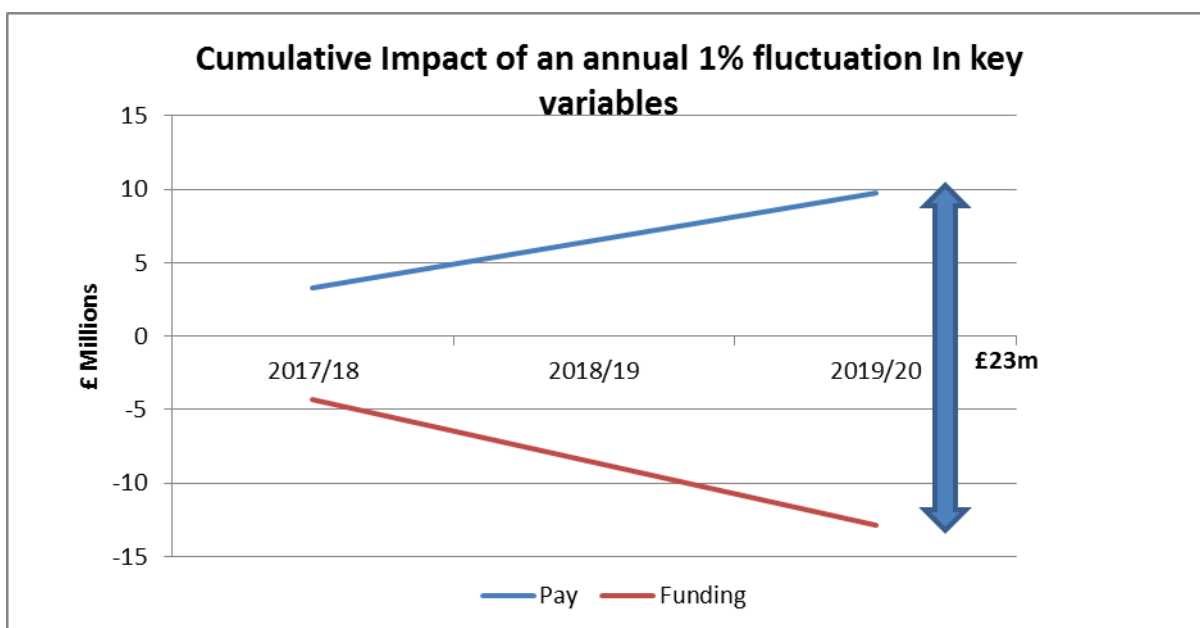
Reserves

218. General practice is to avoid over-reliance on reserves as budget funding for a number of reasons. Firstly, due to their finite nature, use of reserves to support the budget creates a resource gap which must be filled in the following year. Secondly, earmarked reserves are set aside for a specific purpose which would be compromised if routinely used for general budget funding without replenishment. Finally, the existence of reserves improves the Council's financial resilience, especially in periods of extreme financial challenge. It is also of note that whilst prudent, the level of reserves held by Cardiff City Council could be considered to be at just an adequate level for an Authority of this size; as a percentage of gross revenue expenditure, Cardiff has the lowest level of general and useable reserves across Wales.
219. There is therefore a careful balance to be struck between holding too much and too little cash in reserves. If reserves are too small, this increases the Council's exposure to risk and affects its capacity to deliver its planned priorities in a prudent fashion; too high and this funding should be used on services in times of financial pressure. It is also important to note that cash in reserves is not idle. Investment income is generated on cash balances in line with the Council's Treasury Management Strategy and as an Authority that utilises internal borrowing, cash reserves help the Council avoid the need to undertake short term borrowing and its associated costs.
220. The base case MTFP shows no annual drawdown from reserves, which are brought in as part of planning assumptions in the next section. Careful annual scrutiny is given to the lever of earmarked reserves and their planned profile of use and the specific reserves for release in connection with the plan will be identified as part of this process.

Sensitivity Analysis

221. As outlined in the sections above, it is very difficult to accurately predict future spending and funding levels three years into the future. Moreover, minor fluctuations in key variables can have a significant impact as depicted in the graph below which illustrates the cumulative cash impact

of an annual 1% fluctuation in key variables. The graph below depicts the impact of AEF decreases being 1% lower than planned and pay awards being 1% higher than planned which have a cumulative impact of £23 million over the MTFP period.



Worse Case Scenario

222. The following table reflects the potential worse case scenario. This reflects:-

- Pay awards of 2% compared to the 1% within the base case
- Annual funding reductions of 2% over the life of the plan compared to the 1% within the base case
- A less optimistic outcome of the next actuarial review
- A higher percentage of people opting to remain in the LGPS upon auto-enrolment

Worse Case Scenario	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
Base Case MTFP Position	24,663	22,831	25,753	73,247
Changes:				
AEF	4,263	4,220	4,136	12,619
Pay Award	3,250	3,200	3,150	9,600
Pensions Issues - actuarial	1,055	1,055	680	2,790
Revised MTFP Shortfall	33,231	31,306	33,719	98,256

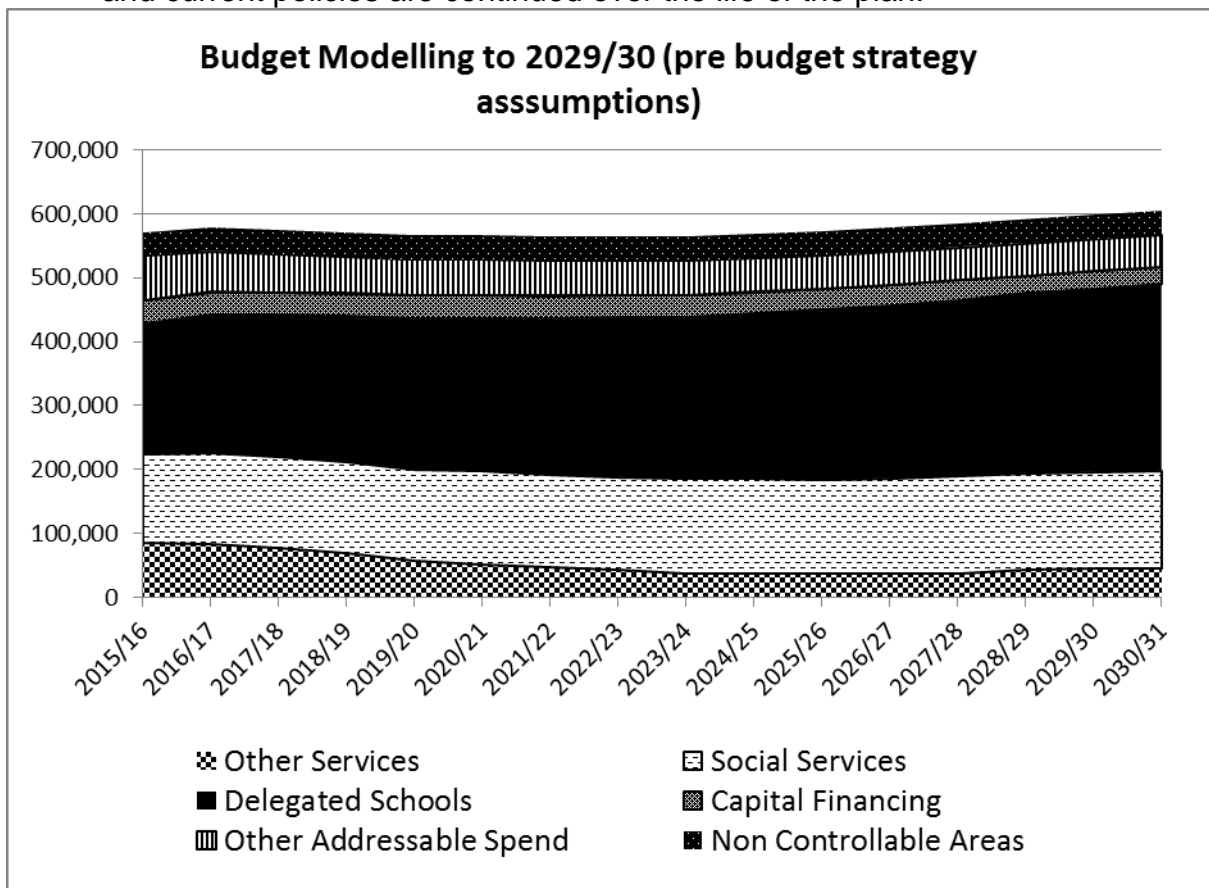
223. One key risk across the life of the plan period is pay awards. The Chancellor, in his Summer 2015 budget, stated that up until 2020 he

would make provision for pay awards of 1%. This extrapolates the general theme of restraint in respect of public sector pay over the medium term. Whilst the announcement indicates the Chancellor's intended provision for public sector pay, it not necessarily indicative of the actual awards over this period which will be determined by respective bargaining processes. For this reason, the risk of higher awards have been reflected in the worst case scenario for prudence, although could perhaps be considered unlikely.

224. The impact of potential fluctuation in AEF around the base case assumption has the biggest impact on this scenario. As noted earlier in this report, in recognition of the risks associated with the absence of multi-year funding settlements, the Council has established a financial resilience mechanism of £4 million as part of the 2016/17 budget. This allows for one-off investment in priority areas in the short term, but will also be available for immediate release in future years in the event that funding settlements are worse than covered in the base case MTFP.

Future Years Outlook

225. The chart below illustrates the likely impact on the different components of the Council's budget moving beyond the life of the existing MTFP. Clearly, for all the reasons noted earlier in this section of the Report, it is very difficult to predict this far into the future given the inherent uncertainty in key areas. The graph therefore projects the overall likely envelope of funding and analyses the resultant budget if recent trends and current policies are continued over the life of the plan.



226. The graph is before any budget strategy assumptions for example, around capping schools growth, Council tax price increases and use of reserves, are built in, all of which are given further consideration in the next section. It is also worth noting that the capital financing section assumes no further growth beyond the existing capital programme. Consequently, any new approved schemes dependent on additional borrowing will result in the capital financing section of the above graph increasing at the expense of other areas. This highlights the importance of considering the impact of a decision in one area in the context of the Council's overall budget. At times when funding levels are static or reducing, growth in one area must inevitably be at the expense of others.
227. The graph reiterates the point made throughout this section, that savings from the Council's controllable savings base, which itself includes a number of areas of statutory duty, will not be a sufficient long term antidote to the problem. As has been the case in recent budget rounds, solutions outside this will continue to form a key part of the medium term plan. It will be important to continue to set clear assumptions and policies at an early enough stage to have the most impact on the future shape of the Council's budget as the cumulative impact of decisions taken now can have a significant impact in later years. It may be that policies are considered unaffordable when viewed over an extended time-frame.

Council Response to the Medium Term Financial Plan

228. The previous section set out a further potential budget gap of £73 million over the next three years. As already noted, savings found from within the Council's controllable savings base will not be a sufficient solution to the problem in isolation. Developing the budget strategy to bridge this gap and ensuring the Council's ongoing financial resilience will require further targeting of addressable spend budgets, further review of policy around schools growth and potential future Council tax increases.
229. The table below extrapolates budget strategy assumptions across the medium term to arrive at the likely figure that will need to be found from savings over this period. These assumptions, which will be reviewed and refreshed as part of the Budget Strategy Report developed in July are:-
- A cap on schools non-demographic growth of 30%
 - A council tax increase of 3.7%, in line with the current year's increase
 - Annual draw down from reserves of £1.5 million – sum considered to strike a balance between protecting financial resilience whilst utilising available resources to mitigate front line impact.

	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
Budget Reduction Requirement	24,663	22,831	25,753	73,247
Cap on Schools Growth - @ 30%	1,253	1,163	1,073	3,489
Council tax at 3.7%	4,451	4,616	4,786	13,853
Use of Earmarked Reserves	1,500	1,500	1,500	4,500
Residual Gap	17,459	15,552	18,394	51,405
Addressable Spend Target	3,000	3,000	3,000	9,000
Residual Sum from Directorate Savings	14,459	12,552	15,394	42,405

230. The above table includes addressable spend targets of £3 million per annum which are in line with the current year. Work to shape these targets will continue in 2016/17 but will involve further investigation of opportunities in relation to divestment of the Council's property portfolio resulting in premises savings, further review of energy budgets to maximise efficiencies and review of capital aspirations over the medium term.

231. As part of the development of the 2016/17 Budget Strategy, the Council undertook a review of base budgets which took into consideration statutory minimum levels of service, the Council's Reshaping Services Programme and Target Operating Model. This work set the direction of travel for achieving the level of savings anticipated over the medium term. The savings identified as part of this exercise are set out in Appendix 17b on a thematic basis. The themes used are described in further detail below:-

Being a commercially minded Council – this theme considers how we can make better use of our assets and how to offer our services to the public, third sector, or private sector organisations. Examples include opportunities in respect of income generation, new operating models and alternative delivery arrangements, reshaping services and commissioning and procurement opportunities in respect of third party spend.

Ensuring Public Services are Accessible – this area considers the accessibility of public services, where appropriate moving from buildings based services to those which provide outreach staff or mobile services. Through the One-Council approach making contact with the Council will be through the provision of seamless and consistent customer services encouraging people who are able to use digital services.

Greater alignment of our services – this area considers how the public and third sector organisations must work more closely. The opportunity identified is to join up services and consider the sharing of assets and the use of multi-agency teams whilst also recognising that these same

challenges apply to services delivered within the Council. It also covers the need to realign services downwards in non-front line areas, through business process efficiencies and reductions to more closely reflect available resources.

Targeting services and early intervention – the challenge within this theme is in relation to targeting services that are focused on the need to support the most vulnerable and disadvantaged in society to achieve better outcomes for residents and communities.

232. The following table below summarises the opportunities identified within Appendix 17b:-

	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
Residual Sum Required from Savings	14,459	12,552	15,394	42,405
Being a Commercially Minded Council	7,787	7,472	9,388	24,647
Ensuring Public Services are Accessible	583	645	810	2,038
Greater Alignment of Our Services	3,296	3,198	4,018	10,512
Targeting Services and Early Intervention	2,793	1,237	1,178	5,208
Total	14,459	12,552	15,394	42,405
Residual Shortfall	0	0	0	0

233. The planning status of the individual proposals that sit behind the identified opportunities will be further developed as part of detailed Budget Strategy work for 2017/18 and beyond and further due diligence work will be undertaken. In addition, in re-commencing budget strategy work following approval of the 2016/17 budget, the Council will roll forward its budget strategy work one year into 2019/20 and develop detailed proposals. The figures included for 2019/20 above set a direction based on incidence of savings across themes in the earlier years of the plan and in line with the Council's target operating model.

234. The Financial Standing, Risk and Financial Resilience section has already set out the challenges of finding significant savings over a protracted time frame, and the increasing importance of both considering and responding to the matters in respect of the Council's financial resilience. Work on financial resilience will continue over the medium term including regular review and reporting of the financial resilience snapshot at appropriate intervals, development of benchmarking activities and exploring opportunities for financial stress testing of the MTFP to gain a developed understanding of areas to target additional assurance work in future.

City Deal

235. The *Cardiff Capital Region City Deal Update* report taken to Cabinet on the 10th December 2015 identified the next steps of an outline schedule for the development of the City Deal as:

- **Spring** – Chancellor's Budget and agreement of City Deal Document

- **April – June** – Development of economic model (with WG), project prioritisation and development of programme
- **June – August** – Programme optimisation, and agreement of funding and financing details between CCR partners and UK and Welsh Governments
- **Late summer** – Finalisation of programme financial, governance and delivery arrangements

236. This timescale identifies a critical point in the development of the City Deal as the initial signing of a high level agreement in Spring 2016 ('The City Deal Document'). This document will take the form of a 'Heads of Terms' that outlines the proposed structure of the City Deal in terms of governance, scale of funding and areas of intervention. The City Deal Document will provide the basis for more detailed work in developing a final programme of investment and detailed governance arrangements. The document is currently being developed by the UK Government in consultation with Cardiff Capital Region partners and the Welsh Government. In the event that the City Deal Document is agreed, it will commit the participating authorities to exploring ways of delivering the City Deal principles and strategic objectives.
237. Discussions have outlined that the City Deal Document will include proposals for the establishment of an Infrastructure Investment Fund of up to £1.28 billion for the Cardiff Capital Region, including a capital contribution of circa £120 million from participating local authorities. It will also include proposals to establish a Joint Committee (to be known as a Joint Cabinet) formed of the Leaders of the participating local authorities to oversee the delivering of the Infrastructure Investment Fund. The City Deal will also explore proposals for regional working, including pooling appropriate resources in areas of planning, transport and economic development, the retention of elements of growth of business rates within the region and the establishment of a Regional Skills and Employment Board. Due to UK Government timescales it is possible that the City Deal Document will need to be signed on the basis that it would require approval from all participating authorities. On this scenario the Council will need to consider the Document during the March cycle of meetings.
238. In signing the City Deal Document the Council would commit to work with the other nine local authorities, Welsh and UK governments to finalise all elements of the proposed City Deal. This includes detailed consideration of the governance structure, financial contributions, a robust assurance framework for project identification and the overall agreement of the infrastructure investment programme. There will also need to be agreement on how the local contribution to the Fund will be allocated as between the ten authorities. Consideration of these further details will be brought to Council in due course. Based on experience from other City Deals it is expected that it will take between 6 and 18 months for the full programme to be agreed and the detailed legal agreements to be finalised.
239. In developing the overall City Deal governance and investment programme it is also anticipated that a dedicated team will be put in

place. It is proposed that local authorities make a contribution to the costs of putting this team in place.

Housing Revenue Account and Rent Setting 2016/17

240. The Housing Revenue Account (HRA) is a ring-fenced account which records income and expenditure in relation to council housing. The Local Government and Housing Act 1989 places a statutory duty on local authorities to maintain a separate account for the costs associated with the management and maintenance of Council dwellings. The ring fencing of the account means that local authorities may not subsidise any costs relating to council housing from the General Fund (i.e. from Council Tax or from the RSG).
241. The main expenditure items within the account include maintenance and repair costs, management costs (including rent collection, housing allocations, property and estate management) and capital financing charges on the HRA's outstanding loan debt.
242. The major income streams include Council house rents and income from service charges.
243. During 2015/16, the Council made a £187 million settlement payment to WG to exit the former Housing Revenue Account Subsidy System. As has previously been reported, this meant that the HRA was no longer required to pay a net subsidy payment to WG, but this was replaced with the costs of servicing and repayment of borrowing in relation to the settlement payment. The net impact of this is an estimated £3.4 million annual revenue benefit which is assumed to be retained on an annual basis for re-investment in enhancing the condition of existing housing stock and development of new stock.
244. The new Social Housing Rent policy was introduced for Local Authorities in April 2015. This sets an annual Target Rent Band for each landlord, which is based on a range of low end, mid point and high end rents. While the responsibility for setting rents for individual dwellings rests with specific landlords, they are required to operate within average weekly rent levels that fall within the Target Rent Band. WG set a recommended rent increase each year and Councils are also allowed some flexibility to raise additional income to improve services, invest in improvements to existing homes and neighbourhoods and in building new properties.
245. It is proposed that from 4 April 2016, rents for the majority of tenants will increase in Cardiff by 1.4% plus £2 per week. This is in line with the WG guidelines which protect individual tenants from large annual increases. As a result of this change the average rent for a council home will increase by £3.10 per week, exclusive of service charges.
246. Consultation about the proposed increase in Council rents took place between 11 January 2015 and 29 January 2016. Consultation forms were sent to all Recognised Tenants and Residents Associations, Reading Group, Service Improvement Group and to 2,500 randomly

selected individual tenants. In total 3,020 forms were sent out. The consultation was also advertised on the Cardiff Tenants website and discussed at the Tenants Voice meeting on 19th January 2016.

247. 350 responses were received (341 postal responses and 9 via the website) of which 45 were negative about the increase (13%). The main issues raised were around affordability and cost of living. This was a particular issue for those tenants who have to contribute to the rent such as those in low paid work and those affected by Welfare Reform changes. It should be noted however that Council rents are good value as rents charged by private landlords are circa 50% higher.
248. Tenants were also asked how they would like the Council to use their rent payments. 254 (73%) of respondents said the money should be spent on improving existing stock, 197 respondents (56%) said that the money should be spent on improving housing services and 193 (55%) said the money should be spent on new build Council Housing. Respondents were able to vote on multiple priorities.
249. It is planned that additional revenue generated through the rent increase will be invested in a number of areas. These include the Housing Partnership Programme which aims to deliver 1,500 new homes over the project life with at least 600 Council rented and low cost home ownership.
250. In addition, planned investment includes major estate regeneration works, expansion of the Community Hub programme, modernisation and large scale capital improvement works.
251. Other factors which make up the HRA budget proposal include the following main items:
- Provision is made for a 1% pay award, increases due to changes in Employers National Insurance contributions and employee increments.
 - An £18 million budget has been set for Council Housing Repairs in 2016/17. This increased budget reflects the estimated requirements for both planned and responsive maintenance. Increases are due to a number of factors, including a higher volume of repairs and a reassessment of the classification of repairs between capital and revenue. This latter point has resulted in a realignment of budget between housing repairs and the direct revenue financing provision within capital financing.
 - The direct revenue financing budget for capital expenditure assumes a contribution of £5.4 million in 2016/17.
 - Provision is made for the anticipated impact of Welfare Reform under the Universal Credit scheme on rent income levels, additional costs of collection and recovery, an increase in bad debts provision and the potential impact on void allowances.
 - Anticipated revenue costs relating to the Housing Partnership Project.
 - The HRA's fair contribution to the planned corporate and other initiatives where HRA activities are involved.

252. The detailed proposals for changes to the HRA charges which can be found in Appendix 11(b) are summarised as:
- Service charges that normally increase in line with inflation have been frozen this year.
 - A small number of charges have been increased to allow for full cost recovery.
 - Some charges where cost recovery is being achieved have been maintained at their current level.
 - Some charges have decreased in line with reduced cost.
253. For future years 2017/18 to 2019/20, the budget proposals are in line with the HRA Business Plan which will be reported to Cabinet in March 2016 and make provision for the following:
- Pay awards and employee increments at assumed levels.
 - General inflation increases for non employee budgets.
 - Rent increases in line with the new national rent policy guidelines.
 - Capital financing requirements in line with the proposed HRA Capital Programme.
 - Contributions to HRA balances to meet future investment in the housing stock and other planned initiatives.
254. The proposed HRA budget for the financial years 2016/17 to 2019/20 is shown in Appendix 18.

School Organisation Plan and 21st Century Schools Initiative

255. The SOP relates to the significant Programme of capital investment which aims to reorganise school places in Cardiff thereby using resources more effectively and ensuring that schools are fit for purpose.
256. As part of the 21st Century Schools programme the Council submitted a revised Band A funding bid to the WG in March 2015. An indicative Capital Investment Programme of £164.1 million received in-principle approval, subject to the successful submission of individual detailed project business cases.
257. The 21st Century Schools Programme forms part of the overarching SOP financial model. The SOP is designed to be self-funding and the projects to be undertaken are included in the Council's Capital Programme.
258. The SOP Financial Model brings together Council and WG supported 21st Century Schools Band A projects. The Model includes a projection for both capital expenditure and capital funding over the life of the plan, and subject to the submission of business case documents to WG, can be summarised as follows:

School Organisation Plan (2011/12 to 2019/20)	Funding £m	Expenditure £m
Capital Programme		226.2
Capital Receipts	35.3	
Capital Grants	101.5	
Section 106 Contributions	0.9	
Capital Programme Allocations	14.7	
Welsh Government LGBl	17.3	
Additional Borrowing	56.5	
Total	226.2	226.2

259. The capital investment programme within the model during the period 2011/12 to 2019/20 (the life of the 21st Century Schools Programme) totals £226.2 million. Within this, the 21st Century Schools expenditure is £164.1 million.
260. Schemes are first included on the basis of Initial Development Appraisals (IDAs) and/or current market intelligence adjusted for construction cost inflation over the life of the model. An additional contingency sum of 10% is added, which is decreased as proposals progress and costs become more certain. The expenditure projections are regularly monitored and updated, along with the project funding sources, to identify changes in either the value or timing of expenditure.
261. Of the £164.1 million 21st Century Schools programme, 50% (£82.1 million) will be grant funded by the WG. This includes £64.8 million of capital grant. WG will additionally provide revenue grant over 32 years, to support capital borrowing for the remaining £17.3 million. The £64.8 million capital element is included within the £101.5 million grant figure above. The Council's match funding element is included within the other resources listed.
262. The WG has extended the LGBl to support the 21st Century Schools Programme. This initiative, which started in 2014/15, will accelerate the WG's share of investment in the programme by providing councils with a revenue stream to support the capital charges associated with additional borrowing. This will not alter the funding share of WG. The objective of this initiative is to complete delivery of Band A of the programme by 2018/19.
263. Where proposals include the disposal of school land, the capital receipt is reinvested into the SOP. The model relies upon £35.3 million of capital receipts, including those already received. Funding is also secured as capital grants from the WG, with a total of £36.7 million (excluding 21st Century Schools) in the form of scheme specific grants such as Tranche 3 transitional grant from the WG, which bridges the gap between the previous Schools Building Improvement Grant regime, and the start of 21st Century funding. The Tranche 3 grant approval was £35.6 million, which supported the new build St Teilos High School and some associated schemes in the East of Cardiff.

264. Funding has also been allocated from the Council's own Capital Programme and Section 106 Contributions where available. The balance of funding is provided by Council borrowing of £56.5 million, over and above the WG supported LGBTI borrowing. The capital charges arising from the Council borrowing are funded from revenue release savings which include savings from facilities management budgets as well as efficiency savings and historical adjustments to delegated schools budgets.
265. Band A 21st Century Schools funding will finish in 2018/19. Band B is anticipated to begin in 2019/20, however the scope and funding arrangements for Band B are not yet finalised. It is likely that the scope will be significant and will require the Council to commit material sums over the period 2019/20 – 2023/24 albeit they are yet to be determined.
266. The SOP also includes significant revenue expenditure. For the period 2014/15-2019/20 this totals £18.1 million and is in connection with organisational restructure costs attached to the proposals. These include project management costs, additional costs incurred by schools which are closing or are in transition, and pump priming for the establishment of new educational provision. The risks around organisational restructure costs increasing should be noted and officers regularly review the potential financial implications attached to the proposals.
267. The overall Financial Model represents a significant financial exposure for the Council and the following capital and revenue key risks have been identified and are continually reviewed:
- Changing scope of works as schemes progress through feasibility studies and design.
 - The management of cost over-runs and fluctuating construction cost inflation which may lead to expenditure exceeding contingency levels.
 - Potential for underachievement of capital receipts within the current climate, failure to obtain planning consent or changes in Council policy in respect of land sales.
 - Potential for the WG funding levels to be reduced or changed.
 - The potential for revenue costs of closing schools and opening others to be higher than estimated.
 - The potential for the underachievement of revenue savings.
268. A further challenge for the Consolidated Financial Model is the cash flow impact of the timing of both capital and revenue expenditure and income. An earmarked reserve has been established for the SOP, and the movements on this reserve is shown in Appendix 19. This reserve is used to manage these cash flow implications and the risks as identified above. At present the balance on the reserve is judged to be sufficient in the context of the overall size of the SOP programme, however careful monitoring will be required over the period.

269. Where amendments are made to capital expenditure for re-profiling of cashflows, and increases are within the level of contingency and inflation for the scheme then these would be actioned and reported through the regular capital monitoring reporting process. However, where amendments over and above the allocated levels of scheme-specific contingency are necessary, the Directorate would seek approval in accordance with the Council's Financial and Contract Procedure Rules.
270. A Programme Panel has considered significant matters arising in relation to the SOP / 21st Century Schools Programme, providing robust advice to and governance of the Programme including relevant approval of variations and business cases.
271. A comprehensive SOP revenue budget for 2016/17, to be funded from the SOP reserve, has been produced and will be submitted for approval by the Programme Panel in February 2016. A summary table of the revenue budget is shown below:

SOP Revenue Budget 2016/17	£000
Project Team Costs	1,439
Specific Scheme Costs	772
Pump-Priming of newly established schools	420
Ongoing Commitments	795
Contingency	250
Total	3,676

272. The SOP Operational Manager will have delegated authority to vire between these budgets in line with the scheme of delegations with the only exception being the contingency provision which will be managed by the Programme Panel.
273. Any overspend against the overall revenue budget will need to be reported to the Programme Panel and consideration given to any remedial action required. Material overspends will be included in the Council's budget monitoring reports.

Civil Parking Enforcement

274. Cardiff was designated as a 'Civil Enforcement Area' on 5 July 2010 and, since that date, has undertaken responsibility for enforcing a range of parking contraventions. In addition, new legislation has been made available to local authorities in Wales under the Civil Enforcement of Road Traffic Contraventions (General Provisions) (Wales) Regulations 2013 which allows for the enforcement of bus lanes and certain other moving traffic conventions. In 2014 Cardiff applied to the WG to acquire these additional powers to complement the existing parking enforcement powers and to provide a greater resource to address traffic congestion. Following WG approval for the transfer of related legal powers to the Council, the Moving Traffic Offences (MTO) initiative commenced in Cardiff on 1 December 2014.

275. The advantage to the Council of operating enforcement powers is that it has been given direct day-to-day control of the deployment of enforcement staff across the highway network thus allowing targeted enforcement in support of transportation strategies and more effective responses to local needs.
276. Civil Parking Enforcement is a ring-fenced account. The income generated from car parking fees, resident's permits, penalty charge notices and moving traffic offences is used to fund the associated operational costs including the cost of the enforcement service. Any surplus or deficit will be transferred to the Parking Reserve and can only be used for specific purposes such as supporting transportation services, parking and highway and environmental services in accordance with section 55 of the Road Traffic Regulations Act 1984.
277. The anticipated operating surplus for 2015/16 is £4.933 million. When this and the eligible expenditure for the current year are applied to the brought forward figure the balance in the Parking Reserve at 31 March 2016 is estimated to be £255,000.
278. For 2016/17 income from car parking fees, residents' permits, penalty charge notices and moving traffic offences is forecast to be £11.430 million. This represents an increase of £1.395 million compared to the forecast position for 2015/16 mainly due to anticipated increases from moving traffic offences.
279. Operating costs include staffing and other costs of enforcement services, administration, traffic regulation orders, maintenance of parking for both on and off street parking and disabled bays. It also includes capital financing costs in respect of repayments in relation to the additional investment in bus lane and junction enforcement and parking meter replacement as set out in the Capital Programme. Overall, expenditure in the Civil Parking Enforcement Account in 2016/17 is estimated to be £5.731 million, leaving a net surplus of £5.699 million.
280. In respect of moving traffic offences, income is anticipated to increase to £3.668 million in 2016/17 with further increases in future years based on an assumption of a continuous expansion of the network. Operating costs are estimated to be £1.266 million in 2016/17.
281. Eligible expenditure commitments supporting overall highway, transportation and environmental improvements total £5.116 million in 2016/17. This includes £370,000 relating to savings proposals within the City Operations Directorate which reflect the impact of the proposals to increase income from moving traffic offences and reduces the need for further reductions to the budgets of eligible expenditure. A direct revenue contribution to capital of £150,000 is also reflected as a commitment in 2016/17. This is in relation to the funding of the Waungron Road bus interchange as set out in the Capital Programme. It is estimated that the balance in the reserve at 31 March 2017 will be £688,000.

282. On the basis of known levels of operating expenditure, other commitments and anticipated increases in income, the future balance in the reserve is estimated at £1.402 million by the end of March 2018, £2.113 million by the end of March 2019 and £2.803 million by the end of March 2020. A summary of the overall position on the Civil Parking Enforcement Account including the anticipated balances on the reserve is set out in Appendix 20 to this report. No assumptions have been made in this budget regarding the future use of reserve balances however the anticipated surpluses provide significant scope for future investment in line with the LDP and Parking Strategy to assist in delivering improvements and key transport schemes in the City. Use of the reserve for investment in initiatives will be reported as part of the Council's regular monitoring arrangements.

Joint Committees and Relevant Bodies

283. Cardiff is currently the lead Authority for Glamorgan Archives and Prosiect Gwyrdd; it is also a member of the Central South Consortium Joint Education Service and the Shared Regulatory Service. In addition the Council has to meet a number of levies and contributions. The Budget as set out in Appendix 3 includes the following budgeted revenue contributions from the Council in respect of these committees and bodies:

Joint Committees and relevant Body	2015/16 Revenue Contribution £	2016/17 Revenue Contribution £
Joint Committee		
Glamorgan Archives	218,141	211,520
Prosiect Gwyrdd	58,800	37,000
CSC Joint Education Service	1,534,379	1,507,110
Shared Regulatory Service	3,579,000	3,023,000
Joint Body		
South Wales Fire & Rescue Service	16,507,721	16,775,747
Natural Resources Wales	140,688	136,467
Cardiff Port Health Authority	143,629	114,904
Newport Port Health Authority	4,681	4,681

284. The figures shown for 2016/17 are subject to confirmation by the respective Joint Committees.

Activities inherited from Cardiff Bay Development Corporation including Harbour Authority

285. The Council agreed to take on the role of the Cardiff Harbour Authority in April 2000 following the winding up of Cardiff Bay Development Corporation (CBDC). The functions and responsibilities of the Harbour Authority are detailed in the Agreement made between the Council and CBDC (now the WG) under Section 165 of the Local Government Planning and Land Act 1980. The funding required to discharge these

obligations is provided by a specific grant received from the WG. This funding and any income generated are ring fenced.

286. The arrangement has been subject to a number of negotiated changes over the past 15 years; the latest variation was signed on 3 April 2014 and included a three year fixed cost and asset renewal budget for April 2014 to March 2017. The revisions ensured that a sufficient funding level was made available to the Harbour Authority to meet the liabilities under the agreement and any additional duties relating to the Cardiff Bay Barrage Act 1993. Discussions are taking place with WG regarding the 2016/17 budget, however at this stage no further changes have been agreed.
287. Following a critical examination of the future resource requirements a fixed cost and asset renewal budget was agreed with the WG as part of the current three year agreement. This identified a total funding requirement for 2016/17 of £6.146 million.

Harbour Authority Funding Requirement 2014-15 to 2016-17

	2014/15	2015/16	2016/17
	£000	£000	£000
Expenditure	6,765	6,680	6,600
Income	(700)	(750)	(800)
Fixed Cost Budget	6,065	5,930	5,800
Asset Renewal	332	323	346
Total Budget	6,397	6,253	6,146

288. The revised fixed cost budget for 2016/17 is a reduction of £130,000 in addition to the £1.170 million applied in the previous two years. This has increased the level of financial risk to the Council as any unforeseen costs have to be absorbed within the agreed fixed cost budget unless there are qualifications within the agreement.
289. This reduction will be achieved by increasing the income target by £50,000 to £800,000. Income generation has steadily increased over the years mainly from car park fees and water activities and it is anticipated this will continue. A further reduction of £50,000 will be achieved by reducing the subsidy to cover staff costs at the Cardiff International White Water Centre. This will be achievable mainly through the increased income sources at this centre. The remaining savings will be made from reducing various operational budgets through improved efficiency.
290. With the overall reduction in budgets the ability for the Council to fund large unforeseen operational costs is reduced and therefore a cap of £100,000 has been set for the Council's risk on unforeseen barrage maintenance. Whilst the Council does have the ability to switch its fixed cost budgets to manage individual pressures it has been agreed to maintain this sum as a minimum retention figure for unforeseen additional costs within the project and contingency fund. The scale of the budget reductions limits the scope for increasing the contingency sum

and therefore it has also been agreed that any capital receipts for land disposals are fully retained for new initiatives.

291. The Asset Renewal budget of £346,000 includes provision for the renewal and replacement of a range of items across all activities and functions. This includes various renewals on the Barrage and replacement of groundwater and environmental equipment, including vessels. In addition there is provision for the renewal of seating, litter bins and decking timber in the Inner Harbour and the replacement of equipment at the Cardiff Bay Water Activity Centre.
292. The estimated balance in the Project and Contingency Fund at 31 March 2016 is £707,000. A contribution of £400,000 has been committed to the hosting costs of the Volvo Round the World Yacht Race in 2018. It is therefore necessary to secure savings to generate fund balances to meet this commitment and maintain a realistic operating contingency. The option to retain capital receipts received from the disposal of land should enable this to be managed.

Capital

293. The Capital Programme for the period 2016/17 to 2020/21 has been prepared following consideration of the demands on capital expenditure as well as resources for capital investment.
294. The Prudential Code for Capital Finance in Local Authorities includes Capital and Treasury Management indicators to be considered by the Council when approving capital expenditure plans and borrowing limits to ensure they are affordable, prudent and sustainable. Capital indicators are set out in this section of the report and treasury indicators and limits are included as part of the Treasury Strategy, also in this report.
295. The Council is over a period of time increasing the amount it needs to borrow and this will have a consequential increase on the capital financing budget within the revenue account. The impact of these increases is recognised in the Council's MTFP. The local capital financing prudential indicator shown later in this report highlights that the proportion of the Council's General Fund revenue budget that it spends on capital financing over the medium term is increasing as WG funding levels fall.
296. It is accepted that the Council needs to borrow to both meet the objectives of the Corporate Plan and invest in schemes that allow the Council to make savings. There are other initiatives such as the Cardiff Capital Region City Deal being developed which, when progressed will have significant capital expenditure implications. Careful consideration will need to be given to the affordability of additional borrowing, the amount of income receivable to support any borrowing over the period of the deal and risk implications on the Council's Treasury Management Strategy. No figures are assumed in the Capital and Treasury Management sections in relation to this initiative at this stage.

297. However in the medium term the Council must decide, following consideration of advice from the Section 151 Officer the threshold of Council borrowing. As the Council realigns itself strategically to lower funding levels it will need to consider the level of debt and wherever possible seek to divest itself of assets to reduce debt levels and to meet the costs of expenditure.

Capital Expenditure Pressures

298. The level of support provided by the WG is barely sufficient to meet current annual capital expenditure commitments. Continued expenditure above this level using additional borrowing is not sustainable in the long term and will require directorates to continue to secure better value, better outcomes and only undertake priority schemes.

299. Expenditure pressures include:

- ensuring a sustainable property asset base and that property is fit to deliver service improvements, by addressing the maintenance backlog, disabled access and health and safety requirements.
- meeting the aspirations of directorates to invest in existing assets or create new capital assets in order to improve service delivery and meet pressures of increasing demand.
- the need to maintain the highway and associated infrastructure such as roads, traffic signals, bridges, street lighting and address the backlog of repairs to avoid higher costs in future.
- to continue annual commitments and meet mandatory investment in services such as disabled adaptations, whilst WG General Capital Funding has been reduced.
- meeting the economic development, regeneration, employment and capital city aspirations of Cardiff and the region.
- CCR City Deal and other major regeneration projects being developed.
- requirement for capital investment to meet savings targets, to generate income, to reshape the way services are delivered and to meet the costs of organisational development.
- meeting expenditure commitments from capital schemes approved in previous years.
- implementing the Council's 21st Century Schools Programme.
- meeting expenditure commitments pending the generation of capital receipts.
- sustaining Public Housing Welsh Quality Standards and investment in creation of new Council housing as part of the Housing Partnering Scheme.

300. Set against the demand for these capital resources and the current economic climate, tough choices are required, which may include determining that a greater share of the Council's revenue budget will need to be set aside to meet capital investment.

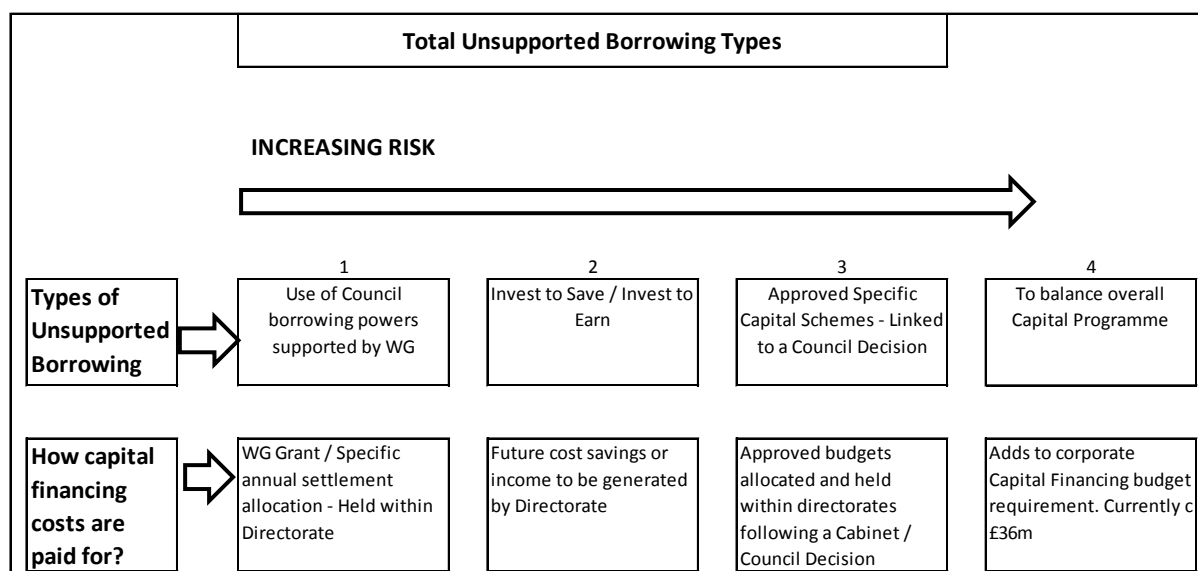
Borrowing for the Capital Programme and Financial Resilience

301. Where capital expenditure has been incurred without a resource to pay for it immediately e.g. via capital receipts, grants or other contributions, this will increase what is termed the Council's Capital Financing Requirement (CFR) or its need to undertake borrowing. The Council is required to make an annual prudent provision for the repayment of historic capital expenditure from its revenue budget. This reduces the CFR. Calculation of the CFR is summarised in the following table.

	Opening Capital Financing Requirement (CFR)
+	Capital expenditure incurred in year
-	Grants, contributions, reserves and receipts received to pay for capital expenditure
-	Prudent Minimum Revenue Provision & Voluntary Repayment
=	Closing Capital Financing Requirement (CFR)

302. There are two main types of additional borrowing to pay for capital expenditure:-

- 'Supported Borrowing' - costs of servicing are included within the annual RSG the Council receives from the WG.
- 'Unsupported Borrowing' – costs of servicing to be met by the Council from Council tax, savings, additional income or sale of assets. The types of unsupported borrowing typically undertaken by the Council and how capital financing costs are paid for are shown in the following diagram.



303. It is the CFR that results in the need to borrow and it is important to note that any financial deficit and liabilities of the HRA are ultimately liabilities of the Council.

304. Also in order to comply with the guidance on landfill aftercare provision, the CFR is amended to include estimates of future expenditure

obligations over a 60 year period, included in a financial provision, the creation of which has been capitalised.

305. The actual CFR as at 31 March 2015 and estimates for current and future years are shown in the following table. The increase in the HRA during 2015/16 relates primarily to the Housing Finance Settlement to exit the subsidy system. The timing of capital expenditure, timing of capital receipts and new schemes that may be considered for approval in future years are risks to the CFR forecast and although it can be seen that the Council's underlying need to borrow is increasing. This will eventually need to be paid for by revenue savings, revenue income or Council Tax and Housing Rents:

Capital Financing Requirement as at 31 March					
	2015 Actual £m	2016 Estimate £m	2017 Estimate £m	2018 Estimate £m	2019 Estimate £m
General Fund	400	438	459	454	455
HRA	95	277	279	296	302
Sub Total	495	715	738	750	757
Landfill – (Provision)	26	25	23	22	21
Overall CFR	521	740	761	772	778

306. Summarising the above, it can be seen that the Council is undertaking additional borrowing which will eventually need to be paid for by setting aside more of the Council's revenue budget, or increasing income from external sources. This is as a result of:

- implementing new schemes and allocations and continuing with commitments included in the budget.
- undertaking invest to save schemes on the assumption that the borrowing will be repaid from future revenue savings or revenue income.
- use of Council borrowing powers by WG as part of their contribution towards 21st Century Schools Programme.
- further schemes are in the pipeline including housing development as well as the provision of interest free loans or repayable grants using WG Financial Flexibility funding available for a range of schemes. Whilst welcome as there is linkage between strategic aims of the Council, these schemes use local authority borrowing powers and therefore present an ongoing risk in terms of increasing the Council's capital expenditure which needs to be paid back.

307. This clearly limits the scope for additional borrowing in future years and is a factor considered by Members when determining the current and future Capital Programme along with:-

- The Prudential Indicators highlight the longer term impact of capital decisions on the revenue budget and affordability, prudence and sustainability.

- Consideration of potential initiatives not currently included in the Capital Programme.
- Control mechanisms for different types of unsupported borrowing before approval.
- Determining core areas of long term investment e.g. maximum exposure limits to unsupported borrowing for discretionary services.
- Whether the inherent risks in a project are better managed via commercial options rather than direct Council investment.

Capital Programme 2016/17 – 2020/21

308. The inclusion of schemes in the Capital Programme has been profiled in accordance with technical advice relating to regulatory processes, timetables and work plans. However, with such an extensive Programme there remains a residual risk that expenditure may slip between years. Whilst acknowledging that some slippage cannot be avoided, directorates are reminded of the importance of:

- Minimising slippage wherever possible.
- Their responsibilities to ensure that they have sufficient and capable resources to develop and deliver capital schemes.
- Notifying the Financial Service of slippage at an early stage.
- Having sufficient and capable contract management processes and procedures in place.

309. The proposed Capital Programme for 2016/17 and indicative Programme for 2017/18 to 2020/21 is summarised in the following table and detailed in Appendix 21.

Capital Programme	2016/17* £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000	Total £000
Annual Sums Expenditure	14,389	13,505	13,255	13,505	13,505	68,159
Ongoing schemes	20,921	47,517	13,010	837	750	83,035
New Capital Schemes	5,242	2,677	2,500	2,500	2,000	14,919
Schemes Funded by External Grants and Contributions	27,241	31,158	2,575	350	350	61,674
Invest to Save Schemes	21,131	18,930	17,240	5,700	500	63,501
Total General Fund	88,924	113,787	48,580	22,892	17,105	291,288
Total Public Housing (HRA)	25,405	28,250	27,350	21,050	21,100	123,155
Total Capital Programme	114,329	142,037	75,930	43,942	38,205	414,443

* Includes slippage estimated at Month 9. The final slippage figure which will be known at outturn will be updated and reflected in the Month 4 2016/17 budget monitoring report.

310. It is essential that the achievement of key outcomes are managed within the estimates initially provided, with any variations approved and managed in accordance with the Council's Constitution. The five year programme includes:-

311. Provision for Existing Annual Sums including:

- Investment of £14.7 million in highway infrastructure including investment in carriageways/footways, improving the condition of structures such as bridges following principal inspections and replacement/installation of street lighting columns. A Highway Infrastructure Asset Management Plan is to be updated during the course of the year to identify longer term performance measures for the condition of such assets and options to address improvement in condition.
- Traffic management, junction, pedestrian and cycling improvements of £6.9 million aimed at addressing strategic pressures and utilising available funds to secure external grant matchfunding.
- Investment of over £22.6 million on Disabled Adaptations Grants, maintaining the significant investment that the Council has previously undertaken. This is made up of General Fund (£13.6 million) and Public Housing (£9.0 million) expenditure.
- A contribution towards owner occupier costs of housing regeneration schemes of £1.4 million to help secure wider regeneration where works are carried out to public housing estates. Environmental, security and sustainability improvements to neighbourhoods of £3.2 million, with schemes involving public realm, regeneration of community shopping centres and alleygating. It is essential that materials used in such schemes allow more to be done with limited resources and are sustainable in terms of the Council's ability to maintain improvements made.
- Investment of £21 million to improve the condition of Council buildings, including schools.

312. Provision for previously approved schemes including:

- The upgrade of Lamby Way Household Waste Recycling Centre costing £1.4 million to allow closure of the Wedal Road site.
- Completion of both the STAR Hub and Eastern Leisure Centre refurbishment at a cost of £3.5 million. Existing commitment towards hubs of £5.1 million which includes a proposal for a phase 2 extension of St Mellons Hub, subject to ensuring a level of capital receipts towards costs.
- Public realm delivery strategy for Central Square, £8.6 million, to be paid for by capital receipts and planning obligations.
- Estimated costs towards delivery of the new Central Transport Interchange and developments at Central Square costing £20 million. The intention has always been to identify a funding approach which maximises recovery of capital receipts and consideration will also be given to making applications for WG public transport funding to enable the integration between the new interchange and the train station.
- Advanced preparation works and contribution towards the development of commercial shop units at Maelfa Centre in Llanedeyrn costing £1.4 million.
- The Council's contribution and capital receipt assumptions towards the 21st Century Schools financial model of £28.2 million. There are

significant assumptions made about capital receipts in relation to potentially surplus school sites, subject to the outcome of consultation. Whilst some are the subject of appropriation to Housing, they do represent an enhanced risk to the Council's need to borrow and the affordability of the financial model.

- Maintaining the existing £2.5 million allocation towards schools suitability and sufficiency requirements in relation to buildings not part of the current 21st Century Schools programme.
- Completion of disabled adaptations costing £2 million for accessibility works at the Whitchurch Upper school site to allow progression of pupils post September 2016 as well as replacement of poor condition accommodation.
- Investment of £4.1 million in modernising technology systems to join up and improve business processes and the way services are accessed and delivered.

313. As well as the commitments identified above, provision for new capital schemes includes:

- Investment of £750,000 in 2016/17, for reconstruction of structurally deteriorating roads deemed a priority.
- Creation of a transport interchange at Waungron Road, linking the wider south-east Wales rail network with major bus corridors to the west and north-west of the city. Subject to detailed design, the balance of land not required for the interchange will be sold and used for this project with the balance funded from the Civil Parking Enforcement reserve to pay for the £500,000 works.
- A final tranche of £0.6 million of funding towards completion of commitments in the Hubs programme. It is essential that all hubs are delivered within the remaining allocation.
- Further investment of £5.9 million on top of existing allocations for Disabled Adaptations Grants to meet increasing demand and to meet current waiting time targets. However, future allocations are subject to a review of processes and effectiveness of outcomes and costs, in order that such significant expenditure can be financially sustainable. In recognition of this, it is proposed that the additional requirement of £1.9 million for 2016/17 is paid for by a one off direct revenue financing contribution, to minimise capital financing costs.
- Increasing the existing investment in suitability and sufficiency for schools from the current £0.5 million per annum to £1 million per annum.
- A medium term provision for further investment of £2 million in Whitchurch High School to determine a longer term Council wide approach to ensuring a permanent accessibility solution for disabled pupils.

314. Provision for known schemes proposed to be funded by grant bids and contributions including:

- Metro funding from WG of £1.5 million to implement bus corridor schemes on the A469 and A470.

- Match funding totalling £1.6 million for the Greener Grangetown Scheme from Dwr Cymru, Natural Resources Wales and Landfill Communities Fund, subject to completion of a partnership agreement and affordability of scheme.
 - WG cash grant of £50 million towards Band A school investment, subject to submission of detailed proposals and business cases.
315. External grants and other contributions available for financing capital expenditure are subject to bidding processes which may change over time and are also subject to in year approval. This makes planning for schemes difficult, particularly given the lead in time required to implement schemes. Approved grant funding allocations towards capital schemes will be updated during the course of 2016/17 as part of the budget monitoring process.

Invest to Save Schemes – Additional borrowing to be repaid from revenue savings / Income

316. The General Fund programme includes significant borrowing commitments of £63.5 million for directorate schemes modelled to pay for themselves over a set period of time either from revenue resources budgeted for in future years, revenue savings or income generation. Invest to Save schemes will need to repay amounts owed from existing revenue budgets irrespective of whether the level of savings or income initially expected materialise, accordingly it is essential that there is a robust review of business cases before commitments are entered into, a requirement supported by Investment Review Board.
317. New invest to save capital schemes to be funded in this way include:
- An initial allocation of £4 million used to enhance the current leisure centre portfolio in order to maximise income generation opportunities and achieve a significantly reduced subsidy over the next three years. This service is part of an ongoing competitive procurement process and the quantum of borrowing that may be necessary to achieve the desired subsidy reduction may be subject to change as dialogue with potential operators continues and proposals are refined.
 - Additional equipment to expand enforcement of bus lanes and junctions as well as a phased programme for replacement of obsolete parking meters amounting to £1 million
318. Expenditure commitments previously approved on an Invest to Save basis include:
- Changing existing street lighting on strategic routes to Light Emitting Diode (LED) lights. This project estimated at £8 million is subject to business case approval and option appraisal in respect of the preferred technology.
 - A contribution towards economic development initiatives as part of the Cardiff Enterprise Zone. This is to be repaid from sums identified

in the revenue budget to support capital expenditure investment of up to £15 million to unlock further infrastructure investment and regeneration of the City. Timing of such expenditure is subject to approval of viable scheme.

- Further Council investment of £1 million to develop commercial properties in Maelfa Centre to generate a commercial rate of return.
- The WG Schools LGBI and additional borrowing totalling £31.6 million undertaken as part of the investment in 21st Century schools.
- Smaller Invest to Save schemes approved during the period by a delegation to the Section 151 Officer, conditional upon a satisfactory business case.

Public Housing (HRA)

319. The proposed 2016/17 Public Housing Programme is £25.405 million. Resources include the Major Repair Allowance (MRA) grant of £9.6 million, and a £5.6 million in-year revenue contribution. This includes the revenue benefit from housing finance reform which is to be retained on an annual basis for re-investment in enhancing the condition of existing housing stock and development of new stock.

320. As part of the agreement to exit from the subsidy system, the Council must adhere to a debt cap. Accordingly any new expenditure to be paid for by borrowing should be prioritised to ensure that improvements are either essential or have an element of pay back, to ensure that there are no long term issues of affordability and sustainability in respect of borrowing.

321. The continued receipt from WG of the MRA grant remains essential in order to sustain the Welsh Housing Quality Standard (WHQS) improvements made to the stock and the level of grant is subject to WG approval of the HRA business plan.

322. The aim of the future five year programme is to focus on:

- Regeneration strategies that deliver estate-wide improvements and aim to transform the environmental quality and safety of priority neighbourhoods. Improvements include works to defensible space, court-yards, parking, pedestrian routes and general environmental conditions. This includes the continuation of schemes at Trowbridge Mawr and Butetown, as well as Channel View in Grangetown.
- Investment in the stock itself in order to maintain the WHQS and to encourage tenants to accept improvements where they have not already done so.
- Investment identified in stock condition data such as roofing, rewiring, energy efficiency improvements such as central heating and boiler upgrades and potential cladding and replacement of windows and roofs of high rise blocks.
- Remodelling of existing stock for specific needs and removing hard to let properties including sheltered housing, remodelling accommodation to ensure they are fit for purpose and offer flexible living spaces promoting independent living. A £1.8 million

improvement scheme at Sandown Court is underway, with work to start on remodelling the former children's home at 150 Thornhill Road into self contained, flexible older person flats.

- To provide disabled adaptations and associated improvements to enable occupants to continue to live independently.
- New build council housing as part of the Housing Partnership Programme (HPP) using additional borrowing and planning contributions. The HPP was officially 'launched' in January 2016 with the signing of a Development Agreement between the Council and Wates Living Space. It aims to build at least 1,500 (of which 600 will be Council) new sustainable homes, of which 40% are affordable, enabling land in more sought after areas of the City to cross subsidise development in what may otherwise not be viable sites.

323. A number of sites will be appropriated from the General Fund into the HRA for the development of new housing. These include the former school sites at Rumney, Llanrumney, Mynachdy, Howardian as well as the site of the old STAR Centre. No additional expenditure is shown as a result of these transfers in to the HRA, as this is achieved by a transfer of debt from the General Fund to the HRA.

324. Consideration will be given to bringing budgets forward for direct land purchase to prepare for further phases of dwellings construction as well as appropriation of other suitable Council owned sites where opportunities arise and affordability allows.

325. As set out earlier in this report, the Council's MTFP covers a period of financial austerity and uncertainty. Therefore whilst approving the Capital Programme for the period up until 2020/21, a further review of the later years of the programme will be required as part of the 2017/18 Budget Strategy.

Capital Resources 2016/17 to 2020/21

326. Resources proposed to be used to pay for capital works are summarised in the table below and detailed in Appendix 22.

Capital Resources	2016/17 £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000	Total £000
WG General Capital Funding - Supported Borrowing	8,387	8,387	8,387	8,387	8,387	41,935
WG General Capital Funding - Grant	5,103	5,103	5,103	5,103	5,103	25,515
Major Repair Allowance Grant (HRA)	9,600	9,600	9,600	9,600	9,600	48,000
Additional borrowing	47,581	34,477	31,626	13,543	7,850	135,077
Earmarked Capital Receipts	5,207	42,971	11,691	87	0	59,956
Non earmarked Capital Receipts	3,000	2,000	1,000	1,000	1,000	8,000
Revenue & Reserves	8,210	6,040	5,831	5,872	5,915	31,868
Other External Grants and Contributions	27,241	33,459	2,692	350	350	64,092
Total Resources	114,329	142,037	75,930	43,942	38,205	414,443

327. The Council will in 2016/17 receive £13.490 million in grant and supported borrowing approval from the WG in order to determine its own spending priorities for capital items. This is a slight increase of 0.3% from 2015/16 but a significant reduction of circa 35% compared with 2010/11. The Council will be required to submit its Public Housing business plan to WG in March 2016, which assumes Major Repairs Allowance remains at previous levels of £9.6 million per annum.
328. Expenditure funded by unsupported borrowing of £134.9 million is proposed over a five year period in order to meet General Fund capital expenditure and to pay for invest to save schemes of £90.8 million and for public housing capital expenditure of £44.1 million. This excludes proposed land appropriations between the General Fund and the Housing Revenue Account.
329. Over the five years of the Capital Programme, £8 Million of non earmarked capital receipts has been assumed. In addition earmarked receipts and specific contributions of £25.2 million have been identified to offset expenditure and minimise levels of borrowing for 21st Century Schools Programme and £34.8 million for other schemes including Central Square redevelopment and the integrated transport hub. Until such sums are actually received this remains a significant risk to the level of additional borrowing. Should there be a delay in realising receipts or should amounts be lower than anticipated after contracts for expenditure have been let this will create significant financial risks to the Council.
330. Over the life of the Capital Programme and particularly beyond 2016/17 the level of external grants included are based on assumptions. This is due to the lack of data being available from grant funding bodies which clearly causes difficulty in longer term planning when considering capital investment decisions. Any grant approvals received during the year will be reported as part of the Councils budget monitoring as a basis for inclusion in the budget framework.

Planning Gain (Section 106) and Other Contributions

331. There remains a significant level of existing contributions which directorates must focus on utilising within relevant timescales and in accordance with the terms and conditions of the agreements.
332. The following table summarises the balances of existing Section 106 and other contributions projected to be held by the Council at 31 March 2016 on a service basis, together with a planned profile of spend over future years determined by directorates. Due to the level of uncertainty, future amounts potentially receivable in respect of Section 106 balances have not been included. In previous years the planned profile of Section 106 spend for Parks and Public Open Space has not been achieved. This will require close monitoring by the directorate during the course of the year to ensure sufficient resource is prioritised to implement essential improvements using this source of funding held.

Areas of Service	Projected Balance at March 2016	Planned Use 2016/17	Planned Use 2017/18	Planned Use 2018/19 and beyond
	£000	£000	£000	£000
Traffic & Transportation	1,850	703	699	448
Parks	2,740	1,325	1,138	277
Strategic Planning	228	133	95	0
Schools	270	270	0	0
Economic Development	932	494	438	0
Neighbourhood Regeneration	439	171	183	85
Other	20	20	0	0
General Fund Total	6,479	3,116	2,553	810
Public Housing Total	2,418	0	2,301	117
Total	8,897	3,116	4,854	927

333. Some of the schemes included in the profile above are:

- Traffic & Transportation – public transport improvements; junction improvements; bus stops and bus boarders; installation of CCTV and Real Time Information; telematics; and transportation schemes including the provision of bus routes in the City and strategic transport initiatives.
- Parks – Canal Park (£120,000); Water Play Park at Victoria Park (£55,000); Hendre Lake Park (£278,000), Llanishen Park (£170,000); public open space and cemetery works in Adamsdown (£118,000) and Parc Coed Y Nant (£148,000). It is essential that the Directorate devotes adequate resources to ensure that such schemes can be completed.
- Strategic Planning – regeneration scheme at Mount Stuart Square and a programme of works in the City Centre.
- Schools – contribution towards works at Coed Glas primary.
- Economic Development – Llanrumney Hall dilapidations (£294,000), Public Realm at International Sports Village (£300,000) and other regeneration initiatives.
- Neighbourhood Regeneration – funding for community facilities including the Council’s Hubs Programme e.g. STAR Hub (£166,000), environmental improvements and regeneration of community shopping centres.
- Housing – development of new Council housing as part of Housing Partnership Programme.

334. The Community Infrastructure Levy (CIL) regulations came into force in April 2010. CIL is a system of regulations that allow local authorities in England and Wales to raise funds from developers undertaking new building projects in their area. CIL sits alongside the existing Section 106 process, which remains relevant. However, CIL regulations change some of the key rules associated with Section 106, in particular to prevent overlap between the two funding mechanisms.

335. The money raised through CIL can be used to help fund a wide range of Relevant Infrastructure that is needed to support the development of an area. Relevant Infrastructure is not clearly defined in the regulations but may include:
- Roads and other transport facilities
 - Flood defenses
 - Schools and other educational facilities
 - Medical facilities
 - Sporting and recreational facilities
 - Open spaces
336. An Infrastructure Plan has been prepared in association with the Local Development Plan (LDP). This gives a broad indication of the range and extent of community infrastructure needed to support the Council's LDP's projected level of growth. It also provides an indicative cost and identifies potential funding sources to deliver the required infrastructure, however the financial implications of this will need to be considered as proposals are developed.
337. Public consultation on a Preliminary Draft Charging Schedule was undertaken during November and December 2014. The stage two Draft Charging Schedule will be consulted on in Summer 2016 before submission for Public Examination during Autumn / Winter 2016. The intention is to be in a position to implement the CIL in early 2017.

Asset Management Board and Investment Review Board

338. Within this financial climate of reducing revenue resources it is clear that all necessary actions must be taken to reduce both initial capital expenditure by accelerating a reduction in the Council's asset base within a limited timeframe and also the subsequent need to borrow.
339. The role of the Asset Management Board is key in ensuring strategic and affordable choices are made in relation to property retention, acquisition and disposal, securing holistic solutions which consider both revenue and capital budgets. An Investment Review Board has been established as part of the Council's Organisation Development Programme arrangements and is chaired by the Corporate Director Resources. These Boards liaise closely to ensure that robust governance processes are in place to challenge and review both capital expenditure and the capital resources of the Council.
340. Confidence in the property market has improved as the economy has generally picked up. However, disposing of certain types of property remains challenging and is subject to securing interest from third parties. It is, therefore, important that where a property is identified for disposal it is promptly declared surplus and disposed of or demolished. This will avoid an adverse revenue budget impact in terms of increasing the Council's level of borrowing and costs in continuing to secure and maintain the property.

341. Releasing capital receipts often requires significant investment in improving other assets or providing alternative facilities which means an additional drain on realisable receipts. Additionally, the actual realisation of capital receipts will always be a relatively unpredictable exercise given the number of variable factors which can influence the end product. Accordingly, it is not prudent to set a Capital Programme on capital receipt assumptions alone without a clear and approved strategy for the realisation and timing of such receipts in so far as this can be determined. To do otherwise will put additional pressure on the Council's borrowing requirement and future revenue budget pressures.
342. The Council is taking forward a number of initiatives to ensure that it uses its own property effectively and that options are considered for collaboration with other partners across the City. These initiatives include:
- Continuing the rationalisation of office accommodation including the relinquishment of Global Link.
 - Implementation of a new Corporate Property Strategy and utilisation of the Asset Management Board to provide corporate awareness of all property related initiatives across the Council.
 - Review of the non-operational investment property estate to rationalise and re-invest proceeds in modernising this estate to sustain income. In accordance with the Cabinet report of 12 November 2015, it is proposed to establish a new governance arrangement to deal with the efficient management of the Investment Estate. This will involve a new Investment Board consisting of officers from Strategic Estates, Legal and Finance. Day to day management will be undertaken by Strategic Estates with external advice through an appointed commercial advisor. Recommendations for disposal, investment, re-gearing and acquisition will be presented quarterly to the Investment Board. Decisions will be reported quarterly to Asset Management Board and subsequently to Cabinet. In addition to the above a forward plan of actions and a report on the performance of the Investment Estate over the previous 12 months will be included in the annually published Corporate Asset Management Plan and will be subject to the Council's normal scrutiny processes.
 - Taking forward Community Asset Transfer projects.
 - Transferring sites identified as suitable for new build housing from the General Fund to the HRA, subject to determining a transparent value.
 - Using land holdings to secure regeneration of the City.

Other Capital Prudential Indicators

343. The Council is required to set a number of indicators for the years 2016/17 to 2018/19 to assist in determining whether it establishes a prudent, affordable and sustainable Capital Programme. The CFR forecast considered earlier was one of these. In addition the Council has developed a local indicator which is detailed in this report for the period

up to 2020/21. Treasury indicators are included in the Treasury Management section of this budget report.

Capital Expenditure

344. The capital expenditure incurred in 2014/15 and estimates of capital expenditure for the current and future years as set out in the programme are as follows:

Capital Expenditure					
	2014/15 Actual £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
General Fund	62,849	89,088	88,924	113,787	48,580
HRA	19,665	210,675	25,405	28,250	27,350
Total	82,514	299,763	114,329	142,037	75,930

Incremental Impact of New Capital Investment Decisions

345. Increases in capital expenditure must be affordable within the projected income of the Council for the foreseeable future. Accordingly the Council must calculate its budget requirement for each financial year to include the revenue costs that flow from new capital expenditure decisions which include:

- Increases in capital financing costs (interest and prudent provision for repayment of borrowing).
- Increases in running costs from new capital projects.

346. Whilst it is difficult to isolate the financial impact of new capital investment decisions proposed in this budget, the prudential indicator requires an estimate of the incremental impact on Band D Council Tax and on the weekly housing rent. The indicator is based on current gearing levels between central and local taxpayers. The calculation takes into account new schemes proposed in the budget only. It is required to exclude borrowing commitments for schemes proposed in previous budgets.

347. For the HRA it is assumed that the costs of any additional borrowing undertaken towards the development of new Council housing is offset by additional rental income from new properties.

Incremental Impact of New Capital Investment Decisions			
	2016/17 Estimate £	2017/18 Estimate £	2018/19 Estimate £
For the Band D Council Tax	0.29	2.15	4.33
Average Weekly Housing Rent	0.32	1.59	2.93

Ratio of Financing Costs to Net Revenue Budget Stream

348. An indicator of the affordability of historic and future capital investment plans is the ratio of financing costs to net revenue budget stream. It identifies the trend in the cost of capital financing (excluding the running costs of schemes). Financing costs include:

- Interest payable on borrowing and receivable on investments.
- Penalties or any benefits receivable on early repayment of debt.
- Prudent revenue budget provision for repayment of capital expenditure paid for by borrowing.
- Reimbursement of borrowing costs from directorates in respect of Invest to Save schemes.

349. For the General Fund, the net revenue stream is the amount to be met from non-specific WG grants and Council Tax, whilst for the HRA it is the amount to be met from rent payers. An increasing ratio indicates that a greater proportion of the Council's budget is required for capital financing costs over the planned Capital Programme period.

Ratio of Financing Costs to Net Revenue Budget Stream						
	2014/15 Actual %	2015/16 Estimate %	2016/17 Estimate %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %
General Fund	6.15	5.90	6.08	5.86	5.89	6.24
HRA	15.87	31.93	31.17	31.51	30.78	30.50

350. The percentage for the General Fund is estimated to increase from an estimated 5.90% in 2015/16 to 6.24% in 2019/20. This includes a change in the approach to calculating the prudent minimum revenue provision for supported borrowing from 2017/18 onwards which is reduced from 4.5% to 4% per annum. The HRA ratio increased significantly in 2015/16 due to additional borrowing undertaken for the housing finance reform settlement payment to WG ending the housing subsidy system.

351. It should be noted that these figures include a number of assumptions such as:-

- No new approvals of additional borrowing apart from that currently proposed over the period.
- Interest rates.
- The timing of borrowing decisions and expenditure.
- The total level of the WG revenue support etc, which can fluctuate due to transfers in or out of the settlement.

352. These variables have long term implications and are extremely uncertain.

353. Whilst the indicator above is required by the Prudential Code, it has a number of limitations. It:

- Does not take into account the fact that some of the Council's revenue budget is non-controllable, delegated or protected.
- Is impacted by transfers in and out of the settlement.
- Includes investment income which is highly unpredictable, particularly in future years.
- Does not reflect gross capital financing costs for schemes where additional borrowing is undertaken to be repaid from within directorate budgets.

354. Although there may be short term implications, invest to save schemes such as 21st Century Schools are intended to be net neutral on the capital financing budget. There are however risks that the level of income, savings or capital receipts anticipated from such schemes will not materialise, having a detrimental long term consequence on the revenue budget. This requires careful monitoring when considering future levels of additional borrowing.

355. Accordingly an additional local indicator has been developed for the General Fund and is shown in the table below for the period up to 2020/21. These local indicators show the ratio of capital financing costs of the Council expressed as a percentage of its controllable budget, excluding investment income:

Capital Financing Costs expressed as percentage of Controllable Budget								
	2011/12 Actual %	2015/16 Estimate %	2016/17 Estimate %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %	2020/21 Estimate %	Difference 11/12-20/21 %
Net	13.47	15.42	15.79	15.27	15.53	17.00	16.82	24.87
Gross	15.17	19.13	19.94	20.31	20.80	22.51	22.37	47.46

356. In accordance with the principles of invest to save, the net ratio assumes that any costs of undertaking additional investment are recovered over time from directorate budgets, capital receipts or other budgets. The gross ratio indicates the gross capital financing cost i.e. it represents a worse case scenario.

357. An increasing percentage indicates that a greater proportion of the budget that is controllable is required for capital financing costs which are committed in the long term. The requirement to meet these additional costs can only come from future savings or from increases in Council Tax. This clearly limits the scope for additional borrowing in future years and reduces the Council's overall flexibility when making decisions on the allocation of its revenue resources. The percentages take into account the significant level of savings having to be found in 2016/17 and over the medium term.

358. Approval of any additional capital schemes to be funded from borrowing would negatively impact on the indicator. As set out earlier, this report reviews the Council's financial position across the life of the MTFP and identifies both the challenges ahead and the radical nature of the actions

required. Council-wide solutions across this time frame will need to be holistic and could include consideration of both revenue and capital spend. Whilst approving the Capital Programme for the period up until 2020/21, Cabinet should be aware that the later years of the programme, together with new material commitments in respect of these later years, will be subject to an ongoing review of the Council's financial standing and resilience.

Treasury Management

359. Treasury management involves:-

- ensuring cash is available when needed
- investing temporary cash balances and
- ensuring appropriate borrowing facilities to pay for the Council's capital expenditure commitments and for the prudent management of its financial affairs.

360. The Council carries out its treasury management activities in accordance with a Treasury Management Code of Practice developed for public services in 2011 by the Chartered Institute of Public Finance and Accountancy (CIPFA). This requires the Council to set out the policies and objectives of its treasury management activities and adopt the four Clauses of Treasury Management. These were formally adopted by the Council in February 2010. Appendix 23 includes a glossary of terms used in relation to Treasury Management.

361. The Council's Audit Committee undertakes scrutiny of the accounting, audit and commercial issues in relation to the Council's Treasury Management Strategy and practices.

362. During the course of each year, a number of reports are produced in relation to the Council's treasury management activities including a strategy at the start of the year, performance reports during the year, a mid year report and an outturn report.

Treasury Management Strategy

363. The Strategy links plans for capital investment, financing and affordability of those plans and how cash will be safely managed to meet the Council's financial commitments and objectives.

364. It is accepted that no treasury management activity is without risk. In undertaking its treasury management activities, the overriding objective is to minimise the risk of adverse consequences or loss, whilst at the same time not unduly constraining investment returns or unnecessarily incurring interest costs.

365. The successful identification, monitoring and control of risk are integral elements of treasury management activities. Risks include credit and counterparty, liquidity, interest rate, refinancing, fraud and regulatory. The Council has Treasury Management Practices to address and

mitigate these risks which were last updated in March 2015 following a review by Internal Audit and Audit Committee.

366. The Council recognises the value in the use of treasury advisors to support the management of risk and to access specialist skills and resources. Support provided by Capita Asset Services Treasury Solutions includes advice on timing of decision making, training, credit updates, economic forecasts, research, articles and advice on capital finance, with the terms of appointment reviewed periodically.
367. Responsibility for treasury decisions ultimately remains with the Council.
368. The following paragraphs set out the integrated strategy for borrowing and investments for 2016/17. The strategy covers:
- The current treasury position.
 - Economic background and prospects for interest rates.
 - Borrowing, including:-
 - Policy
 - Annual Minimum Revenue Provision (MRP) Policy Statement
 - Council borrowing requirement and choice between internal and external borrowing and
 - Borrowing Strategy
 - Treasury management indicators and limits for 2016/17 to 2018/19
 - Investment Policy and Strategy, including security and investments approved for use.
 - Training.
369. The proposed strategy is based on information known at the time of writing this report. Any changes on treasury management will be reported in future scheduled reports to Council, Cabinet and Audit Committee treasury management during the course of the year.
370. The Strategy includes the impact of the Housing Revenue Account Subsidy (HRAS) buyout completed during 2015/16, when borrowing of £187million was undertaken and paid to WG / HM Treasury. In determining the approach to managing the Council's debt, consideration was given as to whether HRA debt is notionally split from the rest of the Council debt, which would necessitate two different strategies being prepared, or whether the Council continues with the current single integrated strategy and single loans pool. This strategy is based on the latter, with rationale included in the 2015/16 budget report as well as later in this report.

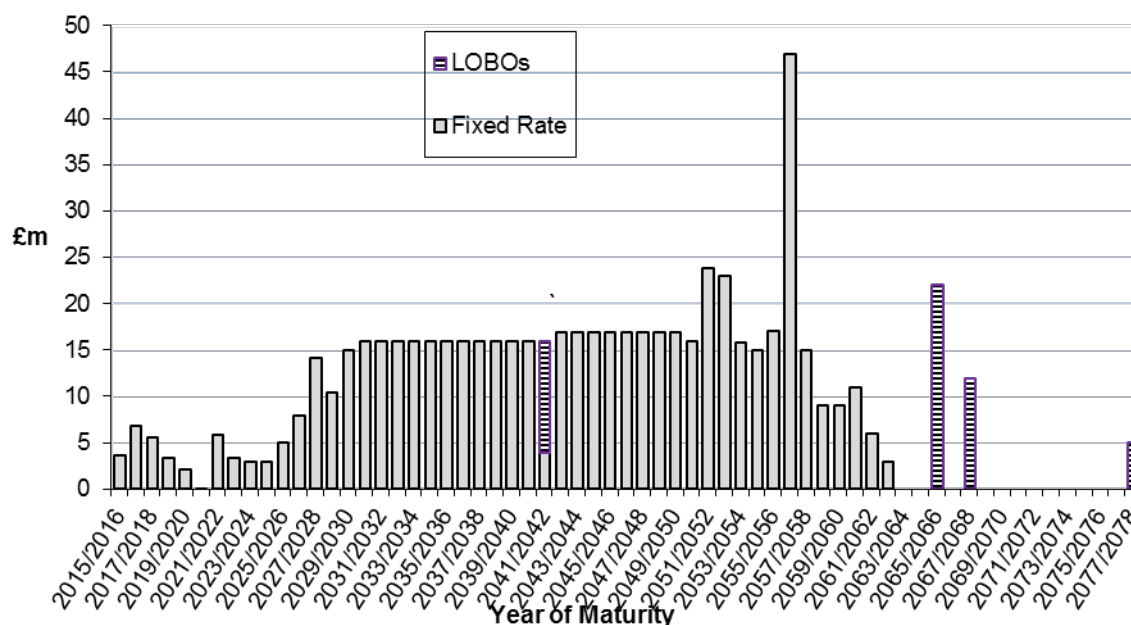
The Treasury Position

371. The treasury position for borrowing and investments as at 31 December 2015 is shown in the following table. Borrowing is predominantly made up of fixed interest rate loans payable on maturity. Investments fluctuate daily and are represented by fixed term deposits, notice deposit accounts and money market funds. These balances arise due to the timing of cash

flows and working capital as well as the existence of reserves, provisions and balances required for future use.

	Principal £m	Average Rate %
External Borrowing		
- Public Works Loan Board	614.5	4.94
- Market Loans	52.0	4.13
- Other	0.9	0
Total Debt	667.4	4.87
Treasury Investments	83.4	0.7

372. The Council's current debt maturity profile is shown in the following graph on the assumption that all loans run to their final maturity.



373. The main loans maturities during 2016/17 are PWLB loans of £6.7 million. Unless the Council's Lender Option Borrower Option loans (LOBO's) are required to be repaid early, very little debt matures within the next 10 years.

374. LOBO products are loans to the Council where the lender can request a change in the rate of interest payable by the Council on pre-determined dates. The Council at this point has the option to repay the loan. The Council has six such loans totalling £51 million.

375. Apart from the option to increase rates these loans are comparable to PWLB loans and have no other complications such as variation in interest rates or complex terms. Interest rates on these loans range between 3.81% and 4.35% and are below the Council's average rate of interest payable. Details of the loans are shown in the next table.

Lender Option Borrower Option (LOBO) Loans			
Potential Next Repayment Date	Loan Value £m	Option Frequency Every	Full Term Maturity Date
01/03/2016	6	6 months	23/05/2067
21/05/2016	6	6 months	21/11/2041
21/05/2016	6	6 months	21/11/2041
21/05/2016	6	6 months	23/05/2067
15/01/2018	5	5 years	17/01/2078
21/11/2020	22	5 years	23/11/2065

376. It should be noted that £24 million of the LOBO loans are currently subject to the lender potentially requesting a change in the rate of interest payable every six months. A further £5 million and £22 million have call options in January 2018 and November 2020 respectively and every five years thereafter.
377. Risk of early repayment is deemed to be low, however in the longer term, options will need to be considered to reduce any potential large repayments in a single year.

Economic background and prospects for Interest Rates

378. The following table gives the Council's treasury management advisor's latest forecast of interest rates taking into account the 20 basis point certainty rate reduction available for PWLB loans to eligible local authorities. It is a central forecast, acknowledging for example that the bank rate may rise sooner if there are sustained and robust UK growth, employment and inflation expectations.

	January 2016	March 2016	March 2017	March 2018	March 2019
	%	%	%	%	%
Bank Rate	0.50	0.50	0.75	1.25	1.75
5yr PWLB rate	1.92	2.00	2.40	2.80	3.20
10yr PWLB rate	2.58	2.60	3.00	3.40	3.70
25yr PWLB rate	3.36	3.40	3.70	4.00	4.10
50yr PWLB rate	3.18	3.20	3.50	3.90	4.00

Forecast at January 2016

379. Whilst counterparty risk of organisations whom we may invest with has eased compared to previous years, financial markets remain volatile and economic forecasts remain uncertain. Growth in the UK economy is strong, however, for it to be balanced and sustainable, it needs to move away from dependence on consumer expenditure and the housing market. With inflation currently subdued due to falling food, oil and gas prices, there also remains uncertainty around how quickly inflation will rise in the next few years. Whilst there are also a number of geopolitical risks that impact on interest rates, two key factors used by the Bank of

England in determining when to change interest rates are growth and inflation.

380. The bank rate, which is unchanged since March 2009, is currently forecast to rise towards the end of 2016. As a consequence and coupled with the Bank of England's funding for lending scheme, returns from Council Investments are likely to remain minimal. In respect of future borrowing rates, these are set to rise should growth and inflation be firmly established, as a result of higher levels of UK Government borrowing and reversal in quantitative easing. This will result in higher future borrowing costs for the Council.

Borrowing

Policy

381. Borrowing to pay for capital investment has long-term financial consequences and risks, with decisions taken many years ago impacting currently and in the future in the form of interest and provision for repayment of capital expenditure. These costs are assumed in the Council's revenue budgets.
382. Loans are not undertaken for specific schemes or directorates. All loans are taken in the name of the Council and secured on all revenues of the Council meaning that all loans and investments are pooled. The Council will aim to manage its debt portfolio on a long-term basis with a high regard to the effects on current and future Council Tax and Rent Payers.
383. The view of the Section 151 Officer is to maintain a single pool for all Council debt. In determining this approach, the Council has also sought advice from its treasury management advisors and considered guidance from CIPFA.
384. The reasoning for this included consideration of the following:-
- One pool is consistent with the pooling of treasury management activities for effective management of risk and control.
 - The Council through delegation to the Section 151 Officer is ultimately responsible for all debt, including debt undertaken by the HRA. Interest costs are recharged to the HRA, in the same way as to directorates who take invest to save schemes.
 - All loans are charged across all the revenues of the Council in accordance with the Local Government Act 2003.
 - In accordance with good treasury management practice loans are not taken out for specific purposes.
 - There is no mechanism to charge HRA for risks of default on Investments. This is all borne by the General Fund so it is deemed inconsistent to treat debt and investments separately.
 - A single pool avoids the requirement for two separate Treasury Strategies and documents at all current reporting meetings. The extent of additional work in administration, management and reporting of maintaining two pools should not be underestimated.

- Planned loan maturities for HRAS exit were taken with regard to the existing debt maturity profile to smooth the historic debt maturity profile to minimise the overall re-financing risk to the Council.
 - The Prudential Code still requires indicators to be aggregated and treasury risk is managed across the council.
 - De-pooling is a one off exercise which ignores the historic benefit which may have accrued either to the HRA or to the General Fund.
 - One pool avoids the risk of over borrowing. If the HRA pays off debt quicker than anticipated, this allows flexibility to transfer loans at nil cost to the General Fund. In addition the HRA can secure a long term, stable portfolio.
385. The Council's Borrowing Strategy for 2016/17 and the capital financing revenue budgets included in the MTFP will consider all options to meet the long-term aims of:
- Promoting revenue cost stability to aid financial planning and avoid a stop-start approach to service delivery, although it is recognised that this may have a financial impact.
 - Pooling borrowing and investments to ensure the whole Council shares the risks and rewards of treasury activities.
 - Reduction over time in the average rate of interest on overall Council borrowing.
 - Ensuring any refinancing risk is manageable each financial year, using opportunities to re-profile borrowing where cost effective to do so both in the short and long term.
 - Ensuring borrowing plans are aligned to known capital expenditure spending plans, the useful life of assets created, financial reserve levels and consistent with the prudent provision for the repayment of any such expenditure paid for by borrowing.
386. The Council will not borrow in advance of need, purely to profit from any investment of the extra sums borrowed. However, if it is felt that by borrowing in advance of need up to a maximum of three years, opportunities exist to lock into favourable long-term rates and the credit risks associated with this can be managed, then this is an option that will be considered.

Prudent Repayment of Capital Expenditure – Annual Minimum Revenue Provision (MRP) Policy Statement for 2016/17

387. The Council has a statutory duty to calculate and set aside each year from its annual revenue budget an amount 'which it considers to be prudent'. This results in a reduction in the Council's underlying need to borrow (CFR).
388. The broad aim of the 'prudent provision' is to ensure that debt arising from Capital expenditure is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits to service delivery (useful life) or in the case of borrowing supported by the WG via the RSG, reasonably commensurate with the period implicit in the determination of that grant.

389. Legislation does not define what constitutes a 'prudent provision'. Instead WG has provided guidance and examples in order to interpret that term. Whilst authorities must have statutory regard to that guidance, other approaches can be considered if they are deemed prudent in the judgement of the Section 151 Officer and individually designed for each local authority circumstance.
390. A statement on the Council's policy for its annual MRP is required to be submitted to full Council for approval before the start of the financial year to which the provision will relate. Similar to decisions to undertake capital expenditure funded by borrowing, decisions in respect of the allocation of MRP have short, medium and very long term impacts. Impacts of changes in policy decisions should be considered over that time horizon.
391. It is proposed that the Council's MRP Policy will be as follows with any change in the level, timing and method of provision in year delegated to the Section 151 Officer :
- General Fund historic expenditure prior to 1 April 2004 as well as subsequent supported borrowing approved by the WG is to be provided for at 4.5% on a reducing balance basis in 2016/17. This is in excess of the WG grant basis of 4%, and will continue to be reviewed for ongoing affordability and consideration of what expenditure the Council incurs utilising supported borrowing.
 - HRA supported borrowing, which was part of the previous housing subsidy system is to be provided for at 2% on a straight line basis. MRP on the £187million settlement buyout payment is to be at 2% straight line basis, as a minimum, with the first provision made in the year of the settlement.
 - Additional borrowing for a general increase in investment either in the General Fund or HRA to balance the Capital Programme in a year is to be provided for on a straight line basis over the estimated average life of the assets created.
 - Any additional expenditure linked to specific schemes e.g. Invest to Save, 21st Century Schools etc. is to be provided for on a straight line basis, or over the estimated useful life of assets being created or a shorter period as determined by the Section 151 Officer or suggested periods determined by WG as is the case with LGBI.
 - Revenue Provision in excess of the above requirements can be made subject to affordability and following advice of the Section 151 officer.
 - MRP may be waived on expenditure recoverable within a prudent period of time through capital receipts (e.g. land purchases) or deferred to when the benefits from investment are scheduled to begin.
 - The MRP charged against liabilities under finance leases, or contracts that have the characteristics of finance leases, shall be equal to the principal element of the lease repayment, calculated on an annual basis.

Council's Borrowing Requirement

392. The following table shows the projected level of external borrowing currently held by the Council, taking into account any scheduled loan repayments. It compares this to the projected CFR based on current, known estimates and timing of the Council's capital expenditure plans, subject to approval of the Council's budget in February 2016. The difference between the projected CFR in 2018/19 (£757 million) and the level of external borrowing after any planned repayments (£649 million) is £108 million, i.e. there will be a requirement for additional external borrowing over the medium term.

Gross Debt compared to Capital Financing Requirement					
	2014/15 Actual £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
External borrowing at 1 April	473	470	665	658	652
New borrowing	5	13	tbc	tbc	tbc
Settlement payment		187			
Scheduled repayments	(8)	(5)	(7)	(6)	(3)
External Borrowing at 31 March	470	665	658	652	649
Capital Financing Requirement	495	715	738	750	757
Under / (Over) borrowing	25	50	80	98	108

393. To be meaningful for treasury management purposes, the CFR figures in this strategy exclude the accounting provisions for the management and aftercare of landfill sites which may not be incurred for many years to come. Accordingly, when setting the treasury indicators, landfill provision is excluded from the calculations, except for the setting of the Authorised Limit for external debt, which is required to be set under statute.

394. Some of this requirement may be covered by internal borrowing in the short term, dependent on the sustainability and risks of any internal borrowing position. The table demonstrates that over the medium term, borrowing is undertaken only for a capital purpose and the Council is not borrowing in advance of need.

External versus Internal borrowing

395. Whilst interest rates for borrowing are greater than interest rates the Council receives for investments (the cost of carry), it makes financial sense to use any internal cash balances held in the short-term to pay for capital expenditure and minimise costs (Internal Borrowing), rather than undertake external borrowing. However, there is a risk that the Council may have to borrow at higher rates when it does actually need to borrow in future and so this position is kept under continuous review.

396. A high level balance sheet review undertaken at a point in time suggests that a maximum level of internal borrowing is circa £70 million. However this is dependent on cash flows, the timing of use of General and Earmarked Reserves and provisions and longer term pressures in the MTFP.

Borrowing Strategy

397. The forecast level of internal borrowing at 31 March 2016 in relation to the CFR is deemed manageable. However, based on the current forecasts of future capital expenditure plans and high level analysis of the sustainability of internal borrowing from the Council's balance sheet position for future years, external borrowing will be required to be undertaken in the medium term.

398. The following strategy is proposed to manage the Council's Capital Financing Requirement:-

- Whilst investment rates remain lower than long term borrowing rates internal borrowing will be used to minimise short-term costs where possible.
- Any external borrowing is to be a balance between temporary borrowing on a short term basis to minimise revenue costs (the cost of carry) where possible, with options considered to take an element of the Council's borrowing requirement with loans of longer periods. This strategy should help to mitigate against the risk of borrowing rates rising faster than currently anticipated.

399. If it were felt that there was a significant risk of a sharp rise in long and medium-term rates, then fixed rate borrowing may be undertaken whilst rates were still comparatively lower. If there was a significant risk of a sharp fall in rates, then long-medium term borrowing would be deferred, following consideration of internal borrowing capacity.

400. Current interest rates on the Council's existing debt portfolio compared to new borrowing rates and the high penalty rates charged by the PWLB for early debt repayment, results in limited options for restructuring of debt. Options have been considered but these have resulted in very short term financial gains outweighed by the risk of higher longer term costs. Opportunities will continue to be reviewed to determine whether options exist to reschedule debt at an acceptable refinancing risk.

Treasury Management Indicators and limits for 2016/17 – 2018/19

401. The Council is required to set its treasury management indicators for the years 2016/17 - 2018/19. Appendix 23(a) gives further background in respect of the Prudential Indicators.

402. The Council must set and keep under review how much it can afford to borrow from debt or other long-term liabilities for the forthcoming year and the following two financial years (the Affordable Borrowing Limit). It must have regard to the Prudential Code and locally determined

indicators when setting this limit and be content that capital investment plans are within sustainable limits and that the impact upon future Council Tax payers and tenants is acceptable.

403. It is recommended that the Council approve the following authorised limits (Statutory limit under Section 3(1) of the Local Government Act 2003) and operational boundaries for the next three years (figures for 2015/16 are for comparison only). The undertaking of other long-term liabilities, within the overall limit, is delegated to the Section 151 Officer based on the outcome of financial option appraisals and best value considerations.

Authorised limit for external debt

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m
Limit for external borrowing and other long-term liabilities	781	780	780	780

404. This limit is consistent with known commitments, existing plans and proposals contained within the budget for capital expenditure, financing and revised accounting requirements. It includes landfill provision and is based on the estimated and prudent, but not worst case scenario and in addition with sufficient headroom over and above this to allow for operational management and unforeseen cash movements. The limit for the Council overall has been set at a constant level of £780 million for 2016/17 to 2018/19.

405. Whilst there is currently no self imposed or national imposed overall cap on the level of General Fund borrowing, upon exit from the Housing Subsidy system, HM Treasury required a cap on HRA borrowing to be implemented. Breach of this cap could result in the Council incurring financial penalties from WG. The cap is based on the level of the HRA Capital Financing Requirement at the end of each year. The table below shows that based on HRA business plan forecasts for capital expenditure, capital resources to pay for it and prudent provision for repayment of capital expenditure, the Council is forecast to be within the cap currently set.

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m
HRA CFR forecast at 31 March	277	279	296	302
HRA CFR Current Cap	316	316	316	316
Headroom / (Excess)	39	37	20	14

406. The HRA thirty year business plan will need to be monitored closely in order to ensure that any risks to the breach of the Cap and any unsupported borrowing is prioritised and remains affordable and sustainable in the long term.

Operational boundary for external debt

407. The proposed operational boundary or projected level of external debt (excluding landfill) is initially set at the anticipated level of the CFR at the end of each year. This will be subject to the level and timing of borrowing decisions.

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m
Boundary for external borrowing and other long-term liabilities	665	738	750	757

408. The Council's actual external debt represented by borrowing at 31 March 2015 was £470 million, with no significant other long-term liabilities. The Council's external debt increased significantly in April 2015 due to the £187 million payment of the HRA subsidy buyout payment.

Limits for fixed and variable interest rate exposure

409. Various upper limits are required to be set in order to manage risk and reduce the financial impact on the Council of any adverse movement in interest rates. The limits below reflect that whilst the majority of Council borrowing is currently at long term fixed rates, there could be exposure to variable rates. This is in the form of interest on LOBO loans being changed early, the strategy to utilise internal borrowing where possible and short term external borrowing when required to manage cash flow.

	2015/16 %	2016/17 %	2017/18 %	2018/19 %
Upper limit for fixed interest rate exposure	100	100	100	100
Upper limit for variable rate exposure	25	25	25	25

Maturity structure of fixed rate borrowing

410. Limits are set to guard against a large element of the Council's debt maturing and having to be refinanced in a very short space of time, when it may not be economically favourable to do so. The limits have been set to reflect the current debt portfolio, and to allow enough flexibility to enable new borrowing to be undertaken for the optimum period. The table assumes that loans run to their final maturity, however a separate column is also included to show the maturity profile should the Council repay its LOBO loans early.

Maturity structure of borrowing in 2016/17	Upper limit	Lower limit	Actual to Maturity	Actual if LOBOs Repaid Early
	%	%	%	%
Under 12 months	10	0	0.99	4.64
Over 12 months and within 24 months	10	0	0.82	1.60
Over 24 months and within 5 years	15	0	0.82	4.17
Over 5 years and within 10 years	20	0	2.95	3.05
Over 10 years and within 20 years	30	0	20.96	21.65
Over 20 years and within 30 years	35	0	23.92	22.90
Over 30 years and within 40 years	35	0	26.06	26.92
Over 40 years and within 50 years	35	0	17.79	15.07
Over 50 years and within 60 years	15	0	4.96	0.00
Over 60 years and within 70 years	5	0	0.73	0.00

Investments

Policy

411. The Council has regard to the WG Guidance on Investments issued in 2004 and its subsequent amendments, as well as the 2011 revised CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (the CIPFA Treasury Management Code).

412. The Council recognises that given the nature of investments, a trade-off between security, liquidity and yield cannot be avoided i.e. there is risk of default. The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity, however the level of risk will be contained by ensuring:-

- All investments and repayments are in sterling.
- Investment instruments identified for use in the financial year are listed under 'Specified' investments and 'Non-Specified' investment categories, dependant on their complexity and risk.
- A list of highly credit worthy counterparties with whom to invest is created and monitored.
- Diversification of approach, investment product and counterparties are sought where possible to avoid concentration of risk.
- Any set limits are implemented with immediate effect following approval of this Treasury Management Strategy by Council.
- Continual monitoring of treasury activities with the categories of investments that may be used, the credit criteria and associated limits in determining with whom to invest and timing of decisions being delegated to the Section 151 Officer.

Specified Investments

413. A specified investment is defined as one :

- being for a period up to one year.

- which is in straightforward easily understood low risk products.
- not involving corporate share or loan capital.
- where the principal sum to be repaid at maturity is the same as the initial principal sum invested.

414. Specified investments may comprise up to 100% of the Council's total investments.

Instruments approved for use	Minimum Credit Criteria
Debt Management Agency Deposit Facility	Assumed Government Guarantee
Term deposits – UK government and other Local Authorities	Assumed Government Guarantee
Deposits with the Council's banking services provider	Long-term A /Short-term F1
Term deposits – banks and building societies	Long-term A /Short-term F1
Term deposits with variable rate and variable maturities up to one year e.g. structured investment products	Long-term A /Short-term F1
Deposits with banks wholly or partly nationalised or where guaranteed by high credit rated (sovereign rating) countries	Long-term A /Short-term F1 Assumed Government Guarantee

Non-Specified Investments

415. These are all other investments not meeting the definition of a specified investment which could be used in order to achieve diversification and manage liquidity needs. A maximum upper level of £60 million is to be set for non-specified investments including investments for greater than one year.

Instruments approved for use	Min Credit Criteria	Max % of total investments	Max. maturity period
Term deposits with Local Authorities (with maturities in excess of 1 year)	Assumed Government Guarantee	15	2 Years
Term deposits – banks and building societies (with maturities in excess of 1 year)	Long-term AA- /Short-term F1+	15	2 Years
Deposits over one year with banks wholly or partly nationalised institutions where guaranteed by high credit rated (sovereign rating) countries	Long-term A /Short-term F1 Government Guarantee	20	2 Years
Term deposits with variable rate and variable maturities in excess of 1 year e.g. structured investment products	Long-term AA- /Short-term F1+	10	2 Years

Instruments approved for use	Min Credit Criteria	Max % of total investments	Max. maturity period
Certificates of Deposit (In-house)	Long-term AA- /Short-term F1+	10	Maximum 2 year duration
UK Government Gilts and Gilt funds (In-house)	Assumed Government Guarantee	40	Maximum 3 year duration
Treasury Bills (In-house)	Assumed Government Guarantee	40	6 Months
Collective Investment Scheme structures - Money Market Funds	AAA Constant Net Asset Value	60	Weighted Average Maturity 60 days
Other Collective Investment Schemes structures - e.g. enhanced cash funds, Government and Corporate Bond, Gilt or Liquidity Funds and floating rate notes	AAA Variable Net Asset Value	20	Weighted Average Maturity 3 years

416. The Council uses money market funds and other collective investment funds which pool together investments in a diversified portfolio of products and sectors mainly high quality, short-term money market instruments such as bank deposits, certificates of deposit, government guaranteed bonds, corporate bonds and commercial paper. It should be noted that any such funds are triple A rated and allow instant access.

Security

417. Credit and fraud risk are managed through procedural requirements and controls. The Council uses Fitch Credit ratings as a basis for assessment of credit worthiness of institutions it will invest with (See Appendix 24). Changes in the criteria and decisions with whom to invest are delegated to the Section 151 Officer. Commercial organisations (counterparties) on its approved list will have at least the short-term credit rating of F1 and be authorised institutions within the meaning of the Financial Services and Markets Act 2000. The rating F1 infers “Highest Credit Quality” and indicates the strongest capacity for timely payment of financial commitments.

418. For internally managed investments provided by the private sector, the lending list for any new direct investment in an organisation is based on the following credit criteria:

Fitch Ratings (minimum)	Long-term	Short-term	Limit £m
Overnight to one year	A	F1	10
Overnight to two years	AA-	F1+	12
UK Part Nationalised Banks overnight to two years	A	F1	15

419. For internally managed funds the maximum limit for direct investment in any one group of related companies is £15 million.
420. Credit ratings are monitored regularly through use of the treasury management advisor's credit service. If a downgrade results in the counterparty or investment scheme no longer meeting the Council's criteria, its further use for new investment will be withdrawn immediately.
421. Where investments are held with a counterparty which falls below the Council's approved criteria for new investment, the investments will be reviewed and options to call back funds before the maturity date would be investigated. It should be noted that any early repayment is only at the discretion of the borrower and often at a penalty.
422. Whilst Fitch ratings form the basis of the Council's threshold criteria, the Council will also have regard to the following when determining with whom to invest:
- Rating updates provided by treasury advisors in respect of all three credit rating agencies, as well as credit default swaps, support ratings and other market data.
 - Media reports as well as sovereign credit ratings with the minimum requirement being a Fitch sovereign rating of AA for non UK based institutions.
 - The informed judgement of treasury staff and treasury management advisors after consideration of wider economic factors.
 - Financial sector and country exposure.
 - The extent to which organisations who do not meet the above criteria, are nationalised.

Liquidity

423. The Council aims to have sufficient funds to ensure it does not become a forced borrower for a significant period of time at rates in excess of what may be earned on such investments. In determining the maximum periods for which funds may be available and can be invested, short term cash flow forecasts are undertaken and a longer term balance sheet review is undertaken as part of the calculation of Prudential Code indicators.

Investment Strategy

424. Given uncertainty of financial markets, the Specified and Non Specified investments above allow for a range of products to be available to manage short term investment balances and diversification.
425. Given the likelihood of internal borrowing and the interest rate forecasts identified above, longer term investments above one year will be unlikely. The Debt Management Agency Deposit Facility will be used only as a last resort.
426. The Investment Strategy for 2016/17 will continue to adapt to changing circumstances and market sentiment, with a pragmatic approach taken. Credit criteria changes are delegated to the Section 151 Officer, which allows a prompt response to uncertainties with the Council being kept informed of significant changes through the various reports it receives on treasury activities during the course of the year.

Treasury Management Training

427. Treasury staff directly and regularly involved in borrowing and lending activities are provided access to a wide range of training. This includes seminars and workshops organised by treasury advisors bringing together practitioners from different authorities; seminars organised by CIPFA and other national bodies, regular contact with a client relationship manager as well as their briefing notes and articles. Staff responsible for treasury activity on a day to day basis have a recognised accountancy qualification and are encouraged to undertake relevant treasury management training.
428. The Council's Audit Committee Members who are responsible for scrutiny of treasury management activities have also been provided with training and offered one to one training in order to support their role.

Budgetary Framework

429. Under the Budget and Policy Framework Procedure Rules the Council is able to specify the extent of virement within the budget and the degree of in-year changes. The Council's Financial Procedure Rules also allow virements within directorate budgets as set out in the following table.

Revenue	
Up to £50,000	Relevant Assistant Director in consultation with the Section 151 Officer
Between £50,001 - £250,000	Relevant Director in consultation with the Section 151 Officer
Over £250,000	Cabinet
Capital	
Up to £100,000	Relevant Assistant Director in consultation with the Section 151 Officer
£100,001 - £250,000	Relevant Director in consultation with the Section 151 Officer
Over £250,000	Cabinet

430. It is proposed to continue the current policy whereby the Cabinet has the authority to vire amounts between directorates of up to £500,000 and, subject to the Section 151 Officer raising no objection, to use reserves and to commit expenditure in future years up to a total in the year of £1.5 million.
431. In addition to the virements shown above, the Section 151 Officer will also undertake all necessary technical adjustments to the budgets and accounts during the year and reflect any changes to the accounting structure as a result of management and organisational changes within the Council.

Reason for Recommendations

432. To enable the Cabinet to recommend to Council approval of:
- the Revenue and Capital budget and to set the Council Tax for 2016/17.
 - the budget for the Housing Revenue Account.
 - the Treasury Management Strategy.
 - the Prudential Code for Borrowing indicators for 2016/17-2018/19.
 - the Capital Programme for 2016/17 and the indicative programme to 2019/20, delegating to the Section 151 Officer authority to bring forward or delay schemes within the programme to match resources where necessary.
 - the Minimum Revenue Provision Policy for 2016/17.
433. To enable the Cabinet to recommend to Council:
- that in the event that the final settlement figure differs from the provisional figure a commensurate adjustment to the general reserves is made.
 - that the City Deal Document be signed on behalf of the Council (on the understanding that the document will provide that the Final City Deal Document will be subject to the agreement of the Council).
434. To enable Cabinet to:
- approve the level of fees and charges for Council goods and services for 2016/17.
 - approve the level of rent and charges for 2016/17 in respect of Council Houses, garages and other service charges.
 - approve the Supporting People Spending Plan for 2016/17.
 - Note the work undertaken to raise awareness of and ensure the financial resilience of the Council.
 - note the financial challenges facing the Council as set out in the Medium Term Financial Plan.

- note the opportunities for savings over the medium term and that officers will continue to develop them to inform the Budget Strategy Report in July 2016.
- approve the Day Opportunities Strategy and its implementation.

HR Implications

435. Whilst the additional resources received through the Provisional Welsh Government settlement were better than anticipated, the overall budgetary position is still challenging. The additional monies has enabled the Cabinet to modify some proposals based on the outcome of the consultation exercise and enhance provision for the priorities set out in the Corporate Plan. The final Council proposed budgetary position as outlined in this report represents a necessary response to the identified budget gap. Appendix 10 shows that there will be a net reduction of 138 full-time equivalent (fte) Council posts overall made up of the deletion of 168.5 ftes offset by the creation of 30.5 ftes. This reflects posts deleted through a combination of vacant posts, redeployment and voluntary severance. There are still a number yet to be determined .The figures do not however include the potential fte impact of TUPE which may result from the implementation of alternative models of service delivery.
436. Whilst the numbers of staff impacted by this final budget proposal may not be as significant as in previous years, the Council retains a range of mechanisms designed to support the people implications of the Council's budget proposals. Through the continued use of such mechanisms, the Council will continue to work hard wherever possible to reduce the number of compulsory redundancies .In addition to redeployment, other mechanisms include use of flexible working policies plus access to skills support through Cardiff Council Academy and Trade Union Learning Representatives (TULR). Access to skills training either through the Academy and TULRs will continue to support staff in either refreshing their existing skills or developing new skills in order to enhance their opportunities to find another role in the Council or externally.
437. The revised budget includes a sum of £700,000 in 2016/17 to support employees in embracing change and methods of working as the Council implements the budget proposals. This sum will be used to enhance training provided by the Council's Academy, support Workforce initiatives through the Organisational Development Programme and enable improvements to be made to performance management arrangements.
438. Cabinet on 21st January 2016 determined that the Council's Voluntary Redundancy Scheme will remain unchanged for 2016/17. The decision was made after consultation with the Trade Unions and a detailed review of Voluntary Redundancy (VS) schemes operated in other Welsh Local Authorities which highlighted that Cardiff's current scheme continues to be broadly comparable with other Welsh authorities. Cabinet also recognised, in the light of the ongoing budgetary challenges, that it will be important that the Council's Voluntary Redundancy Scheme continues to attract sufficient numbers of volunteers. All the Trade Unions were

clear that they wanted the Council's scheme to remain unchanged. The scheme will be reviewed annually with the next review due in early 2017.

439. In addition to the employee savings included within directorates' proposals, the following Council-wide savings also impact on the workforce :

- An efficiency saving in respect of the overall employee budget (£270,000).
- A reduction in the number of agency staff employed as a direct result of improved levels of sickness absence (£300,000).
- A managed reduction in general use of agency staff resulting in a saving of £450,000.

440. The Council will need to continue to progress the development of new organisational operating models of delivering key services including identifying and progressing opportunities to work in collaboration with others. The implications for staff of future operating models will continue to be subject to full consultation with Trade Unions. The Trade Unions have been consulted throughout the budget planning process and their comments have been considered. As part of the Council's commitment to partnership working, the Trade Unions will continue to be involved in all the proposals which impact on staff.

Legal Implications

441. The budget report sets out certain duties and constraints in relation to setting a balanced budget and Council Tax. They form part of the legal implications to which the decision maker must address its mind notwithstanding that they are not repeated in this section of the report.

Budget duties

442. The Local Government Finance Act 1992 (LGFA 1992) requires the Council to set a balanced budget, including the level of the Council tax. This means the income from all sources must meet the proposed expenditure. Best estimates must be employed to identify all anticipated expenditure and resources.

443. The approval of the Council's budget and Council Tax, and the adoption of a final strategy for the control of the Council's borrowing or capital expenditure are matters reserved, by law, to full Council. However, the Cabinet has responsibility for preparing, revising and submitting to Council estimates of the various amounts which must be aggregated in making the calculations required in order to set the budget and the Council tax; and may make recommendations on the borrowing and capital expenditure strategy. (Pursuant to the Local Authorities (Executive Arrangements) (Functions and Responsibilities) (Wales) Regulations 2007.)

444. Local authorities must decide every year how much income they are going to raise from Council Tax. This decision must be based on a

budget that sets out estimates of what the Council plans to spend on services. As the Council Tax must be set at the start of the financial year and cannot be increased during the year, consideration must be given to risks and uncertainties, and allowances made in funds for contingencies and reserves.

445. The budget and the Council Tax must be set by 11th March in the preceding financial year. A failure to comply with the time limit may leave the Council open to challenge by way of judicial review.
446. When the Council is considering its budget, it must have regard to the Section 151 Officer's report on the robustness of the estimates and the adequacy of the reserves in the budget proposals (section 25 of the Local Government Act 2003). This ensures that Members make their decision on the basis of authoritative advice. Members should provide clear reasons if they disagree with the professional advice of the Section 151 Officer.
447. Members will note from the body of the report that the proposed budget is based on the Welsh Government's Provisional Settlement figure, and that there is not expected to be any significant variation in the Final Settlement to be announced in March 2016. However, in the event that the Final Settlement differs from the Provisional Settlement figure, the recommendation is that such variation should be managed by a proportionate adjustment of the general reserves (as set out in the body of the report), without changing the level of the Council tax or the budget for services. Provided Members are content with the robustness of the estimates and the sufficiency of reserves, as certified by the Section 151 Officer, there is no impediment to the Council Tax (and budget) being approved on this basis.
448. Members should note that, after the Council has approved its budget and Council Tax, it is possible for the Council to make substitute calculations during the year (although the basic amount of Council Tax cannot be increased), but a change in the amount of the Revenue Support Grant from Welsh Government (whether higher or lower than the Provisional Settlement figure) is not, by law, allowed to lead to a recalculation of the Council Tax payable (s.37 LGFA 1992).
449. The Local Government Act 2003 establishes a system to regulate the capital expenditure and borrowing of the Council. The heart of the prudential borrowing system is the duty imposed upon authorities to determine and keep under review how much money they can afford to borrow. The Local Authorities (Capital Financing and Accounting) (Wales) Regulations 2003 (as amended) specify the prudential code for capital finance to which local authorities in Wales must have regard in setting and reviewing their affordable borrowing limits (sections 3 and 5 of the 2003 Act).
450. The Local Government & Housing Act 1989 Part VI sets a statutory regime for housing finance. The Council has a general duty to review the rents of its houses from time to time and in fixing rents the Council must

have regard, in particular, to the principle that the rents of dwellings of any class or description should bear broadly the same proportion to private sector market rents as the rents of dwellings of any other class or description. The review of the rents is a Cabinet function, and is undertaken with regard to the provisions of Part VI of the 1989 Act which governs housing finance and housing subsidy. Rents for council houses are a credit to the HRA and outgoings a debit. The Council is under a duty to prevent a debit balance on the HRA which is ring-fenced. There are restrictions in the way in which the account can be operated and the proposals in this report must comply with these accounting requirements to ensure that the rent should be set so as to ensure that the Council is able to comply with its duty to prevent a debit balance arising on the HRA.

City Deal Legal Implications

451. The body of the report contains provision relating to the City Deal. Legal Services are instructed that an agreement (referred to as the City Deal Document) is being prepared and that its terms must be kept confidential until the City Deal Document is agreed, signed and made public. Accordingly, this legal advice is based on the current understanding of the City Deal Document, as being developed. Key points to note are that the City Deal Document will provide an outline of the proposed terms for the final City Deal agreement between the ten local authorities, Welsh Government and UK Government, including the proposed governance arrangements and funding obligations.
452. Importantly, the City Deal Document will make clear that final agreement will be conditional upon a number of matters, including agreement by each of the constituent councils. That said, the signing of the City Deal Document will serve to act as a public recognition of the Council's commitment to the successful development of the City Deal and as such will create an expectation that the Council will actively seek to progress matters. The City Deal Document in effect acts as a step in the process of developing the final City Deal arrangements.
453. In terms of governance arrangements as between the 10 local authorities, the City Deal Document is premised on the authorities establishing a joint committee, to which the authorities would delegate certain powers. The joint committee would be referred to as the Cardiff Capital Region Joint Cabinet. In brief, it is understood that the rationale for recommending the joint committee model is that this model allows for certain functions (a range of activities) to be carried out jointly by the authorities and therefore on a collaborative basis. The joint committee model provides for member representation and decision making. It also has the advantages of being a well established model, which is familiar to the ten local authorities.
454. In order to establish the Joint committee there will be need for an agreement as between the ten authorities (sometimes referred to as a joint working agreement), which agreement will serve to set out, amongst

other things; the matters delegated to the Committee, its membership, quorum, voting rights and financial arrangements.

455. A considerable amount of work will be required in terms of developing the final city deal agreements.
456. The generic provisions of this legal advice should also be taken in to account in developing the City Deal, namely the advice as regards consultation, the statutory equality duty, and the matters referred to under the heading 'General'.

Equality Duty

457. The Council has to satisfy its public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties) – the Public Sector Equality Duties (PSED). These duties require the Council to have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of 'protected characteristics'.
458. The 'Protected characteristics' are:
 - Age
 - Gender reassignment
 - Sex
 - Race – including ethnic or national origin, colour or nationality
 - Disability
 - Pregnancy and maternity
 - Marriage and civil partnership
 - Sexual orientation
 - Religion or belief – including lack of belief
459. As noted in the report, the PSED requires the Council to carry out Equality Impact Assessments in relation to many of the savings proposals, to ensure that the decision maker has understood the potential impacts of the proposals in terms of equality. This assists the decision maker to ensure that it is making proportionate and rational decisions having due regard to the public sector equality duty.
460. Where a decision is likely to result in a detrimental impact on any group sharing a Protected Characteristic, consideration must be given to possible ways to mitigate the harm. If the harm cannot be avoided, the decision maker must balance the detrimental impact against the strength of the legitimate public need to pursue the service remodelling to deliver savings. The decision maker must be satisfied that having regard to all the relevant circumstances and the PSED, the proposals can be justified, and that all reasonable efforts have been made to mitigate the harm.
461. It is noted that Equality Impact Assessments (which include consideration of views and information obtained through consultation) have been undertaken in respect of the relevant proposals and are

available on the Council's website and as background papers to this report.

462. The decision maker must consider and have due regard to the Equality Impact Assessment prior to making the decisions recommended in the report.

Employee and Trade Union Consultation

463. The report recognises that notwithstanding efforts to reduce impacts on staff resulting from the level of funding cuts imposed, there will be staff reductions during the financial year 2016/17. Since the Budget Strategy Report was approved in July last year engagement has been ongoing between Directors and Trade Unions to discuss budget saving implications. The Council has formally consulted with Trade Unions about the 2016/17 budget proposals and the likely impact on staff, particularly where posts are at risk of redundancy. Under the general law relating to unfair dismissal all proposals to make redundancies must involve reasonable consultation with the affected employees and their trade unions.
464. Due to the potential number of redundancies Section 188 of the Trade Union and Labour Relations (Consolidation) Act 1992 requires consultation to be undertaken with the Unions to include ways of avoiding the dismissals, of reducing numbers of employees being dismissed and or mitigating the consequences of dismissals. The relevant notice has been issued by the Chief Executive and the consultations are ongoing

Charging

465. Each proposal to make or increase charges must comply with the statutory framework (including primary and secondary legislation and any statutory guidance issued) relating to the activity in respect of which charges are being levied, including any limitations on levels of charges.
466. Where reliance is placed on the power to charge for discretionary services (Section 93 of the Local Government Act 2003), any charges must be set so that when the charges are taken as a whole no surpluses are made (i.e. the power is limited to cost recovery).
467. In relation to certain activities which are subject to authorisation by the Council (e.g. licences), the Provision of Services Regulations 2009 prevent the recovery of charges in excess of the cost of the procedures and formalities under the scheme of authorisation, (i.e. the Council is permitted to recover costs only), and such costs must also be reasonable and proportionate.
468. Where activities are being undertaken for which charges are being made with the intention of producing surplus income, it is necessary to consider whether that activity is material and would amount to "commercial trading". For commercial trading, the Council must develop a business

case and establish an arms' length company to undertake that activity (in accordance with the general trading power under Section 95 Local Government Act 2003), or identify another statutory power for a particular trading activity.

Consultation

469. Duties to consult certain stakeholders in respect of proposals may arise from a number of different sources.
470. Members will note that the Council has engaged in consultations as part of the 2016/17 budget process as set out earlier in the report under the heading "Consultation and Engagement".
471. In considering this matter, Members must genuinely and conscientiously consider the feedback from each consultation and have proper regard to it when making any decision in relation to the subject matter of that consultation. Members should carefully consider the results of the consultation as set out in Appendix 1.

General

472. All decisions taken by or on behalf of the Council must:
- Be within the legal powers of the Council and of the body or person exercising powers on behalf of the Council.
 - Comply with any procedural requirement imposed by law.
 - Be undertaken in accordance with procedural requirements imposed by the Council e.g. procedure rules.
 - Be fully and properly informed.
 - Be properly motivated (i.e. for an appropriate, good and relevant reason).
 - Be taken having regard to the Council's fiduciary duty to its tax payers as elected members are trustees of the public interest and of its statutory purposes for which public powers are conferred on them. This general duty requires the Council to act prudently and in good faith in the interests of those to whom the duty is owed.
 - Otherwise be reasonable and proper in all the circumstances.

Financial Implications

473. The financial implications are written within the context of this report while the following paragraphs summarise the significant points and related financial matters. Given the materiality of the current and forthcoming financial challenges, it is important that the level of detail in the report and financial implications is considered. Of interest is a similar message that was included in the 1937 Financial Report of Cardiff Corporation which stated that "*The reader, at the cost of patient thought, may find herein some little entertainment and more certainly much information.*" G.W. Barker, City Treasurer.

474. The financial outlook over the medium term remains a concern and the Medium Term Financial Plan details these challenges in respect of ongoing financial austerity, increasing financial pressures and the difficulty of setting and realising year on year budget savings.
475. The budget for 2016/17 has been compiled against the backdrop of continued financial constraint with many expert commentators suggesting that although the budget reductions in the next period may not be as severe as previously anticipated, the period of austerity is still likely to last until the end of the decade.
476. Usually this budget proposal is based on the Provisional Local Government Revenue Settlement. This is due to the Budget timetable adopted by the Welsh Government which is in itself a consequence of the publication date of the UK Government's Comprehensive Spending Review in November 2015.
477. The details included in the Provisional Local Government Revenue Settlement announced in December 2015 confirmed that for the third year running Cardiff has suffered an absolute reduction in the amount of RSG received. For 2016/17 this resulted in a decrease of £301,000 but a decrease of £12.8 million over the period since 2014/15.
478. The Cabinet in its budget strategy and subsequent budget proposal has been conscious of the impact its proposal may have on the citizens and communities of Cardiff. The specific budget proposals have been subject to a period of public scrutiny lasting for over four weeks and responses to this consultation have been reflected on by Cabinet and senior officers as part of their final deliberations. The budget has, therefore, considered the issues raised having regard to the WG Settlement and in conjunction with the priorities in the draft Corporate Plan.
479. The budget proposals set out in this report will result in significant operational and financial challenges as evidenced by the risk assessment exercise. The outcome of these challenges will be monitored through directorate plans, performance reports and the Corporate Risk Register when reported to Cabinet, Scrutiny Committees, Audit Committee and the Senior Management Team.
480. Particular changes for 2016/17 and the medium term have been identified and are set out in paragraphs 68 & 69 of the report with the most significant being:
- the challenging financial position in respect of reducing WG resources, increasing financial pressures against a reducing controllable base budget together with increasing volatility and uncertainty of hypothecated grants
 - the need to deliver significant levels of savings during a period of prolonged financial austerity particularly given the impact that delays in achievement of savings has on the budget monitoring position

- the impact of the potential adoption of alternative models of service delivery and the requirement to test consequential costs and benefits of the change
 - continuing demographic demand for social services if trendlines vary significantly from the anticipated position
 - the risk of WG levying fines if the Council fails to achieve the required recycling rates
 - the level of additional borrowing undertaken will require more revenue resources to be used for capital financing in future years.
481. The budget process has been rigorous and has utilised the expertise of officers in directorates across the Council. In particular a Reshaping the Base Budget approach was established to develop the targets for 2016/17 which involved both Cabinet members and the Senior Management Team in working closely together. This approach looked to initially identify the shape of services and then understand their link to strategic priorities. These discussions acknowledged the difficult policy choices ahead but also identified that given the scale of the challenge that choices were severely constrained. The Reshaping the Base Budget exercise identified services at their minimum statutory level and for discretionary services considered whether they could be self-funding. These opportunities were then mapped against the achievability for implementation, residual risk and policy acceptability to provide the shape of savings targets over both one and three years. These targets were then developed into savings proposals which became the basis for the proposals published for consultation in December 2015.
482. In formulating their budget, the Cabinet must come to a balanced judgement between the need to provide for services and the financial impact of the cost of those service needs on Council Tax payers. In coming to this judgement and as a result of the impact of the WG's financial settlements, the Council's budget now amounts to £578.161 million.
483. It should be noted that although the Council received a better than anticipated WG Settlement, the budget for 2016/17 still contains a significant element of risk and complex savings proposals will need to be relentlessly driven if they are all to be achieved. In summary, the revenue budget proposal includes:
- Savings of £20.3 million from directorate proposals, £5.6 million from addressable spend savings and £2.9 million in respect of council-wide efficiencies.
 - Continuation of the General Contingency of £4 million to mitigate the achievability risks associated with the level of savings to be delivered.
 - Continuation of the Specific Issues contingencies of £2.468 million broken down between £950,000 for external placement costs in Children's Services, £350,000 to protect against price volatility in the MRF and £1.168 million to recognise the difficulty of predicting Waste Disposal tonnages.

- Directorate financial pressures awarded amounting to £2.2 million together with one-off funding of £700,000 for workforce development, £500,000 for developing the Cardiff Commitment and Apprenticeship scheme and £250,000 to support city development initiatives.
- Reinstatement of budget savings amounting to £3.029 million outstanding from 2015/16 and 2014/15 where following review they are deemed to be no longer achievable.
- The use of £2.07 million from reserves to support the budget based on a review of the Council's Balance Sheet which includes the release of part of the former provision for Council Tax Bad Debts.
- Introduction of a new mechanism of £4 million to reduce future risk, improve financial resilience and allow one off investment and development in priority areas.
- Estimated reduction of 168.5 fte posts partially offset by the creation of 25.5 fte permanent posts and 5 fte temporary arrangements.
- Increase in the Schools Budget of £11.2 million (5.4%) including both demographic and 75% of non-demographic growth.
- A Council Tax increase of 3.7% resulting in a Band D charge of £1,060.29.

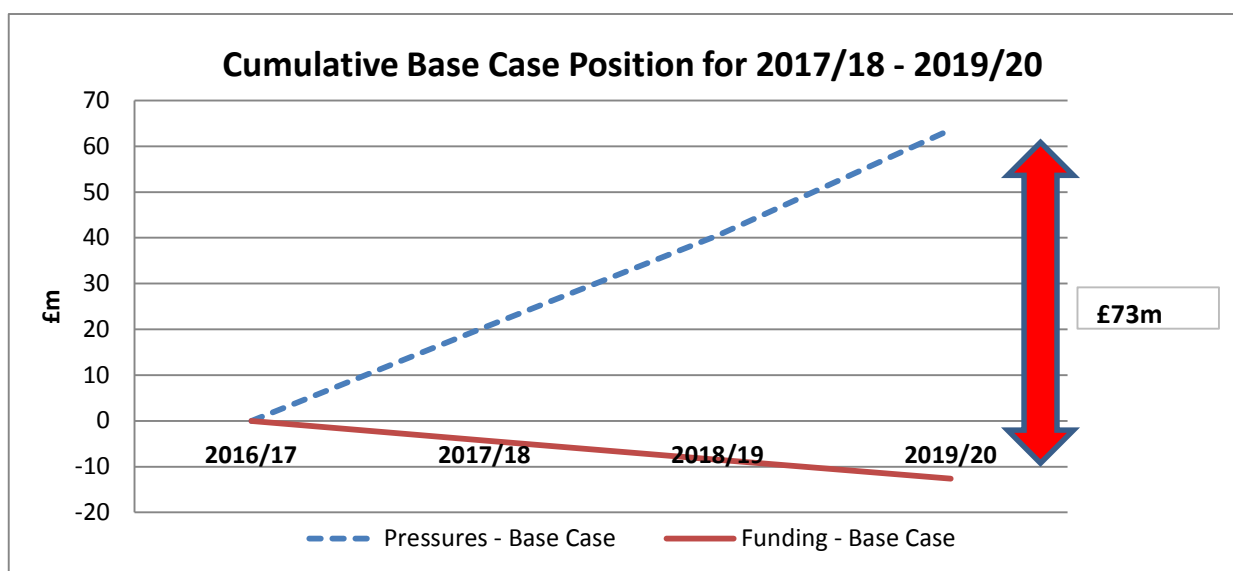
484. Within the budget proposals are a number of initiatives that require option appraisal, complex procurement arrangements and the implementation of new operating or delivery models. This work will need to be completed within strict timescales in order that the budgeted level of savings are achieved. A number of the budget proposals require the development of a commercial ethos that will enable the authority to respond speedily to market shifts and financial opportunities whilst maintaining a hold on risk, however the Council will have to be realistic with its ambitions for commercialism. The Investment Review Board will continue to be the forum to test these matters before they progress to the appropriate formal governance routes. In Addition it is important that the Council retains sufficient support capacity to manage the transition to a lower financially sustainable cost base.

485. The continuing financial challenges are such that the financial resilience snapshots introduced in 2015/16 will continue to be prepared and used to raise members overall awareness of financial matters. The position in respect of risks and reserves will require careful monitoring throughout the financial year, particularly in light of the achievability of savings and the further financial interventions that may be required.

486. The level of School Balances requires close attention as negative overall balances are being predicted throughout the medium term. Significant deficits are being carried by a minority of secondary schools and this together with the temporary use of reserves to fund 2014/15 voluntary redundancies has resulted in this position. Council officers will continue to support schools to ensure that spending plans are in alignment with their budgets and deficit balances are avoided or reduced.

487. The Medium Term Financial Plan set out in paragraphs 165 to 225 uses the best available information to assess the financial challenges facing the Council over the next three years. It is clear that anticipated

resources will not cover emerging financial pressures and the resulting funding gap will need to be addressed through a combination of directorate budget reductions, commercialisation of services, use of reserves and increases in the rate of Council Tax. Although the Council has made almost £200 million savings over the past decade, the base budget has not reduced by this amount. This is because the most significant driver for the Council to find savings is escalating demand, as illustrated by the graph below.



488. The following table demonstrates the funding gaps forecast to 2019/20 using sensitivity analysis to demonstrate a further potential adverse position.

Medium Term Financial Plan	2017/18	2018/19	2019/20	Total
	£000	£000	£000	£000
Base Case	24,663	22,831	25,753	73,247
Worse Case	33,231	31,306	33,719	98,256

489. Following the significant cuts that the Council has made in the recent past, either of the above scenarios confirms the position expressed in the 2015/16 Budget Report that radical changes must be made to the shape of the organisation in order for it to remain operational and resilient. During 2015/16 work has begun in earnest on developing the case for alternative delivery models for leisure services, cultural venues and infrastructure services but this work now needs to be driven to its conclusion and robust decisions taken and implemented without delay.

490. The table above shows a base case scenario Budget Reduction Gap of £73 million over the next three years and while proposals to meet the gap in the final year are yet to be determined it is clear that the Council will need to look to increase digitalisation of services and back office functions, be more commercial in its approach, benefit from current investment in preventative strategies and implement new service delivery models where appropriate. The Organisation Development Programme

continues to play a key role in understanding these challenges and considering how the Council can be realigned to a lower, financially sustainable base. For 2017/18 and 2018/19 savings options are being developed as set out in Appendix 17(b) and work will continue apace on 2017/18 proposals so that the Budget Strategy Report in July 2016 will include firmer proposals than has been the case previously.

491. Notwithstanding the importance of the three year time horizon for medium term planning, the financial climate in Welsh Local Government is such that councils also need to consider likely impacts beyond that timeframe including Local Government Reorganisation. This is because the cumulative impact of decisions taken now, or not taken, can have a significant impact on the Council's budget in later years and it may be that current policies are considered unaffordable when viewed over an extended timeframe.
492. The Council has a statutory duty to ensure that the HRA achieves a balanced budget and this has been evidenced in this budget proposal. The average weekly increase in housing rents of £3.10 is within the WG's Target Rent Band.
493. During 2015/16 the Council, along with all other Welsh Councils with housing stock, exited the former Housing Revenue Account Subsidy System. The net impact of this change is an estimated £3.4 million annual revenue benefit which is to be retained for investment on enhancing the condition of existing housing stock and development of new stock. The Revenue Budget Capital Programme and Treasury Management Sections of the report all reflect the above change.
494. The Consolidated Financial Model for the SOP brings together the projected capital expenditure and funding schedule over the life of the initiative. The model is designed to be self-funding and the projects are included within the Council's Capital Programme to be commenced once the particular scheme business plan has been approved by WG. However, the resultant significant financial exposure for the Council demands that close monitoring of the key risks is continued, contract management is robust and issues are escalated where necessary.
495. The inclusion of schemes in the Capital Programme have been profiled in accordance with technical advice relating to regulatory processes, timetables, expectation of grants and workflow priorities. In previous years the Council has experienced significant slippage of capital schemes which has prompted adverse comments from the WAO. Consequently, capital scheme sponsors have again been reminded of the importance of robust profiling in order that capital plans are achieved as expected. Nevertheless, with such an extensive programme there is a residual risk that expenditure will slip between years and so any resultant impact on the programme will be addressed through the monitoring process in 2016/17.

496. Robust control of project costs is another area where issues have been in evidence and so it is important that Directors give sufficient weight to good contract management capacity when allocating resources.
497. Resources to finance the General Fund Capital Programme between 2016/17 and 2020/21 include non-earmarked capital receipts to be achieved of £7 million. Additional borrowing of £90.5 million is also required to resource the programme and is made up of:

Additional borrowing	£m
To support estimated slippage from 2015/16	4.0
Capital Programme 2016/17 approved in February 2015	11.4
Finance for new schemes to be approved in February 2016	11.6
Invest to save schemes	63.5
Total	90.5

498. Particular attention needs to be given to the medium and long term impact of additional borrowing on the Council's revenue budget as it is clear that continuing to increase levels of additional borrowing within the General Fund is not consistent with the significant levels of savings required to be found. Accordingly, local affordability indicators have been developed to track the impact of decisions in the medium term although this is also impacted by reductions in the level of RSG received. It should be noted that whilst approving the Capital Programme for the period up to 2020/21, Cabinet should be aware that the later years of the Programme, together with any material commitments entered into in respect of these later years, will be subject to an ongoing review of the Council's financial resilience.
499. An example of this will be to consider the impact of Cardiff's contribution to the Cardiff Capital Region City Deal at the appropriate time. This may require a further report to Council not only in respect of the Budgetary Framework but also should changes to the Treasury Management Strategy be required.
500. In the current extensive period of significant budget reductions and consequential loss of employee resources, financial control continues to be of fundamental importance. It is vital that responsible officers take ownership of their budgets and that expenditure remains within the approved positions. Compliance with financial rules and governance requirements is expected and this will continue to be monitored and reported regularly as part of performance management arrangements.
501. In concluding the financial implications of this Budget Report and in recognition of the continuing financial challenge facing the Council, I would bring the following statement to members' attention.
502. *"In the financial implications of the 2015/16 Budget Report I referred to the materiality of the service choices ahead of the Council and that those difficult choices were facing all Councils. The 2016/17 Budget Strategy responded to this challenge through development of the reshaping of the Base Budget approach to determining targets for directorates over the*

medium term. However until the decisions in respect of radical service changes are taken and the changes implemented, the risk remains that the Council may not be able to achieve financial savings of sufficient magnitude to meet the target savings. I will keep this under review and report progress to members as part of the financial monitoring regime. As well as highlighting the financial challenges in the medium term, the role of the Section 151 officer is to advise members if the Cabinet risks setting an unbalanced budget. I do not consider this to be the case in 2016/17."

RECOMMENDATIONS

(a) Recommendations to Council

The Cabinet, having taken account of the comments of the Corporate Director Resources in respect of the robustness of the budget and the adequacy of reserves as required under Section 25 of the Local Government Act 2003, and having considered the responses received to the Budget Consultation recommend that Council:

1.0 Approve the Revenue, Capital and Housing Revenue Account budgets including all proposals and increasing the Council Tax by 3.7% as set out in this report and that the Council resolve the following terms.

2.0 Note that at the Cabinet meeting on 10 December 2015 the Council calculated the following amounts for the year 2016/17 in accordance with the regulations made under Section 33(5) of the Local Government Finance Act 1992:-

a) 141,288 being the amount calculated in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995, as amended, as its Council Tax base for the year.

b)	Lisvane	2,347
	Pentyrch	3,184
	Radyr	3,655
	St. Fagans	1,234
	Old St. Mellons	1,289
	Tongwynlais	812

being the amounts calculated in accordance with Regulation 6 of the Regulations as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which special items relate.

2.1 Agree that the following amounts be now calculated by the County Council of the City and County of Cardiff for the year 2016/17 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-

a) Aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (d) (including Community Council precepts totalling £296,100). £1,048,880,100

- b) Aggregate of the amounts which the Council estimates for items set out in Section 32(3)(a) and (c).

£472,793,000

- c) Amount by which the aggregate at 2.1(a) above exceeds the aggregate at 2.1(b) above calculated in accordance with Section 32(4) as the budget requirement for the year.

£576,087,100

- d) Aggregate of the sums which the Council estimates will be payable for the year into its Council Fund in respect of Revenue Support Grant, its Council Tax Reduction Scheme, redistributed Non-Domestic Rates.

£426,284,786

- e) The amount at 2.1(c) above less the amount at 2.1(d) (net of the amount for discretionary relief of £300,000), all divided by the amount at 2.0(a) above, calculated in accordance with Section 33(1) as the basic amount of Council Tax for the year.

£1,062.39

- f) Aggregate amount of all special items referred to in Section 34(1).

£296,100

- g) Amount at 2.1(e) above less the result given by dividing the amount at 2.1(f) above by the amount at 2.0(a) above, in accordance with Section 34(2) of the Act, as the basic amount of Council Tax for the year for dwellings in those parts of the area to which no special items relate.

£1,060.29

- h) The amounts given by adding to the amount at 2.1(g) above the amounts of special items relating to dwellings in those part of the council's area mentioned below, divided in each case by the amount at 2.0(b) above, calculated in accordance with Section 34(3) as the basic amounts of Council Tax for the year for dwellings in those parts of the area to which special items relate.

	£
Lisvane	1,074.78
Pentyrch	1,086.99
Radyr	1,091.07
St. Fagans	1,074.88
Old St. Mellons	1,081.70
Tongwynlais	1,083.72

- i) The amounts given by multiplying the amounts at 2.1(g) and 2.1(h) above by the number which in the proportion set out in the Council Tax (Valuation Bands) (Wales) Order 2003 is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D calculated in

accordance with Section 36(1) of the Act as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

VALUATION BANDS

Area	A £	B £	C £	D £	E £	F £	G £	H £	I £
Lisvane	716.52	835.94	955.36	1,074.78	1,313.62	1,522.46	1,791.29	2,149.55	2,507.81
Pentyrch	724.66	845.43	966.21	1,086.99	1,328.54	1,570.09	1,811.64	2,173.97	2,536.30
Radyr	727.38	848.61	969.84	1,091.07	1,333.53	1,575.99	1,818.45	2,182.14	2,545.83
St. Fagans	716.58	836.02	955.45	1,074.88	1,313.74	1,552.60	1,791.46	2,149.75	2,508.05
Old St. Mellons	721.13	841.32	961.51	1,081.70	1,322.08	1,562.46	1,802.84	2,163.40	2,523.97
Tongwynlais	722.48	842.89	963.30	1,083.72	1,324.54	1,565.37	1,806.20	2,167.44	2,528.68
All other parts of the Council's Area	706.86	824.67	942.48	1,060.29	1,295.91	1,531.53	1,767.15	2,120.58	2,474.01

- 2.2 Note that for the year 2016/17, the Police and Crime Commissioner for South Wales has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwelling shown below:-

VALUATION BANDS

A £	B £	C £	D £	E £	F £	G £	H £	I £
138.57	161.66	184.76	207.85	254.04	300.23	346.42	415.70	484.99

- 2.3 Having calculated the aggregate in each case of the amounts at 2.1(i) and 2.2 above, the County Council of the City and County of Cardiff in accordance with Section 30(2) of the Local Government Finance Act 1992 hereby set the following amounts as the amounts of Council Tax for the year 2016/17 for each of the categories of dwellings shown below:-

Part of Council's Area

VALUATION BANDS

Area	A £	B £	C £	D £	E £	F £	G £	H £	I £
Lisvane	855.09	997.60	1,140.12	1,282.63	1,567.66	1,852.69	2,137.71	2,565.25	2,992.80
Pentyrch	863.23	1,007.09	1,150.97	1,294.84	1,582.58	1,870.32	2,158.06	2,589.67	3,021.29
Radyr	865.95	1,010.27	1,154.60	1,298.92	1,587.57	1,876.22	2,164.87	2,597.84	3,030.82
St. Fagans	855.15	997.68	1,140.21	1,282.73	1,567.78	1,852.83	2,137.88	2,565.45	2,993.04
Old St. Mellons	859.70	1,002.98	1,146.27	1,289.55	1,576.12	1,862.69	2,149.26	2,579.10	3,008.96
Tongwynlais	861.05	1,004.55	1,148.06	1,291.57	1,578.58	1,865.60	2,152.62	2,583.14	3,013.67
All other parts of the Council's Area	845.43	986.33	1,127.24	1,268.14	1,549.95	1,831.76	2,113.57	2,536.28	2,959.00

- 2.4 Authorise the Corporate Director Resources to make payments under Section 38 of the Local Government (Wales) Act 1994 from the Council Fund by equal instalments on the last working day of each month from April 2016 to March 2017 in respect of the precept levied by the Police and Crime Commissioner for South Wales in the sum of £29,366,937.
- 2.5 Agree that the Common Seal be affixed to the said Council Tax.
- 2.6 Agree that the Common Seal be affixed to precepts for Port Health Expenses for the period 1 April 2016 to 31 March 2017 namely
- | | |
|--|---------|
| | £ |
| The County Council of the City and County of Cardiff | 114,904 |
| The Vale of Glamorgan County Borough Council | 12,976 |
- 2.7 Agree that notices of the making of the said Council Taxes signed by the Chief Executive be given by advertisement in the local press under Section 38(2) of the Local Government Finance Act 1992.
- 2.8 In the event that the final settlement figure differs from the provisional figure, the Council approve a proportionate adjustment to the general reserves.
- 3.0 Approve the Prudential Indicators for 2016/17, 2017/18 & 2018/19 delegating to the Section 151 Officer the authority to effect movement between the limits for borrowing and long term liabilities within the limit for any year.
- 4.0 Approve the Treasury Management Strategy for 2016/17 in accordance with the Local Government Act 2013 and the Local Authority (Capital Finance & Accountancy) (Wales) Regulations 2003 and subsequent amendments.
- 5.0 Approve the Minimum Revenue Provision Policy for 2016/17.
- 6.0 Authorise the Section 151 Officer to raise such funds as may be required to finance capital expenditure by temporary or long term borrowing within the limits outlined above, and to bring forward or delay schemes within the Capital Programme.
- 7.0 Maintain the current Council Tax Reduction Scheme as set out in the report.
- 8.0 Resolve that the City Deal Document referred to in paragraph 235 to 239 of the report be signed on behalf of the Council (on the understanding that the document will provide that it will be subject to the agreement of the Full Council). Pursuant to the City Deal Document the Council continues to work with the Cardiff Capital Region partner local authorities, UK and the Welsh Government to develop the final City Deal Agreements, and further reports on this matter be submitted to Council as appropriate to keep members apprised of developments.

(b) Matters for Cabinet Decision

The Cabinet, having taken account of the comments of the Section 151 Officer in respect of the budget and the adequacy of reserves as required under Section 25 of the Local Government Act 2003 and having considered the responses to the Budget Consultation is recommended to:

- 9.0 Approve the changes to fees and charges as set out in Appendix 11 to this report.
- 10.0 Delegate authority to the appropriate Director in consultation with the Section 151 Officer and the Cabinet Member for Corporate Services & Performance to amend or introduce new fees and charges during the year.
- 11.0 Agree that the rents of all Housing Revenue Account dwellings (including hostels and garages) be increased having taken account of WG guidance.
- 12.0 Approve all service charges and the management fee for leaseholders as set out in Appendix 11(b).
- 13.0 Agree that all Housing Revenue Account rent increases take effect from 4 April 2016.
- 14.0 Recognise the work undertaken to raise awareness of the financial resilience of the Council and approve the steps taken within the budget to improve this position.
- 15.0 Recognise the financial challenges facing the Council as set out in the Medium Term Financial Plan and to note the opportunities for savings over the medium term.
- 16.0 Approve the Supporting People Spending Plan for 2016/17 as set out in Appendix 15.
- 17.0 Approve the Day Opportunities Strategy and its implementation.

CHRISTINE SALTER

Corporate Director Resources

12 February 2016

The following Appendices are attached:

- Appendix 1 Consultation responses
- (a) Changes For Cardiff Budget Consultation
 - (b) Day Opportunities Strategy
 - (c) Budget Letter - School Budget Forum – 12 January 2016
 - (d) Budget letter – UNISON Response – 12 January 2016

Appendix 2	List of known Specific Grants from Welsh Government at the all Wales level
Appendix 3	Revenue Resources Required 2016/17
Appendix 4	Directorate Financial Pressures 2016/17
Appendix 5	2016/17 Budget Savings (a) Overview 2016/17 Savings (b) Directorate Savings 2016/17
Appendix 6	Risk Assessment Summary of Savings Proposals
Appendix 7	Financial Snapshot report – Budget Report version
Appendix 8	Earmarked Reserves (a) General Fund (b) Housing Revenue Account (c) Schools
Appendix 9	Earmarked reserves used temporarily to fund voluntary redundancy
Appendix 10	Employees Implications of Budget
Appendix 11	Summary of Fees and Charges 2016/17 (a) General Fund (b) Housing Revenue Account (c) Outdoor Activities
Appendix 12	Directorate Revenue Budgets
Appendix 13	Cabinet Portfolio Revenue Budgets
Appendix 14	Amendments Since publication of consultation proposals
Appendix 15	Supporting People Programme Grant Spending Plan
Appendix 16	Day Opportunity Strategy
Appendix 17	Medium Term Financial Plan (a) MTFP 2017/18 – 2019/20 (b) Themed Opportunities for savings – 2017/18 and 2018/19 in Directorate clusters.
Appendix 18	Housing Revenue Account
Appendix 19	School Organisation Plan Reserve
Appendix 20	Civil Parking Enforcement Reserve
Appendix 21	Capital Programme Expenditure
Appendix 22	Capital Programme Resources
Appendix 23	Glossary of Terms (a) Prudential Indicators (b) General
Appendix 24	Approved list of Counterparties

The following Background Papers have been taken into account:

- Budget Strategy Report (July 2015)
- 2016/17 Budget Proposals – For Consultation (December 2015)
- The WG Provisional Financial Settlement (December 2015)
- Equality Impact Assessments of Cardiff Council's 2016/17 Budget
- Details of Fees and Charges
- Analysis of Section 106 Balances
- Log of changes to the 2016/17 Budget Proposals for Consultation
- “Changes for Cardiff” Budget Consultation: Full Report and Appendices
- Treasury Management Practices (March 2015)

City of Cardiff Council Budget Consultation 2016/17

- 1(a) Changes for Cardiff Budget Consultation (Executive Summary)
- 1(b) Day Opportunity Strategy
- 1(c) Budget Letter - School Budget Forum – 12 January 2016
- 1(d) Budget letter – UNISON Response – 12 January 2016

Changes for Cardiff

Executive Summary of the Consultation Results and Feedback Report on the City of Cardiff Council's 2016/17 Budget Proposals.



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@CardiffDebate



www.cardiff.gov.uk/budget
budget@cardiff.gov.uk



Changes for Cardiff

Results and Feedback Report

1. Executive Summary

This Executive Summary provides an overview of the Budget Consultation exercise. It is not a detailed summary of the full report, but an articulation of some of the key findings.

1.1 Background

The consultation on the *Changes for Cardiff* Budget Proposals ran from 11th December 2015 until 12th January 2016. The city-wide public consultation was communicated and shared through a range of mechanisms, whilst face-to-face engagement events were undertaken in locations across the city.

The consultation took three forms:

- **City-wide public consultation** on issues of general interest set out in the [“Changes for Cardiff”](#) document
- **Service-specific consultation** with identified service users/groups or organisations.
- **General consultation** – this included all of the Council’s other savings that have been released for consultation, including internal changes within the Council such as; back office efficiencies, staff changes and process improvements.

A full set of the proposals can be seen at www.cardiff.gov.uk/budget.

Changes for Cardiff

Results and Feedback Report

1.2 Headline Figures

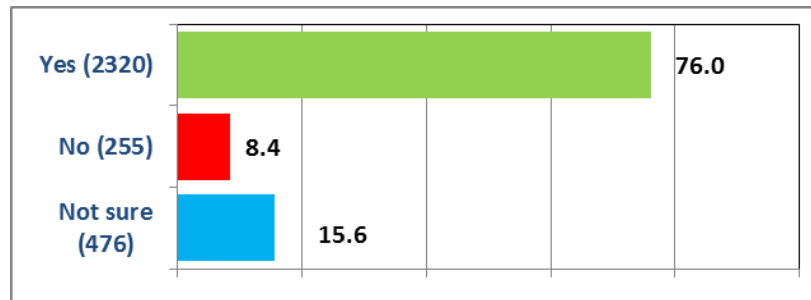
3,348 people took the time to complete the *Changes for Cardiff* questionnaire and public views were also given via petitions, social media, attendance at 'drop-in' public engagement events, and through correspondence.

From those completing the survey in response to the 2016/17 budget proposals, the following headline figures can be seen. Please note that numbers in brackets indicate responses:

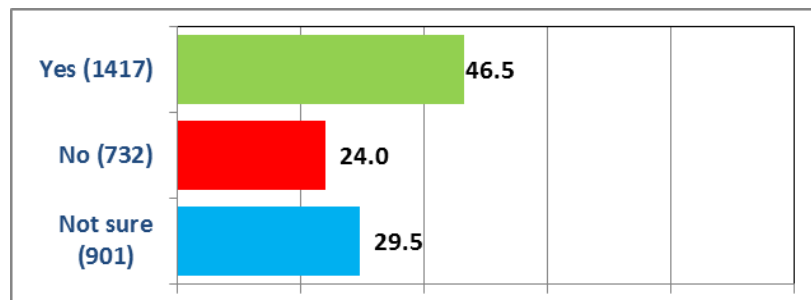
Do you recognise that a budget gap of a potential £45.6m for 2016/17 means that difficult budget choices are required?



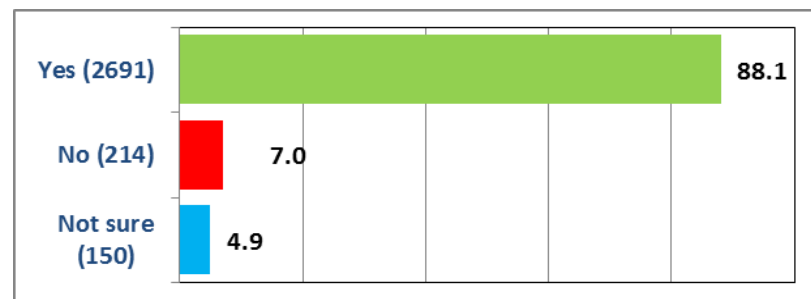
Do you support the Council in exploring new ways of working with other organisations to deliver its services?



Would you support the Council charging more for some services if it meant that they could be continued? (e.g. meals for older people, leisure and cultural activities, etc.)



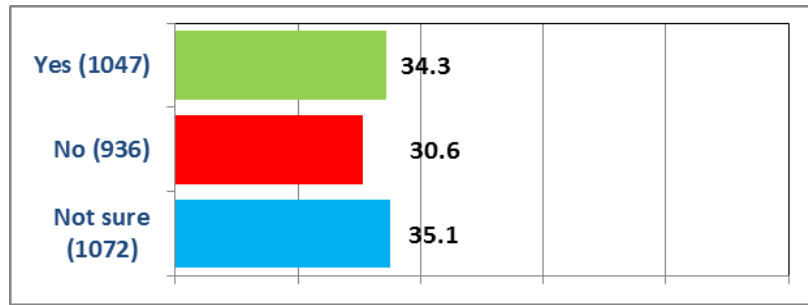
Do you support the increased digitalisation of services which will encourage residents to contact the Council and make payments online, while maintaining face-to-face and phone methods for those who need it most?



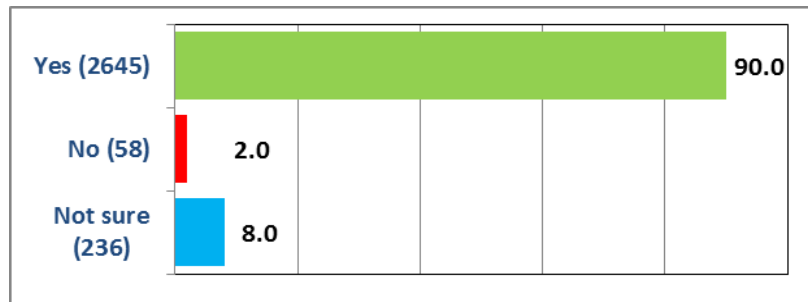
Changes for Cardiff

Results and Feedback Report

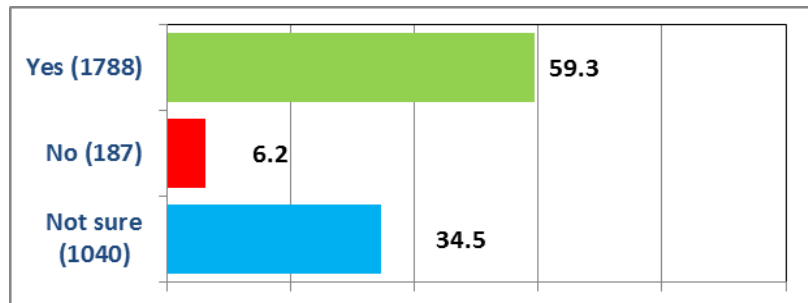
Do you think that community groups and the third sector should be asked to run more services and facilities? (e.g. running local community buildings, maintaining local open spaces etc.)



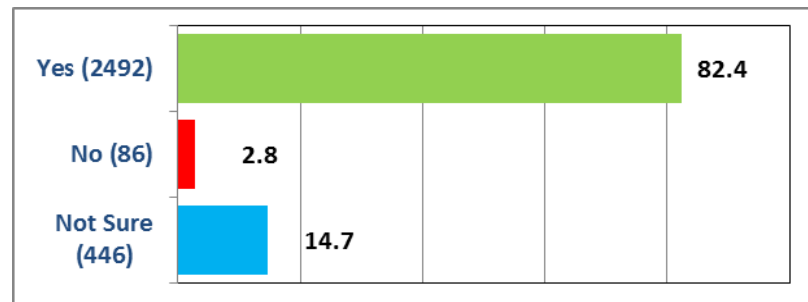
Is an emphasis on early intervention and prevention an approach that you support?



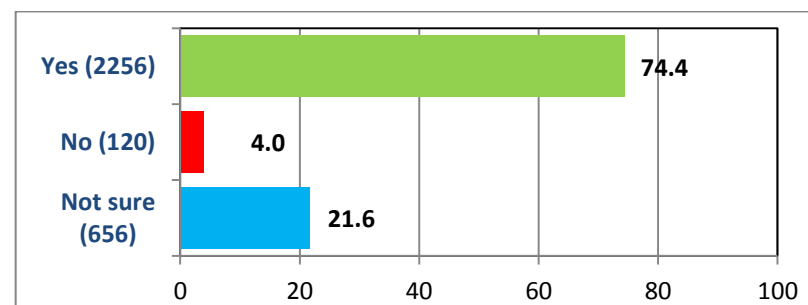
Do you agree with the new model of day service provision?



Do you agree with the proposal to continue the Meals on Wheels service?



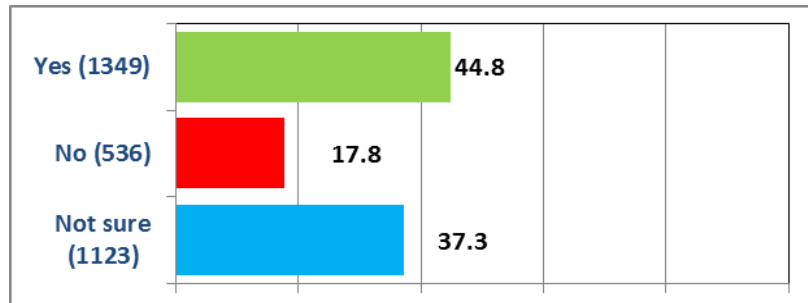
Do you support the Council's plan to deliver care services on an area basis?



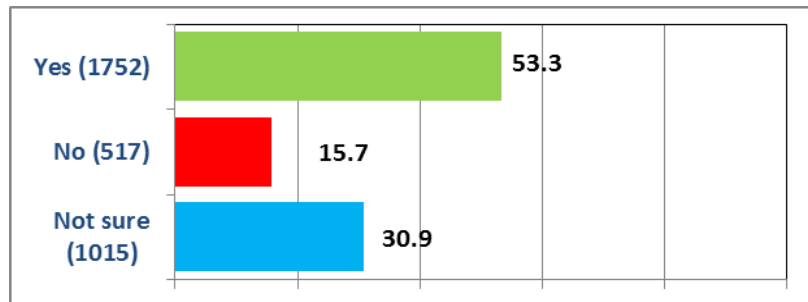
Changes for Cardiff

Results and Feedback Report

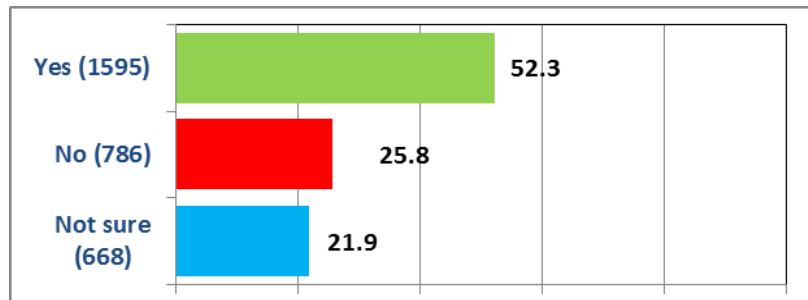
Do you agree that delegated school budgets should contribute to the financial challenge facing the Council?



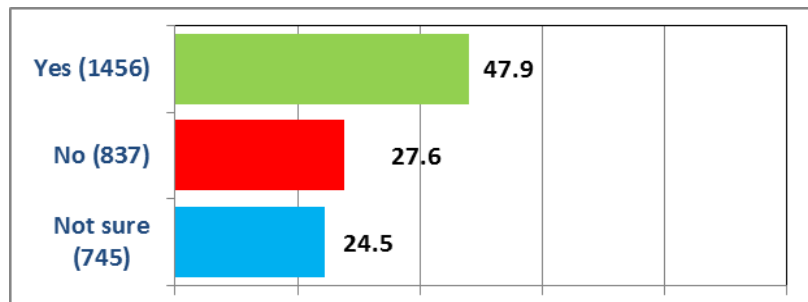
Do you agree with our new model for play services being delivered from a range of community facilities?



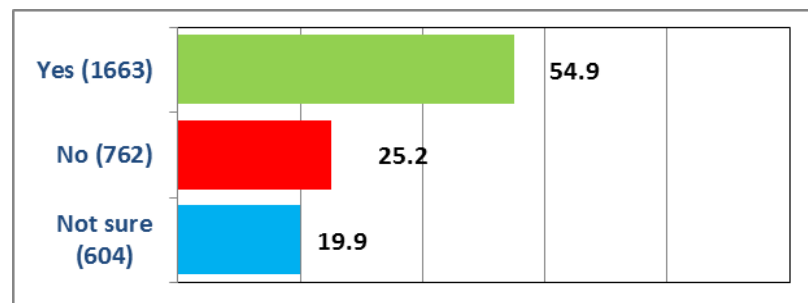
Do you agree with the City of Cardiff Council's decision to cease funding? (Cardiff Contemporary Initiative)



Do you support the decision to cease funding for Arts Active?



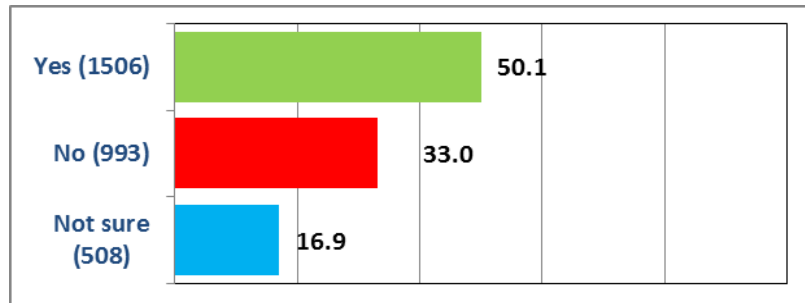
Do you agree with a phased removal of the grant for Artes Mundi?



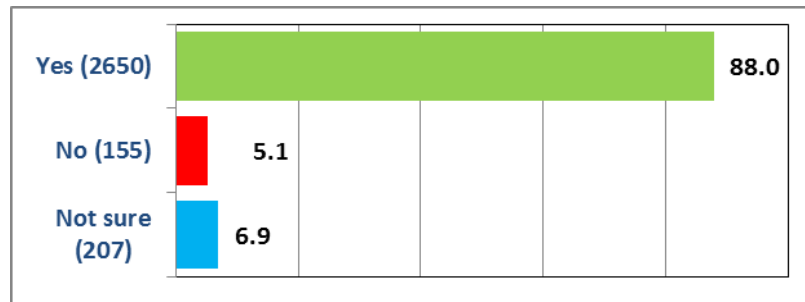
Changes for Cardiff

Results and Feedback Report

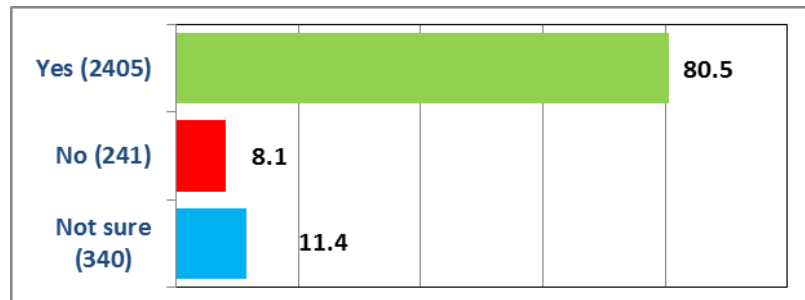
Do you agree with a phased removal of the grant for Cardiff Singer of the World?



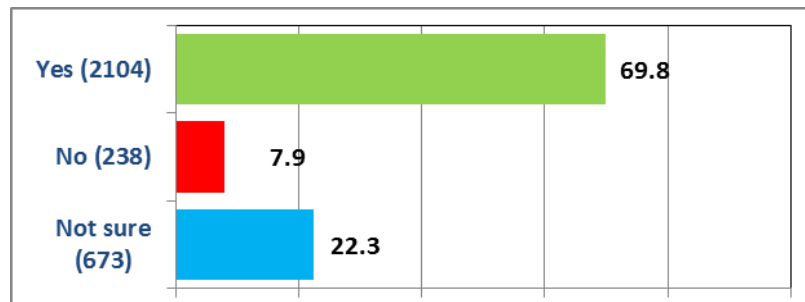
Do you believe that the private sector, including pubs and clubs, should make a financial contribution to managing the night-time economy in Cardiff?



Do you support further enforcement activities with increased fines for non-compliance?



Do you support a different grounds maintenance regime being considered?



Changes for Cardiff

Results and Feedback Report

1.3 Overarching Themes

It is clear that respondents to *Changes for Cardiff* recognise that the financial challenge, alongside other service demand pressures, means that difficult budget choices are required. This understanding is reflected throughout the responses to the Council's budget consultation, with broad support for many of the proposals, notably for the Council to explore new ways of working and increased digitalisation of services.

- Q1. The financial reality:** An overwhelming **88.5%** (2,708) of respondents recognised that a £45.6m budget gap for 2016/17 meant that **difficult budget choices** are required. This response was consistent with last year's consultation (**88.7%**).
- Q2. Support for new ways of working:** **76.0%** (2,320) **supported** the Council in **exploring new ways of working** with other organisations to deliver its services. Again, this level of support was consistent with last year (**75.1%**).
- Q3. Greater charging:** There were mixed levels of support for the Council **charging more for some services** if it meant they could be continued with **46.5%** (1,417) supporting the proposal **24.0%**, (732) disagreeing but **29.5%** (901) 'not sure'.
- Q4. Increased digitalisation of services:** **88.1%** (2,691) of respondents supported the increased digitalisation of services with only **7.0%** (214) against.
- Q5. Community involvement:** **34.3%** (1,047) of respondents agreed that **community groups** and the **third sector** should be asked **to run more services and facilities** – **30.6%** (936) said 'No'; **35.1%** (1,072) said 'Not sure'.
- Q6. Volunteering:** **23.7%** (715) of respondents were currently engaged in volunteering in the city with 887 respondents expressing an interest. The highest levels of interest for volunteering were seen in relation to libraries, litter picks and parks maintenance.
- Community interest - volunteering:** Individuals (**19.2%**) or groups expressed an interest in becoming more involved in the delivery of services. Many were interested in volunteering to assist in delivering a Council service.
- Q7. Local insights:** The nature of the feedback received from different areas on similar issues varied. This has provided the Council with a **valuable insight into what different areas consider appropriate solutions** to identified issues and is further explored and supported in **Appendix 2**.

Changes for Cardiff

Results and Feedback Report

1.4 City-wide Budget Proposals

Social Care

The City of Cardiff Council is working with its partner organisations to focus resources on developing services based on early intervention and prevention in respect of social care.

Q8. 90.0% (2,645) of respondents were **in favour of the early intervention approach**.

Day Services for Older People

Provision of elderly care services is facing challenges which will result in changes to the way that elderly day services work in the city. Building on last year's budget consultation, the Council has developed a model for day services with a set of proposals that will deliver the outcomes that people will want in order to improve their lives.

Q9. 59.3% (1,788) of respondents **agreed with the new model of day service provision** whilst **6.2%** (187) were **against** and **34.5%** (1,040) **'not sure'**.

Q10. 87.3% (2,642) **agreed** that the Council should **continue to invest in day centres** for those with assessed high care needs.

Q11. There was broad agreement (**68.7%** / 2,082) that it is better to have modern high quality services designed to meet today's need for **support for those with dementia along with health and social care services located in one place**. However, **9.3%** (281) disagreed and **22.1%** (669) were 'not sure'.

Q12. The majority of respondents agreed that the Council should **support individuals in accessing community facilities to enable them to live independently** and achieve their personal outcomes (**87.7%** / 2,660).

Meals on Wheels Service

Q13. 82.4% (2,492) agreed with the proposal to **continue with the Meals on Wheels service**.

Q14. Nearly two-thirds (**61.4%** / 1,862) agreed that the **cost of a meal should increase by £1** to allow the service to continue to provide a sustainable service. **15.5%** (469) were against and **23.2%** (704) weren't sure.

Q15. The Council is considering ways to **expand the Meals on Wheels service** and **88.2%** (2,606) agreed there should be flexibility to use the service when needed e.g. during recovery from hospital.

In addition, **71.7%** (2,097) supported provision to **sheltered housing**; **70.8%** (2,076) supported **delivery to group settings** including luncheon clubs and community groups and **69.2%** supported options of **provision of an evening meal** (2,033).

Changes for Cardiff

Results and Feedback Report

Opinion was mixed in respect of the **option to open up the service to anyone** who wants to receive the service (**36.5%** /1073 in favour, **32.8%** / 964 against and **30.6%** / 899 not sure).

- Q16.** Three quarters of respondents stated that individually they would not or did not know of anyone who would **benefit from the service** (**74.5%** / 2,110). **25.5%** (721) said that they or a relative / friend would benefit.

Care Service Provision

Care services are currently provided on individual contracts meaning that neighbourhoods can have a number of different providers delivering services, even on the same street. There is an opportunity to redesign services on an area basis to reduce transport time for care workers and make better use of services such as homecare and telecare.

- Q17.** Three-quarters of respondents were **in favour of provision of services on an area basis** (**74.4%** / 2,256).

Education

School Delegated Budgets

The additional financial demands falling upon school delegated budgets in 2016/17 are estimated to be approximately £13.541m. The budget proposals include an additional £9.511m funding for school delegated budgets which would represent an increase to schools of 4.6%. The Council anticipates that the Welsh Government will continue to ask local authorities to protect school delegated budgets.

- Q18.** **57.9%** (1,753) of respondents supported the proposal to increase **Delegated School Budgets** of £205.609m by £9.5m.

- Q19.** **44.8%** (1,349) agreed that school budgets should **contribute to the financial challenge facing the Council**, whilst **17.8%** (536) disagreed and **37.3%** (1,123) were not sure.

School Meals Provision

School Meals are supplied to every primary and secondary school in Cardiff (with the exception of Cardiff High School) which cost £2.20 and £2.65 for set meals in primary and secondary schools respectively.

- Q20.** Only **11.8%** (357) of respondent households **used the service** whilst **59.7%** (1,810) did not and **28.5%** (863) weren't sure.

- Q21.** Over 70% (**71.9%** / 2,170) support an **increase in the cost of meals** by 10p each day, compared to **13.1%** (396) who disagreed and **14.9%** (451) who weren't sure.

Changes for Cardiff

Results and Feedback Report

Children's Play

As part of the budget approved in February 2015, the Council agreed that an alternative model be put in place for play services which included funding to support the transfer of play centre buildings into community use. In 2016/17, there will be a new delivery model for Children's Play services which is responsive to the needs of children and young people. Play, including after school and holiday club activities, will in future be run from a range of community facilities within Neighbourhood Partnership Areas.

Q23. Over half of respondents (**53.3%** / 1,752) agreed with the **new model for play services**, with **15.7%** (517) in disagreement and **30.9%** (1,015) were not sure.

Arts and Culture

Cardiff Contemporary Initiative

The Council proposes to withdraw funding for the range of activities, events and exhibitions held across the city and the initiative will cease unless alternative funding can be identified.

Q24. Three quarters of respondents (**75.7%** / 2,300) had **not taken part in the initiative**.

Q25. Just over half (**52.3%** / 1,595) of respondents **agreed with the proposal to cease funding**, whilst **25.8%** (786) were against the proposal and **21.9%** (668) were not sure.

Arts Active

The Arts Active charity receives funding from the City of Cardiff Council providing education, community and audience engagement projects through St David's Hall and the New Theatre. The Council will withdraw funding but will seek contributions from private organisations and foundations to minimise the impact.

Q26. Just under half of respondents (**47.9%** / 1,456) supported the decision to **cease funding for Arts Active** compared to **27.6%** (837) who were against and **24.5%** (745) who were not sure.

Artes Mundi, Cardiff Singer of the World and Community Arts

The Council proposed to withdraw funding on a phased basis over 2 years for Artes Mundi and Cardiff Singer of the World and reduce the Arts Grant to organisations which support community led art programmes.

Q27. Over half of respondents agreed with the proposal to **remove funding for Artes Mundi** (**54.9%** / 1,663), compared to **25.2%** (762) who were against and **19.9%** (604) who were not sure.

Changes for Cardiff

Results and Feedback Report

Half of respondents agreed with a **phased removal for Cardiff Singer of the World** (**50.1%** / 1,506 respectively) compared to **33%** (993) who disagreed and **16.9%** (508) not sure.

- Q28.** Opinion was mixed in relation to the proposed **reduction in arts grant for community led art programmes** with **38.9%** (1,176) in agreement compared to **40.9%** (1,237) who disagreed and **20.2%** (612) not sure.

Community Safety

Community Safety funding proposals include a £25k reduction in funding for the joint city centre Christmas and New Year 'Operation Mistletoe' safety initiative and replacing the existing 9 ageing mobile cameras with 3 new cameras.

- Q29.** **62.2%** (1,873) of respondents supported the **change in the way CCTV cameras are used**, compared to **11.8%** (354) against the proposal and **26.0%** (783) not sure.
- Q30.** Nearly half (**46.5%** /1,394) were in favour of **reducing funding for Operation Mistletoe**, compared to **28.7%** (862) against and **24.8%** (744) not sure.
- Q31.** Approximately three-quarters of respondents (**74.6%** / 2,239) supported the proposal to **seek alternative funding for Community Safety activities** and **88.0%** (2,650) believed that the private sector should financially contribute to management of the night time economy.

Bereavement & Registration Services

Bereavement Services is responsible for the undertaking of over 4,000 funerals per year as well as maintenance across 7 sites including Thornhill Cemetery and Crematorium, Western Cemetery and Cathays Cemetery. Available cemetery space within the city is becoming critical and investment is required to ensure new sites can be developed in the future. The City of Cardiff Council's Crematorium and Burials Services income from crematoria and burials has been reinvested in the cemeteries and crematoria to ensure long term provision can be maintained. The price of a burial or cremation fee ranges from £500 - £675 and the Council propose to increase the cost by 10%.

- Q33.** **32.0%** of respondents **felt positively towards the Crematorium and Burials service** stating that they were "very" (16.0%) or "fairly" (16.0%) satisfied with the service whereas **1.9%** (57) of respondents felt either "fairly" dissatisfied (1.5%) or "very" dissatisfied (0.4%).
- Q34.** Of the 3,006 responses, **26.1%** had **used the City of Cardiff Council's Bereavement Services** and **68.3%** (2,025) had not used the service.

Changes for Cardiff

Results and Feedback Report

Q35. Over half (**52.8%** /1,588) of respondents supported an **increase in burial or cremation fees** by 10%, compared to **21.9%** (658) against and **25.4%** (764) not sure.

The **Registration of Births, Deaths and Marriages** is a statutory service provided by the Council and most fees charged are set at a national level however some are set by the Council. Investment is required to modernise the service and make it more accessible for the public. Income from marriage ceremonies undertaken by the City of Cardiff Council's Registration Service has been reinvested in the Council's services. The price of a marriage ranges from £180 to £420 and the Council propose to increase the cost by 20%.

Q37. **25.6%** (534) of respondents were "very satisfied", **24.3%** (507) "fairly satisfied", **47.0%** (981) "neither satisfied nor dissatisfied", **2.4%** (51) "fairly dissatisfied" and **0.8%** (16) "very dissatisfied" with the Registration of Births Deaths and Marriage Services.

Q38. **27.5%** (830) of respondents have **used Cardiff's Marriage Services**, **68.5%** (2,067) had not and **3.9%** (119) not sure.

Q39. Two thirds of respondents (**66.5%** / 2,004) agreed with the **proposal to increase the cost of marriage services** by 20%, compared to **16.4%** (494) against and **17.1%** (514) not sure.

Commercialisation

The Council has a view that provision of frontline services should be supported by increasing commercial activities. The Council will be reviewing fees and charges in comparison to other local authorities and changing the ways of working to raise more income from trading, advertising and sponsorship.

Q41. Overall, respondents **supported increasing commercial activities** in the following areas:-

○ Transport	65.5% (1,953)
○ Leisure & Culture	62.3% (1,851)
○ Recycling & Waste	60.6% (1,805)
○ Environment	59.4% (1,759)
○ Parks	52.0% (1,544)
○ Planning	50.1% (1,477)
○ Libraries	49.0% (1,455)
○ Education	41.1% (1,216)

Changes for Cardiff

Results and Feedback Report

The Environment

We want our city to have green flag parks and open spaces in addition to a high quality city environment and an attractive public realm. This means having clean and well managed streets in addition to challenging poor social responsibility in neighbourhoods. The City of Cardiff Council will be increasing enforcement of offences and the issuing of Fixed Penalty Notices with increased fines.

Q42. The **enforcement activities respondents were most likely to be aware of** were **dog fouling (87.6%)** and **littering (85.3%)**, while around two-thirds had heard of **planning enforcement (65.5%)**.

However, these were the only three areas which more than half of the respondents were aware of. In contrast, less than three-tenths were aware of enforcement activities for **advertising frames (28.8%)** and **giving out flyers (27.9%)**.

Q43. **80.5%** (2,405) of respondents supported further enforcement activities with increased fines for non-compliance, with **8.1%** (241) against and **11.4%** (340) not sure.

Q45. When asked about any concerns if Council maintenance services were managed by a company wholly owned by the Council to increase trading opportunities, **42.4%** (1,264) **of respondents** had none, **28.6%** (854) had concerns and **29.0%** (866) were not sure.

Grounds Maintenance Services

Cardiff has some outstanding parks and green spaces and it is crucial that the character and quality is maintained. Further changes to maintenance regimes may mean that the Council is required to change maintenance for some local parks, playing fields, recreation grounds, open spaces and highway verges such as increasing areas of wild meadow with pathways, and different mowing regimes being adopted while maintaining required quality and safety levels.

Q46. Over two-thirds (**71.5%**) of respondents were 'satisfied' with the **increased biodiversity** and wild flower meadow areas provided to date in certain parts of Cardiff, including **34.3%** that are 'very satisfied'. In contrast, just **6.4%** are 'dissatisfied'.

Q47. Nearly 70% of respondents (**69.8%** / 2,104) support different grounds maintenance regimes being considered with **7.9%** (238) against and **22.3%** (673) not sure.

Changes for Cardiff

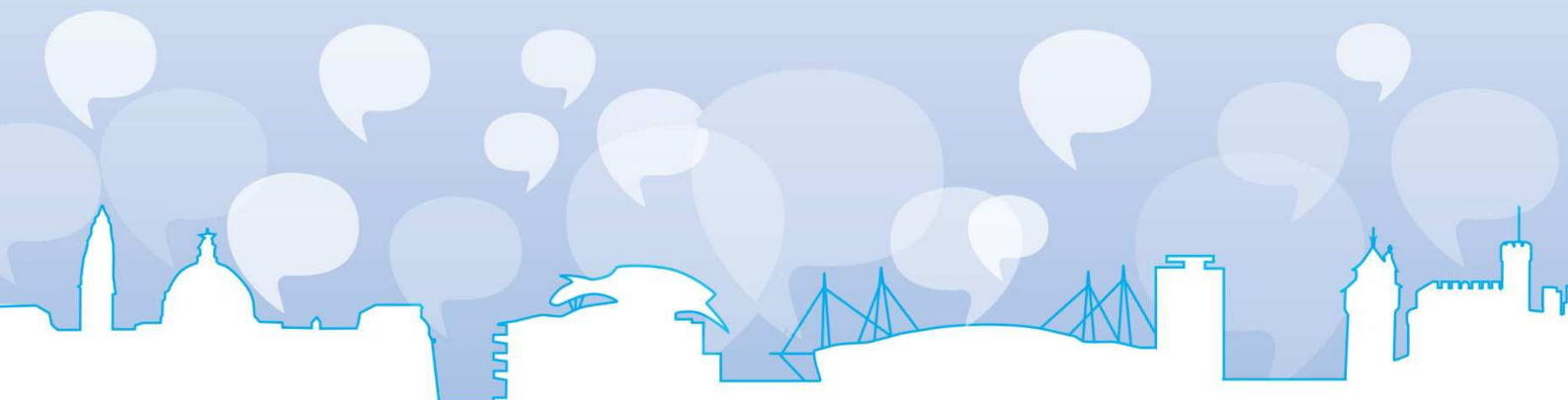
Results and Feedback Report

Parking and Traffic Enforcement

The City of Cardiff Council has already consulted with the public on increasing enforcement for parking infringements and stopping in yellow boxes and now proposes to extend this to key strategic routes into the city.

Q48. **43.1%** (1,153) of respondents were either “very satisfied” or “fairly satisfied” with **increased enforcement to date**, compared to **25.0%** (670) who were “fairly” or “very” dissatisfied.

Q49. **59.4%** (1,771) of respondents **supported extending enforcement into new areas with 20.6%** (613) against and **20.0%** (597) not sure.



Older People's Day Opportunities Strategy Report

February 2016



@CardiffDebate
#CardiffDebate



Cardiff Research Centre

Cardiff Research Centre is part of the City of Cardiff Council's Policy, Partnerships & Community Engagement service. We strive to deliver research, information and consultation services for the City of Cardiff Council and its partner organisations.

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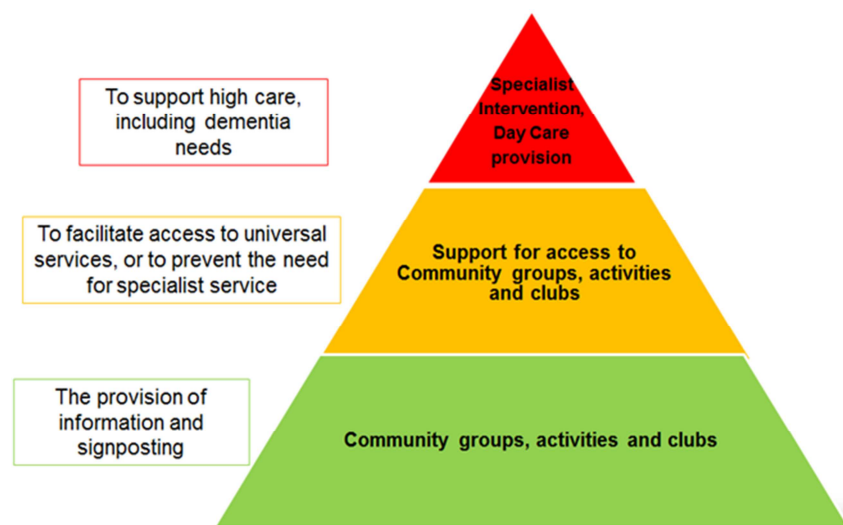
@CardiffDebate
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1. Background

Our provision of elderly care services is facing challenges, which will result in changes to the way that elderly day services work in the city. These challenges include:

- **Population:** The population of Cardiff has risen sharply in recent years, and is forecast to continue for the foreseeable future. Increases in working-age population will inevitably be followed by increases in the numbers of elderly retired people.
- **Changing Expectations:** New and future service users have experienced a better living standard than ever before, and they expect that to continue into old age. The type of services people want to access are changing and their expectations of these services are also changing.
- **The impact of Loneliness:** More and more research reaffirms what people already know: that happy and sociable lives are key to healthy, long life. It is widely recognised that loneliness and social isolation are harmful to health, and social networks and opportunities are vital to ensuring independence.
- **Budget Resources:** Like all other authorities, the City of Cardiff Council is facing unprecedented financial pressures at the same time as demands on important services are increasing.

Building on last years consultation, the Council has developed a model for day services with a set of proposals that will deliver the outcomes that people will want in order to improve their lives and support their aspirations. The model consists of three tiers that differentiate between types of day services based on the needs of the service users. Further information on the model can be found in the Cabinet Report of 12th November 2015 and is available on the Council's [website](#).



It is proposed that the Day Opportunities Strategy will aim to prevent social isolation by enabling older people to achieve their chosen outcome. We will do this by:

- Providing information, advice and assistance to encourage independent access to social activities and engagement opportunities.
- Providing assistance to those who need it to access community services and activity through targeted intervention and support.
- Supporting the most vulnerable through high quality specialist day services.

The Consultation included the opportunity for the public to share views on the Day Opportunities Strategy including:

- The provision of information and assistance to help older people access community activities in order to reduce isolation.
- The Development of a Day Opportunities Team to support people to access community facilities. This will enable older people to be as independent as possible.
- Provision of specialist Day Centres to those with the highest care and support needs. This will include changes to the services offered at the current centres, including the withdrawal of funding for day care places at Oldwell Court Day Centre for people with Dementia.
- A move towards ensuring the Meals on Wheels is sustainable, through increasing the cost of a meal by £1, and looking at ways to expand the current scheme.
- Ensuring that luncheon clubs are sustainable. Two of the thirty luncheon clubs currently receive a subsidy and these subsidies will be removed.
- Maintaining funding for Community Transport
- Building on the success of a pilot volunteering project for supporting older people, and potential to increase the service.

2. Methodology

Development

The Day Opportunities Strategy Consultation was developed with a mixture of quantitative and qualitative questions that enabled respondents to state whether they supported or opposed the different proposals, but also explain their stance or share further information.

The consultation totalled 26 questions with 20 relating to the proposals. This included a question where respondents selected the services that they or the person they were responding on behalf of accessed, enabling analysis of questions relating to specific services by users.

In addition six questions sought to find out more about the respondents including their age and gender, whether they are a service user and if they care for a friend or relative.

Engagement opportunities

The Day Opportunities Strategies Consultation opened on 30th November and was closed on February 5th February after a consultation period of 67 days. The consultation was undertaken via the following methods:

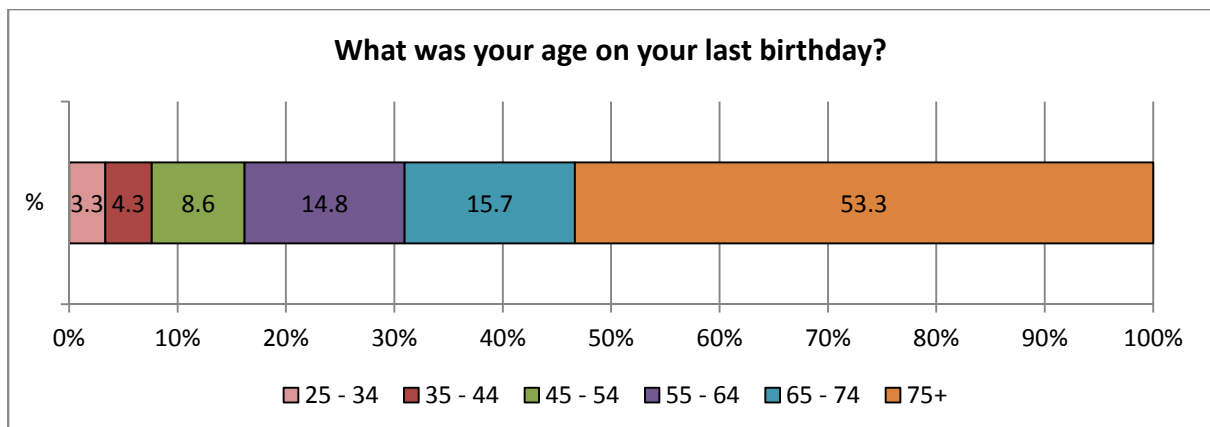
- An online questionnaire with links on the City of Cardiff Council website and Ask Cardiff website.
- Paper questionnaires which were distributed to 1,742 older people who were receiving a care package including those in receipt of personal care and support, Meals on Wheels and day centres plus those we fund places for at Oldwell Court. It did not include older people in care homes or those who access universal services.
- Three public events which were held enabling residents to find out more about the proposals, ask questions, raise concerns and share their opinions. Paper questionnaires were also disseminated at the events which were as follows:
 - 2:00 pm on 16th December at Ely Hub, Cowbridge Road: 16th December, 2pm
 - 2:00 am 4th January at Llanrumney Hub, 4th January, 2pm
 - 3.30pm on 12th January at Central Library Hub, 12th January
- Cardiff Third Sector Council sent links to all older people network groups with a letter encouraging them to take part in the consultation process.
- All letters drafted in response to Cllr enquiries contained the links to the consultation and engagement events.
- In addition we also received communications including emails and letters, plus a petition all of which are reflected in the results section.

3. Key Findings

214 responses were received for this consultation. Having removed one duplicate response where an individual had responded twice this resulted in a final figure of **213 responses**.

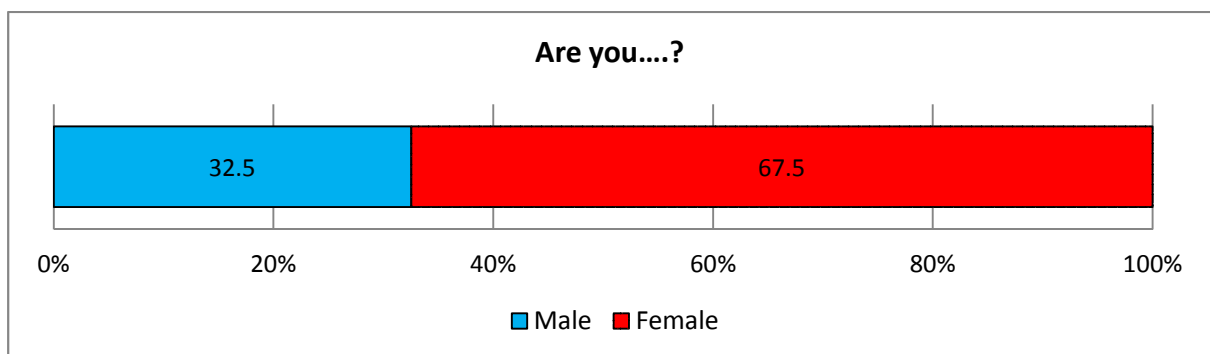
3.1 About You

213 responses were received to this consultation with 145 respondents (69.0%) aged over 65 (including 53.3% over 75). No responses were received from people under the age of 24.



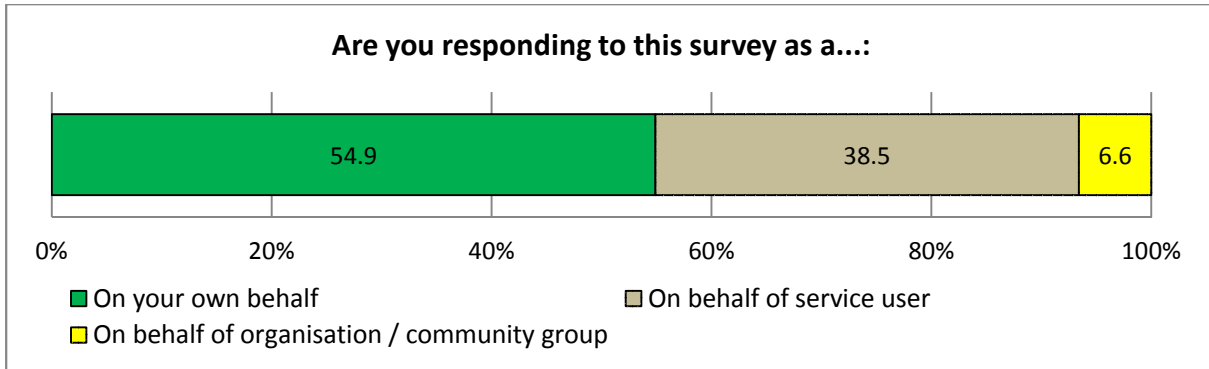
Base: All respondents (210)

Over two-thirds of respondents were female (67.5%) with 32.5% males.



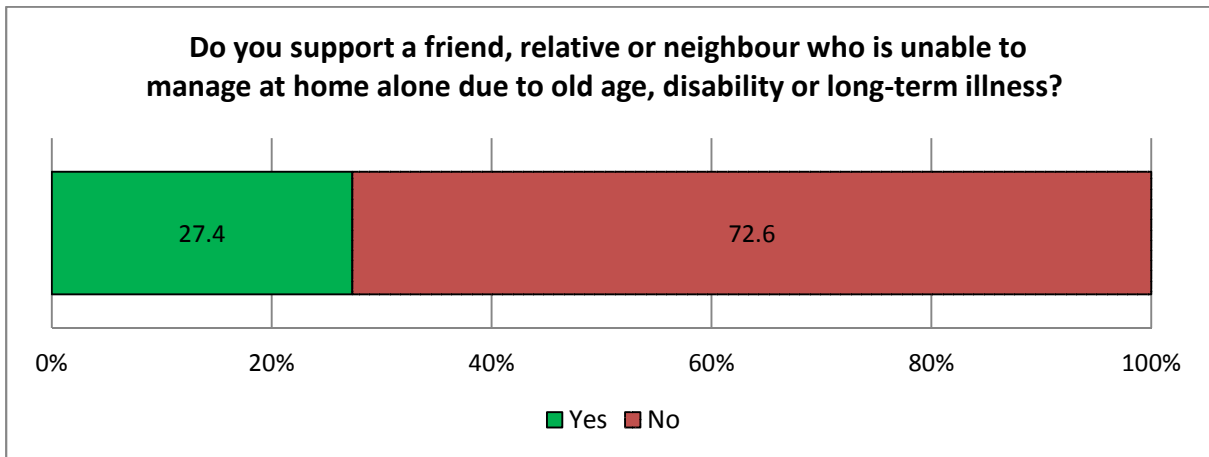
Base: All respondents (209)

More than half of respondents (54.9%) participated on their own behalf. 38.5% responded on behalf of a service user with the remaining 6.6% from organisations and community groups.



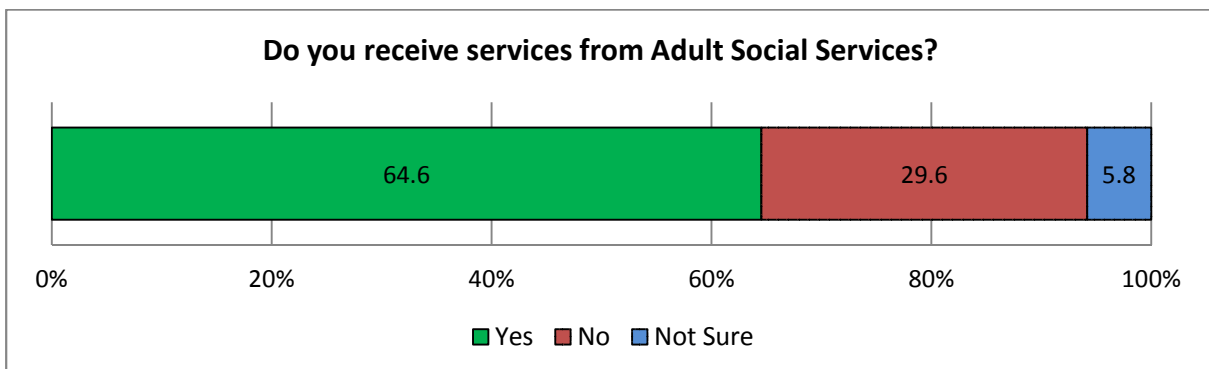
Base: All respondents (213)

27.4% of respondents support someone who is unable to manage alone at home.



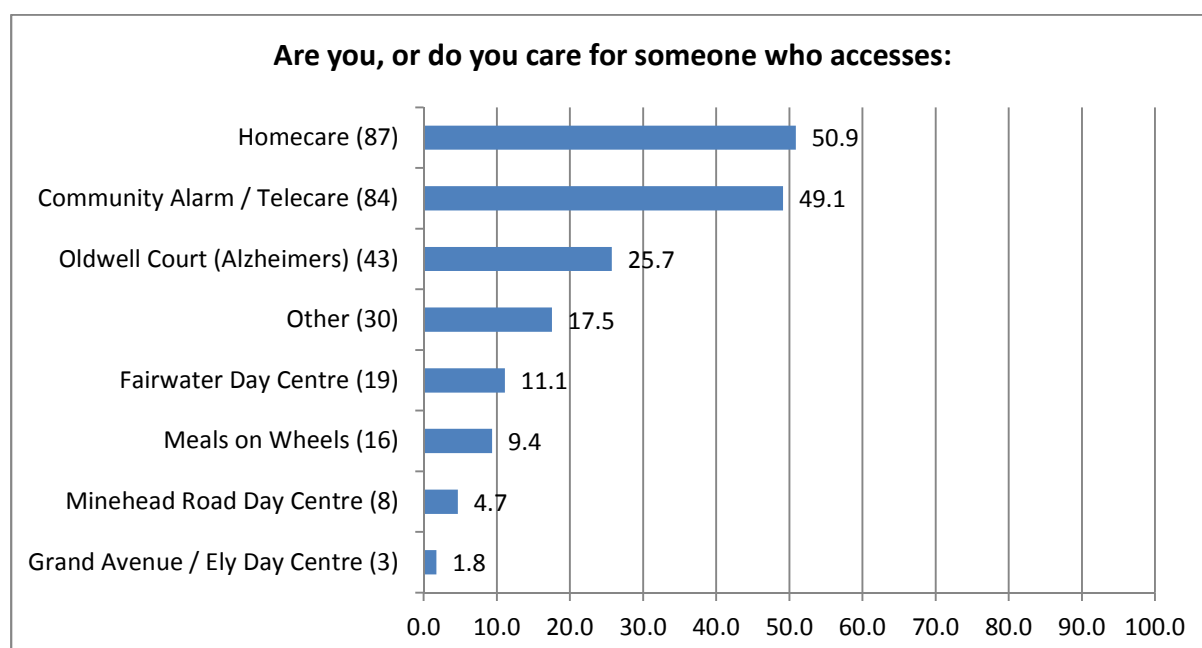
Base: All respondents (106)

Nearly two-thirds of respondents (64.6%) receive services from Adult Social Services, with 29.6% not users and 5.8% unsure.



Base: All respondents (206)

Over half of respondents (50.9%) access, or support someone else to access Homecare, with 49.1% using the Community Alarm Service. Over a quarter access Oldwell Court, a day centre which supports people with dementia, with the remaining services accessed by under 10%.



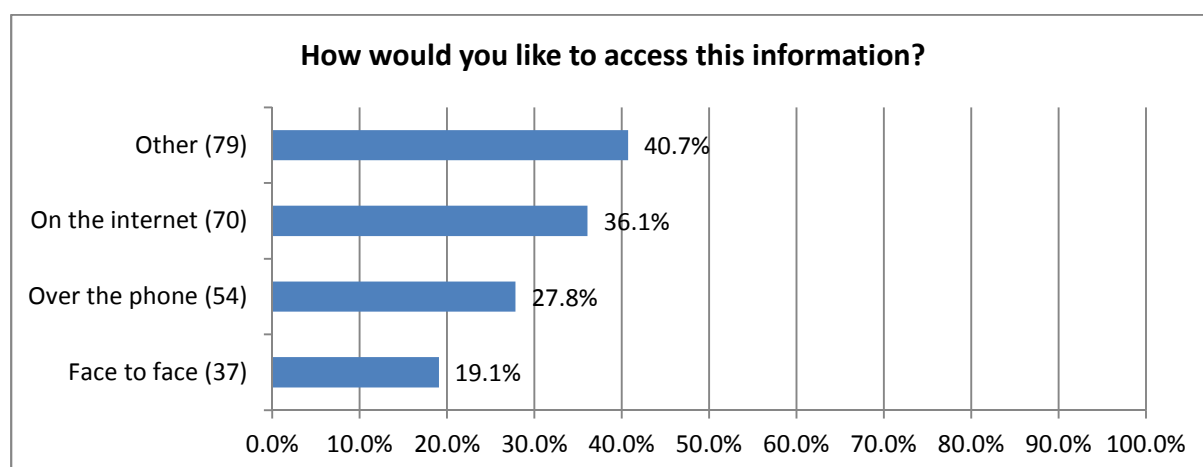
Base: All respondents (111). NB. Respondents were able to select more than one answer.

When asked to specify the other services that they or someone they care for accesses, four specified Alzheimer's support.

Emerging themes from 27 responses relating to other services being accessed

Theme	No.	%	Example comments
Alzheimer's Support	4	14.8	<ul style="list-style-type: none"> Support from an Alzheimer's Society worker. Alzheimer's forget me not chorus.
Council Funded	2	7.4	<ul style="list-style-type: none"> Council Funded Personal Care Services.
Sbectrwm	2	7.4	<ul style="list-style-type: none"> Sbectrwm centre Fairwater.
Llandough	2	7.4	<ul style="list-style-type: none"> Llandough Assessment and Recovery Unit.
Direct Payments	2	7.4	<ul style="list-style-type: none"> Personal Assistant using Direct Payments Scheme.
Miscellaneous	13	48.1	<ul style="list-style-type: none"> In process of being assessed. Norwegian Church on Monday PM Lewy Body Dementia, George Thomas on Thursday PM Lymphatic Cancer. Mum would like to go to a day centre but there are none available for her. Pedal Power provides a venue to socialise and meet up with friends and gives people an opportunity to get fit and stay fit through cycling.

The highest ranking response to this question on accessing information was 'Other' (40.7%), ahead of through the internet (36.1%) and over the phone (27.8%). 19.1% of respondents prefer to receive information through face to face meetings.



Base: 194. NB. Respondents were able to select more than one answer.

Respondents who selected 'Other' were asked to explain their preferences, with 40 preferring to receive information by post (53.3%). 14.7% (11 respondents) prefer to access information through face to face contact, ahead of 3rd party organisations (9 respondents; 12.0%).

Themes emerging from 75 comments on other preferences for accessing information.

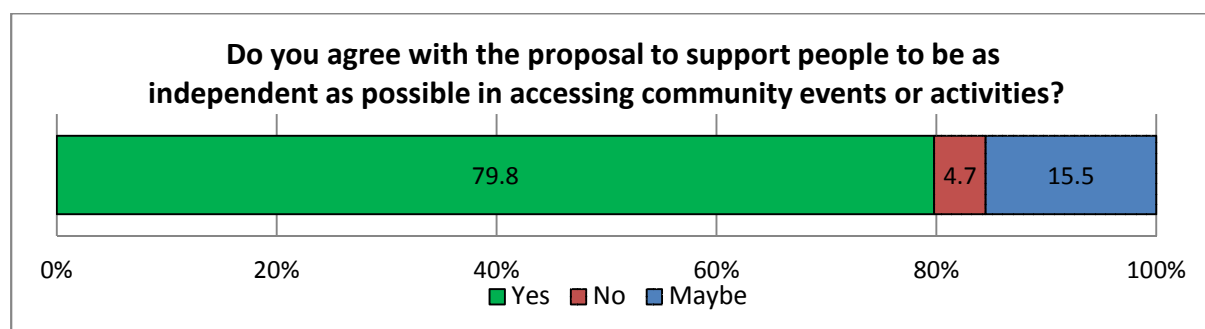
Theme	No.	%	Example comments
Post	40	53.3	<ul style="list-style-type: none"> Via post as I have support with this and my family/staff can inform me of local events. By post - hearing problems on the telephone (usually). By post please I don't have a computer, and cannot get to meetings alone.
Face to face	11	14.7	<ul style="list-style-type: none"> Face to face with a support worker. Considering age and or disability by postal and/or face to face.
Via 3rd party organisation	9	12.0	<ul style="list-style-type: none"> Via social services visits by care coordinators, OT, Doctors and other support service providers who visit and understand my needs. From care coordinator/review team, OT, doctors and other support service providers who visit and understand my needs.
Printed media	7	9.3	<ul style="list-style-type: none"> Information sheets, posters, newsletters, an accessible comprehensive services directory NB. with dementia the information should be sent to the carer.
Community centre/venue	5	6.7	<ul style="list-style-type: none"> Via a monthly or bi-monthly survey at my local mosque / community centre.
E-mail	3	4.0	<ul style="list-style-type: none"> Via email.
From a relative	2	2.7	<ul style="list-style-type: none"> Through my son.
Other	7	9.3	<ul style="list-style-type: none"> Not really relevant to current situation of my parents who cannot see hear or walk far. As have sensory aged impairment/Alzheimer's/dementia.

3.2 Day Centres

Do you agree with the proposal to support people to be as independent as possible in accessing community events or activities?

There were 213 responses to this question, meaning that every participant responded.

Almost four-fifths of respondents (79.8%) agreed with the proposal to support people to be as independent as possible in accessing community events and activities. 4.7% opposed the proposal with the remaining 15.5% unsure.



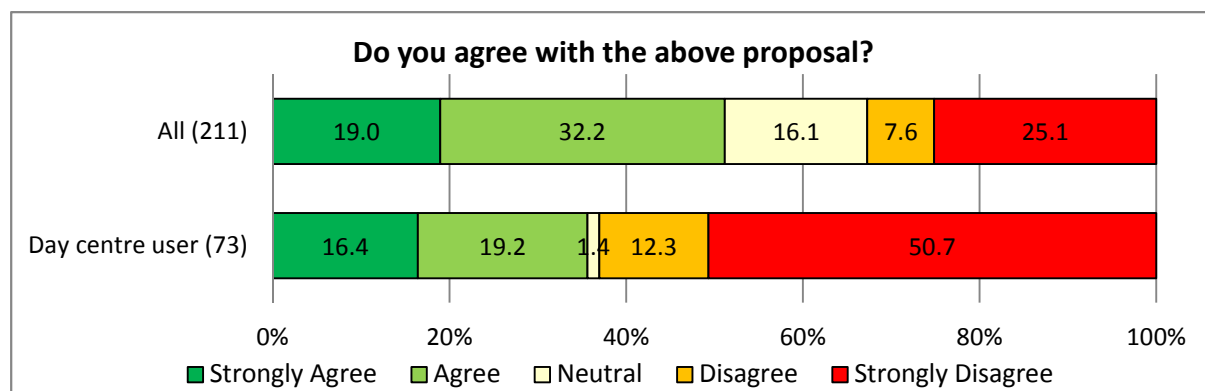
Base: All respondents (213)

Do you agree with the new Day Centres proposal?

211 responses were received for this question, a response rate of 99.1%.

Over half of the respondents were supportive of the proposal (51.2%), including 19.0% who strongly agreed. Of the 32.7% who opposed the proposal, 25.1% strongly disagreed.

Of the 211 responses 73 were from day centre users. Support for the proposal was lower amongst this group with 35.6% supportive, including 19.0% who were very supportive. In contrast 63.0% did not support the new proposal. This included 50.7% who strongly opposed, double that of the overall population.



Base data shown in brackets

When given the opportunity to comment further on the Day Centres proposal 102 responses were received. Themes were attached to every comment in order to identify recurring messages. 10 themes were identified in total with *Oldwell Court should not lose funding* the dominant theme (46 responses; 45.1%). This polled ahead of *Greater consideration needed* (30 responses; 29.4%) and *Day Centres have expertise* (28 responses; 27.5%).

Themes emerging from 102 further comments about the Day Centres proposal

Theme	No.	%	Example comments
Oldwell Court should not lose funding	46	45.1	<ul style="list-style-type: none"> • <i>Oldwell court should not lose their funding. It is an essential part for Alzheimer sufferers.</i> • <i>The proposal to take away funding from Alzheimer's Society Oldwell Court is incredibly difficult to understand, given the excellent service they provide, the numbers they support, and the expertise they have. It is very short-sighted. In addition, why can't the Day Opportunities Team be offered as a third sector opportunity, rather than an in-house service? If delivered by the third sector it will be more efficient, effective and better value for money.</i> • <i>Oldwell Court should still be funded. Their team are more professional and do a great service.</i>
Greater consideration needed	30	29.4	<ul style="list-style-type: none"> • <i>Data suggests we need more centres not less. Too centralised, need more local involvement too! (Please)</i> • <i>With the number of people having dementia increasing year on year is this provision going to be adequate?</i> • <i>Dementia sufferers need a lot more one to one support and familiarity with surroundings and staff. Each sufferer needs individual attention and no two dementia sufferers are the same so a lot of understanding and training is needed.</i>
Day Centres have expertise	28	27.5	<ul style="list-style-type: none"> • <i>Alzheimer's Society has the expertise. Putting lower levels of dementia with more general cases does not meet the needs of those with dementia. This makes no sense and is illogical.</i> • <i>Day care is crucial for my mother and us as a family. We highly value day centre staff. My mother is happy at Fairwater. She has dementia but is comfortable in that environment which is a credit to the service.</i>
Travel / related problems	14	13.7	<ul style="list-style-type: none"> • <i>No consideration has been given to client and carers choice. People wish to access services within their own locality. Carers who transport people to day services do not want to spend considerable amounts of time offering transport out of their vital respite from their caring role. Oldwell staff have well trained staff who are able to offer excellent opportunities and care to those who attend Oldwell Court. I believe we require this service to remain in this part of Cardiff and that all facilities should not be based in Ely/Fairwater. The needs and wishes of clients and their carers should be paramount NOT COST CUTTING MEASURES.</i>
Good support provided	13	12.7	<ul style="list-style-type: none"> • <i>Without the support and care my mum gets from Oldwell Court Day Centre our lives would be much more stressful our needs and my mums needs would not be met, Their duty of care is amazing!</i>

Model does not meet users needs	12	11.8	<ul style="list-style-type: none"> As a statement it sounds reasonable BUT there are too many unanswered questions to agree at this stage. - I disagree with the statements made above, its shows how little the council understands the problem. This was not the outcome of the first consultation. The council will still determine level of dependence Far too simplistic statement and misleading. To close a specialist Alzheimer's service at Oldwell Court is precious, when you have proven expertise there. Again don't a council rep take my position for a week.
On-going support critical for dementia	12	11.8	<ul style="list-style-type: none"> Oldwell Court supports all dementias and this proposal negates the progressive nature of the disease and proposed to move people as their dementia develops. This is not person centred. It also doesn't bear in mind the implications of travel for people with dementia.
No facility in Cardiff North	6	5.9	<ul style="list-style-type: none"> I feel that services are required in the North side of Cardiff as facilities in Ely are too far for people to travel to as carers will spend most of the day travelling. Specialist carers are required to support service users.
Greater access needed	5	4.9	<ul style="list-style-type: none"> There should be more provisions for older people from Asian and Muslim backgrounds at one of the above centres to attract them to become regular service users.
Other	26	25.5	<ul style="list-style-type: none"> I am completing this form on behalf of my mother, she doesn't attend any day centres, she wouldn't want to attend. Would day centre provide physiotherapy, bathing or a meal, or would it be for socialisation?

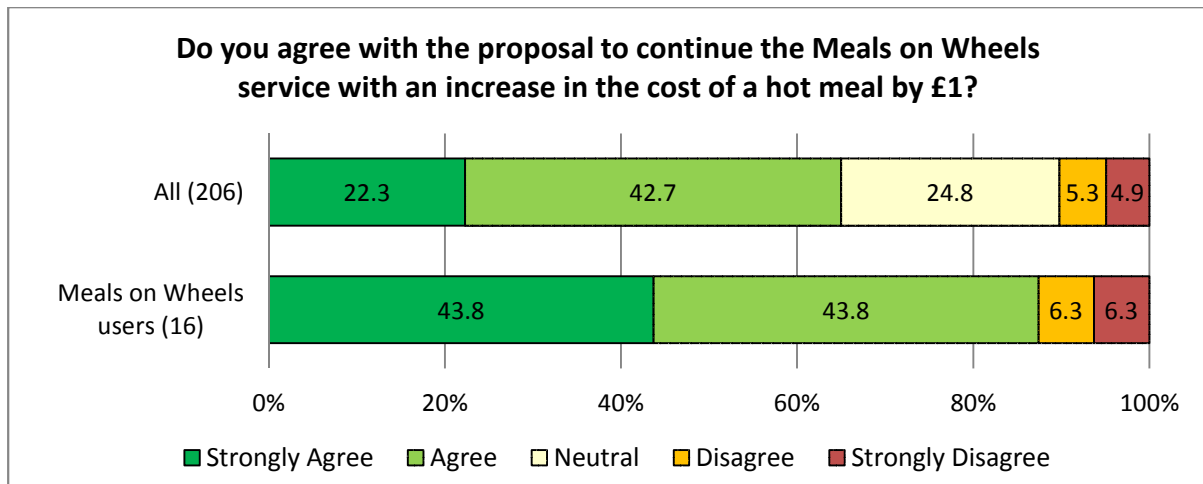
3.3 Meals on Wheels

Do you agree with the proposal to continue the Meals on Wheels service with an increase in the cost of a hot meal by £1?

There was a response rate of 96.7% for this question (206 responses).

Support for the continuation of Meals on Wheels with an increase of £1 for a hot meal was high, with almost two-thirds of respondents supporting the change (65.0%). This included 22.3% who strongly agreed and 42.7% who tended to agree. Just other one-tenth disagreed (10.2%), including 4.9% who strongly disagreed.

When focusing on the response of current Meals on Wheels users, it should be noted that participant numbers were low (16 respondents). Support for the continuation of the service with a £1 cost increase was higher than amongst the general population with almost nine-tenths of respondents (87.5%) in agreement, compared to 12.5% who disagreed.

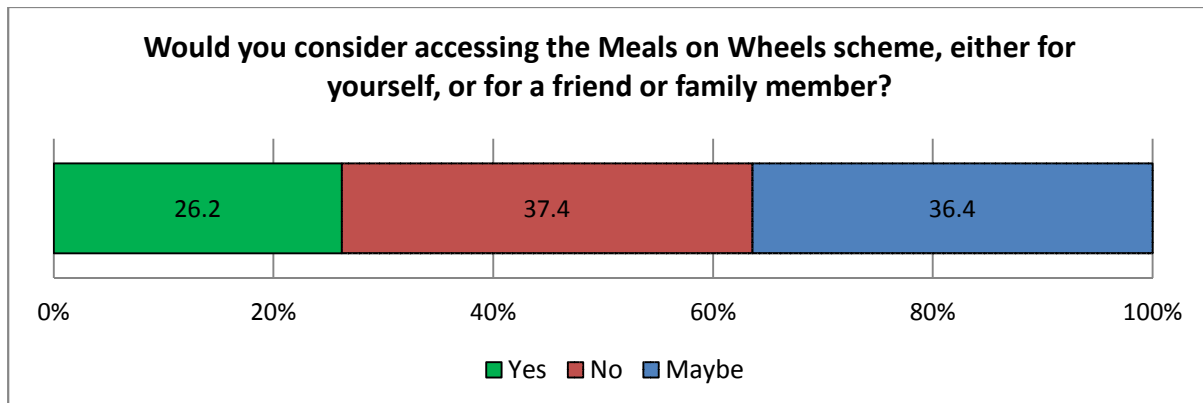


Base data shown in brackets

Would you consider accessing the Meals on Wheels scheme, either for yourself, or for a friend or family member?

206 responses were received meaning a response rate of 96.7%.

Over a quarter (26.2%) of respondents would consider using the service for themselves or a friend or relative. This compared to 37.4% who would not consider accessing it, with a significant proportion unsure (36.4%)



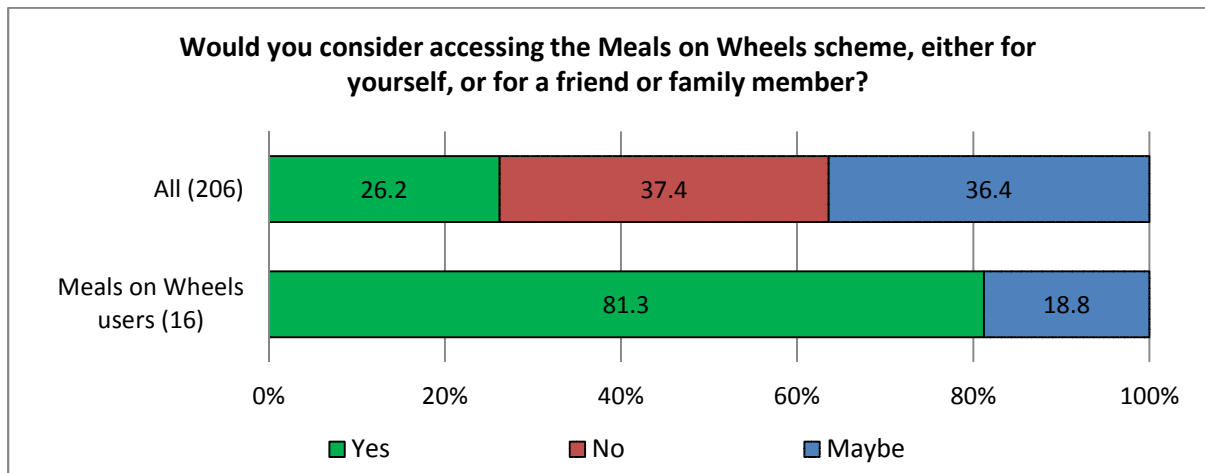
Base: All respondents (206)

If you or a family member receive meals on wheels would you also be interested in receiving a cold meal for the evening?

The response rate for this question was 74.6% (159 responses).

Support for a family member receiving a cold evening meal when already receiving Meals on Wheels was low with 16.4% interested in the service. Over half (52.8%) were uninterested with 30.8% unsure.

The results varied significantly for the 16 current Meals on Wheels users who responded to the question with over half (56.3%) interested compared to 18.8% who were uninterested. Again a significant proportion (30.8%) were unsure.



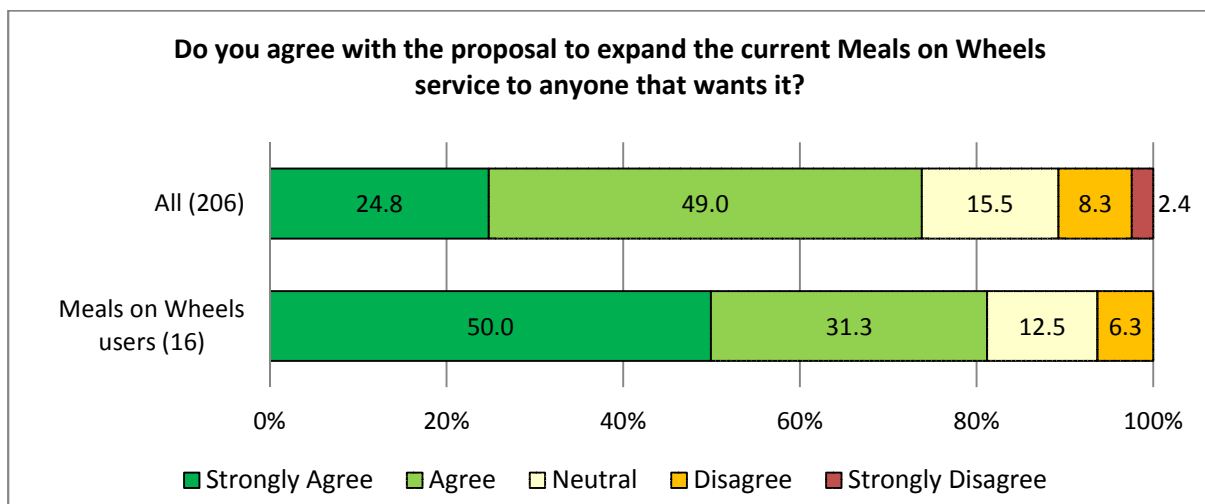
Base data shown in brackets

Do you agree with the proposal to expand the current Meals on Wheels service to anyone that wants it?

There were 206 responses to this question, a response rate of 96.7%.

There was significant support throughout the population for expanding the service to anyone who wants it. Almost a quarter (24.8%) strongly agreed with an additional 49.0% tending to agree. This totalled 73.8% who were supportive, compared to a total of 10.7% who disagreed.

Support was greater among current users of the service. Half the users (50.0%) strongly agreed, over double the figure for all respondents, with an additional 31.3% tending to agree. 6.3% tended to disagree with no respondents disagreeing strongly.



Base data shown in brackets

Do you have any other suggestions to improve the Meals on Wheels Service?

38 responses were received for this open question. The main theme was that the *service should not be opened up* (7 respondents; 18.4%) ahead of *Needs to be sustainable* and *Consider alternatives* (5 respondents; 13.2% for both)

Themes emerging from 38 comments on other suggestions to improve Meals on Wheels.

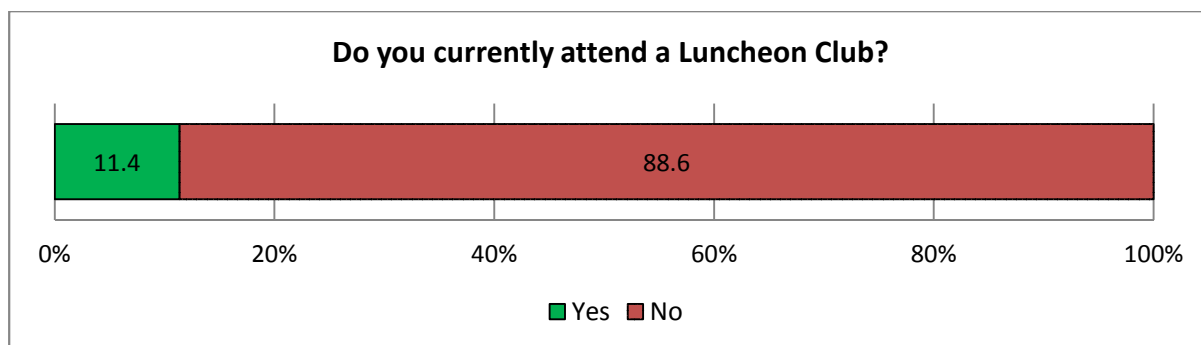
Theme	No.	%	Example comments
Service should not be opened up	7	18.4	<ul style="list-style-type: none"> I cannot understand why there is a plan to provide meals on wheels to anyone who wants it, when the usual rhetoric is that services must be provided to the most needy. Over 70's or disabled should use MOW not just anyone.
Needs to be sustainable	5	13.2	<ul style="list-style-type: none"> I find it hard to believe that the cost isn't covered because it seems to me the food costs far less to make by bulk than is charge. i can understand this though with the delivery service. Can someone review the cost of sourcing food.
Consider alternatives	5	13.2	<ul style="list-style-type: none"> Make provision of HALAL menu for growing older Muslim population and create more awareness in the local mosques etc.
Increase too much	4	10.5	<ul style="list-style-type: none"> I think it is essential to continue with Meals on Wheels, but the proposed increase in cost is far too much.
Better advertising needed	3	7.9	<ul style="list-style-type: none"> This service is not advertised enough and no-one has mentioned this service is available.
Quality must improve	3	7.9	<ul style="list-style-type: none"> If there is to be an increase in cost the quality of food available must be of a decent standard.
Service should continue as is	2	5.3	<ul style="list-style-type: none"> I think it is essential to continue with Meals on Wheels, but the proposed increase in cost is far too much.
Other	16	42.1	<ul style="list-style-type: none"> My mother has never eaten a ready cooked meal from a tin foil container in her life. She would not recognise it as a lunch and it would go straight in the bin no matter what it cost. There needs to be more detail as how the additional £1 will be spent. I could make a hot meal for under £2.90 so why are you increasing the cost?

3.4 Luncheon Clubs

Do you currently attend a Luncheon Club?

211 respondents participated in this question, a response rate of 99.1%.

Participation in luncheon clubs amongst respondents was low with only 11.4% using the service.



Base: All respondents (211)

When the 23 respondents were asked to specify the Luncheon Club that they attend, 6 respondents reported using *Oldwell Court* (26.1%), ahead of clubs in *Beulah & Araratt* (4 respondents; 17.4%) and *Fairwater* (3 respondents; 13.0%).

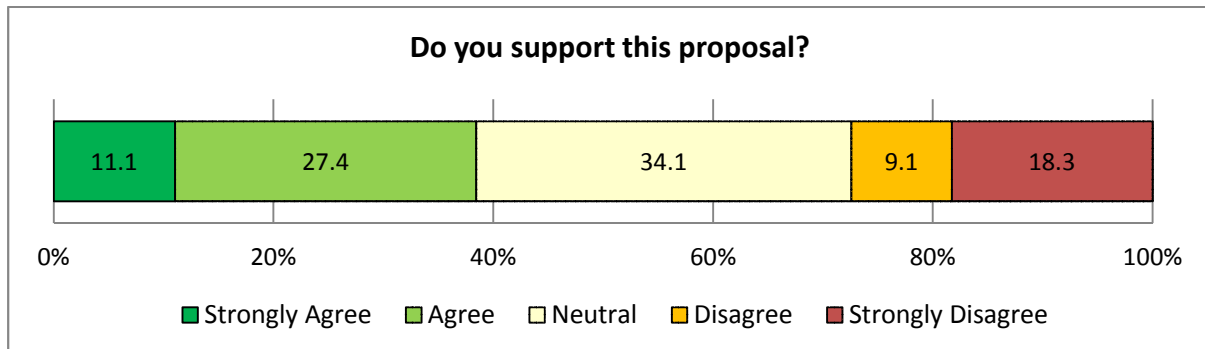
Themes emerging from 23 comments relation to Luncheon Clubs used by respondents.

Theme	No.	%	Example comments
Oldwell Court	6	26.1	<ul style="list-style-type: none"> • <i>I attend Oldwell Court four times a week and have my dinner there.</i> • <i>My husband attends Oldwell Court.</i>
Beulah & Araratt	4	17.4	<ul style="list-style-type: none"> • <i>Beulah & Araratt / Oldwell Court.</i>
Fairwater	3	13.0	<ul style="list-style-type: none"> • <i>Fairwater Day Centre.</i>
Cyncoed	2	8.7	<ul style="list-style-type: none"> • <i>Cyncoed Methodist Church.</i>
Dalton St	2	8.7	<ul style="list-style-type: none"> • <i>Dalton Street.</i>
Methodist Church, Whitchurch	2	8.7	<ul style="list-style-type: none"> • <i>Methodist Church, Whitchurch.</i>
Bethel Baptist, Whitchurch	1	4.3	<ul style="list-style-type: none"> • <i>Bethel Baptist Whitchurch.</i>
St Andrews Church	1	4.3	<ul style="list-style-type: none"> • <i>St. Andrews Church.</i>
Sbectrwm	1	4.3	<ul style="list-style-type: none"> • <i>Sbectrwm Fairwater Mon & Thurs only.</i>
Waterloo Gardens	1	4.3	<ul style="list-style-type: none"> • <i>Roath Church House, Waterloo Gardens.</i>
Minehead Road	1	4.3	<ul style="list-style-type: none"> • <i>Minehead Road.</i>
Wyndham Centre	1	4.3	<ul style="list-style-type: none"> • <i>In the past with a previous personal assistant - Wyndham Centre.</i>
Adamsdown Day Centre	1	4.3	<ul style="list-style-type: none"> • <i>Adamsdown Day Centre.</i>
Albany Road	1	4.3	<ul style="list-style-type: none"> • <i>Albany Rd Bapist Church - Monday session.</i>

Do you support this proposal?

There was a response rate of 97.7% with 208 responses to this question.

Opinions on the removal of subsidies from luncheon clubs to increase sustainability and ensure equitable provision was divided. 38.5% were supportive with 11.1% agreeing strongly. This was in contrast to 27.4% who opposed the change, including 9.1% who disagreed strongly. A significant third of respondents (34.1%) neither agreed or disagreed.



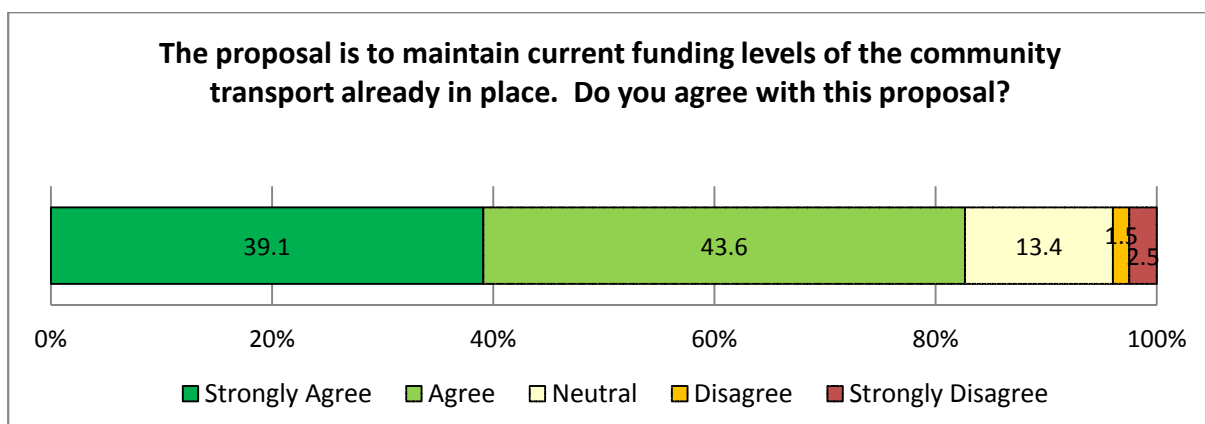
Base: All respondents (208)

3.5 Community Transport

The proposal is to maintain current funding levels of the community transport already in place. Do you support this proposal?

With 202 respondents participating there was a response rate of 94.8%.

82.7% of respondents were supportive of the Community Transport proposal with 39.1 strongly agreeing and 43.6% tending to agree. 4.0% opposed the change including 2.5% who disagreed strongly.

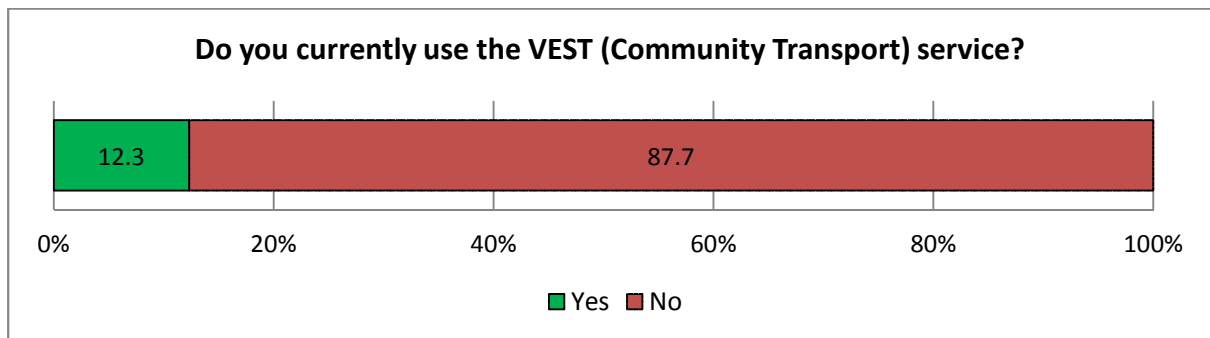


Base: All respondents (202)

Do you currently use the VEST (Community Transport) service?

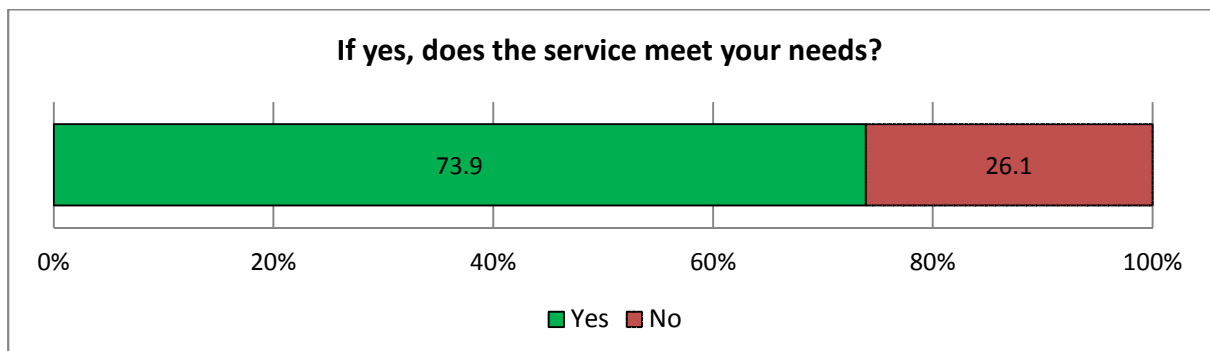
203 respondents (95.3%) answered this question.

Of the respondents 25 were users of VEST (12.3%) with 178 (87.7%) not having used the service before.



Base: All respondents (203)

Of the 23 users of VEST that responded, 73.9% felt that the service meets their needs. While these results are useful the low number of respondents should be borne in mind.



Base: VEST service users (23)

Respondents who don't currently use VEST were asked to explain why. 60 respondents left comments with 28.3% of these (17 respondents) *not requiring the service at present* and 10 respondents *unable to use the service* (16.7%).

Themes emerging for 60 comments on how VEST is not meeting user needs.

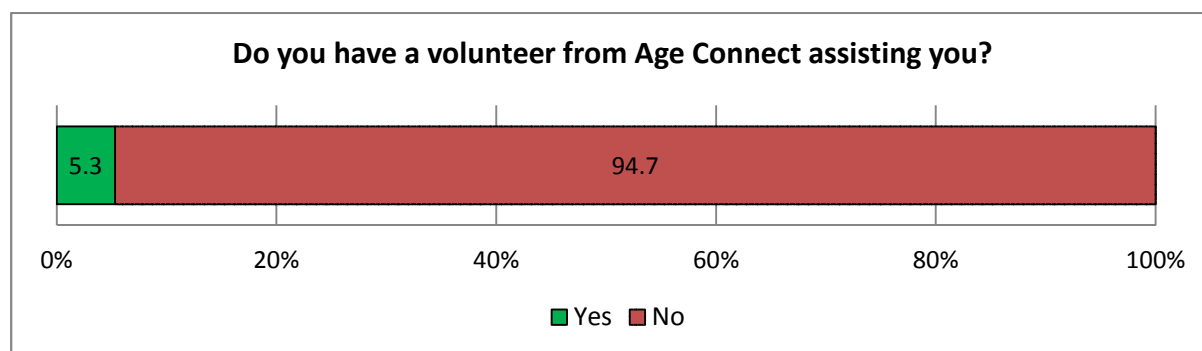
Theme	No.	%	Example comments
Service not required at present	17	28.3	<ul style="list-style-type: none"> My mother has her family to take her to any appointments she has to attend. My husband is transported by ambulance to Llandough hospital.
Unable to use	10	16.7	<ul style="list-style-type: none"> For an aged person that has dementia it's not an ideal form of transport due to number of passengers.
Service needs expansion	9	15.0	<ul style="list-style-type: none"> The service should be expanded for many this is their only form of transport for social activities.
Not easy to Book	8	13.3	<ul style="list-style-type: none"> Used previously but too difficult to book. But service of the VEST drivers is fantastic.
Better promotion needed	8	13.3	<ul style="list-style-type: none"> I did not know of its existence.
Other	11	18.3	<ul style="list-style-type: none"> I drove for them for many yrs, I would use them myself if the need arose. They offer a v.g.d service

3.6 Volunteering

Do you have a volunteer from Age Connect assisting you?

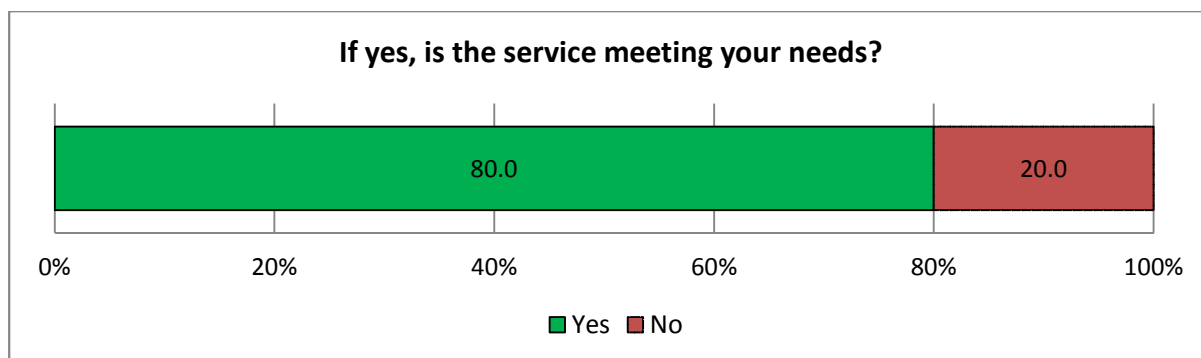
207 of the 213 respondents to the overall survey responded to this question (97.2%).

11 of the 203 respondents (5.3) currently have assistance from an Age Connect volunteer.



Base: All respondents (207)

These users were asked if the Age Connect volunteer service meets their needs. While there is a need to bear the low number of respondents in mind, 80% of the ten users reported that their needs were being met.



Base: Age Connect users (10)

There were 61 responses when respondents were asked why they don't use the service. 18 respondents (29.5%) were *unaware of the service*, with 15 *using an alternative service* (24.6%) and 12 *having a support network* (19.7%).

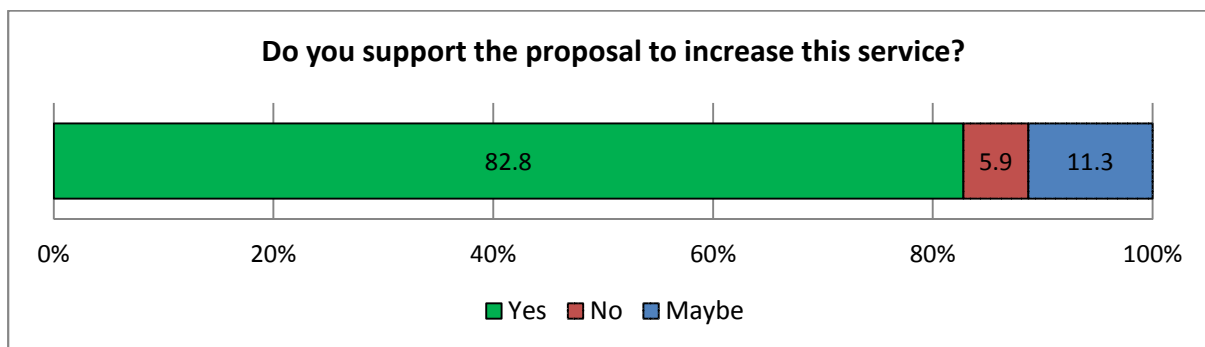
Emerging themes for 61 comments explaining why people do not use the Age Connects volunteering service.

Theme	No.	%	Example comments
Unaware of service	18	29.5	<ul style="list-style-type: none"> • <i>Sounds like an excellent idea but have not been informed /advised of this service at all.</i> • <i>No idea how to access this service. I knew nothing about this service.</i> • <i>I'm not aware of such a provision. Please ensure he/she is from an Asian or Muslim background.</i>
Use Alternative service	15	24.6	<ul style="list-style-type: none"> • <i>We don't need one as have wonderful personal assistant through Diverse Cymru's Direct Payment Scheme.</i> • <i>I get a visit from Age Concern.</i>
Have support network	12	19.7	<ul style="list-style-type: none"> • <i>Have a network of family members to help me.</i>
Not required	8	13.1	<ul style="list-style-type: none"> • <i>Not needed for the time being.</i>
Do not replace specialist staff	5	8.2	<ul style="list-style-type: none"> • <i>Please do not use volunteers for work / support that really should be provided by paid staff.</i>
Does not meet needs	2	3.3	<ul style="list-style-type: none"> • <i>Does not meet my needs.</i>
Negative prior experience	2	3.3	<ul style="list-style-type: none"> • <i>Last volunteer was pleasant but unreliable, but a new volunteer starts next week.</i>
Other	8	13.1	<ul style="list-style-type: none"> • <i>I would personally be happy to volunteer for this and could get some colleagues involved.</i>

Do you support the proposal to increase this service?

There were 186 responses to this question, a response rate of 87.3%.

There was a high level of support for increasing the volunteering service with over four-fifths of respondents (82.8%) answering positively, compared to 5.9% in opposition. 11.3% of respondents were unsure.

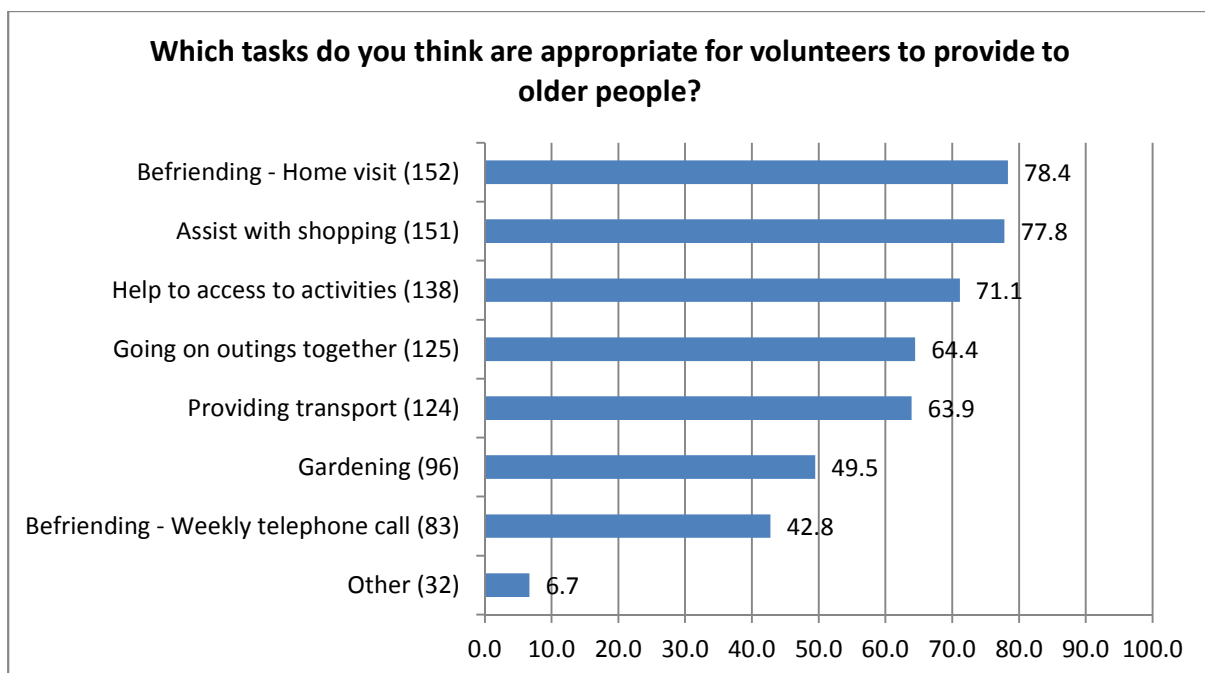


Base: All respondents (186)

Which tasks do you think are appropriate for volunteers to provide to older people?

194 respondents selected at least one option for this question giving a response rate of 91.2%.

Of the options for respondents to choose from *Befriending – Home visit* ranked highest with 78.4% of respondents thinking this was an appropriate task. This was marginally ahead of *Assist with shopping* (77.8%) and *Help to access to activities* (71.1%). The remaining tasks polled under 70%.



Base data shown in brackets

All 32 respondents who selected 'Other' left comments. Seven of these were stating that they had *No time to volunteer* (21.9%), with the same amount making other comments. Of those listing tasks *advice or support* was highest (5 responses; 15.6%), ahead of *household tasks* (9.4%).

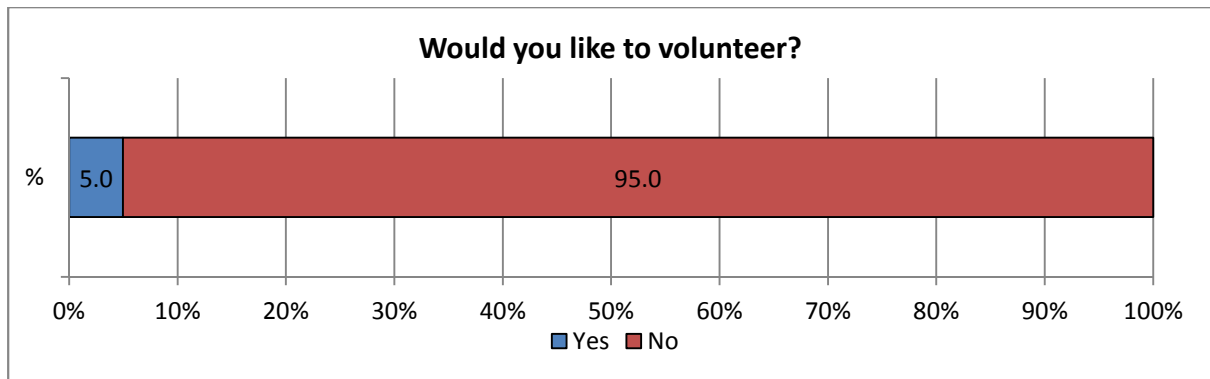
Themes emerging from 32 suggestions of tasks appropriate for volunteers to provide to older people.

Theme	No.	%	Example comments
No time to volunteer	7	21.9	<ul style="list-style-type: none"> <i>I am unable to volunteer because at present I am caring for my husband who has secondary progressive MS and vascular dementia.</i>
Advice / Support	5	15.6	<ul style="list-style-type: none"> <i>I would like access to counselling (emotional support) but this is only available if Alzheimer's sufferer is present.</i>
Appropriate checks needed	4	12.5	<ul style="list-style-type: none"> <i>Volunteers are good but only as long as they are consistent and fully trained, DBS checked and specialist trained in the case of people with dementia.</i>
Household tasks	3	9.4	<ul style="list-style-type: none"> <i>House work, ironing and feeding etc. If anyone was willing to do this in an Emergency situations (short term).</i>
Dementia support	3	9.4	<ul style="list-style-type: none"> <i>Dementia support.</i>
Visit / Check up	2	6.3	<ul style="list-style-type: none"> <i>Checking people of safe warm and eating.</i>
Model inappropriate	1	3.1	<ul style="list-style-type: none"> <i>There is no specialist dementia provision within this model.</i>
Gardening	1	3.1	<ul style="list-style-type: none"> <i>My husband and I would benefit from all these services. I am having my back garden paved because my husband is no longer able to do the gardening, which he loves.</i>
Exercise	1	3.1	<ul style="list-style-type: none"> <i>Walking/other exercise.</i>
Food	1	3.1	<ul style="list-style-type: none"> <i>Meals, very anxious about vetting and continuity, reliability etc., paying people formalises arrangements.</i>
Other	7	21.9	<ul style="list-style-type: none"> <i>These are fine for people with simple needs, but do nothing for people with complex needs and progressive conditions.</i>

Would you like to volunteer?

The response rate for this question was high (94.8%) with 202 responses.

Interest in volunteering was low 5.0%. This is potentially due to the age profile of the respondents with 69.0% over 65, including 53.3% aged over 75.



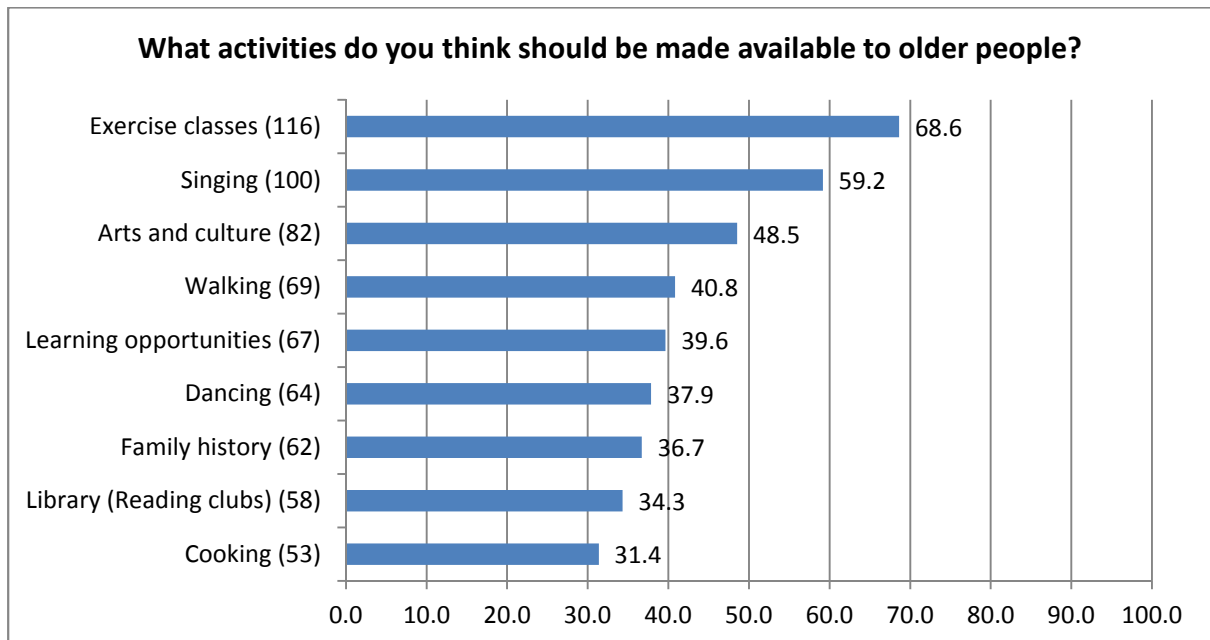
Base: 202

3.7 Future activities

What activities do you think should be made available to older people?

169 respondents shared activities they felt should be made available to older people, a response rate of 79.3%.

Almost 70% of respondents felt that *exercise classes* should be made available, ahead of *singing* (59.2%). Other activities polled at under 50% with *cooking* (31.4%) and *Reading clubs in libraries* (34.3%) least desired.



Base: All respondents (169)

73 respondents suggested alternative activities which were coded into 13 themes. The dominant theme was *Social activities* including Travel to attend (30 respondent; 41.1%) with many valuing the opportunity to spend time doing hobbies with others. 17 respondents (17%) suggested *sports based activities*, with 15 (20.5%) reporting a *need for specialist help* for people with dementia.

Themes emerging from request for additional activities users would like to attend

Theme	No.	%	Example comments
Social activities / Travel	30	41.1	<ul style="list-style-type: none"> • <i>Mother thrives on social activity of any form. Being with people. Although she needs support to do so. Hence the day centre in Fairwater is great.</i> • <i>A lot of seniors have had their fair share of hobbies and would like nice surroundings to have a cuppa and a chat as many never see anyone from one week to the next</i>
Sports Based Activities	17	23.3	<ul style="list-style-type: none"> • <i>Swimming and pool exercise.</i> • <i>Cycling at Pedal Power - there are trikes that are suitable for all - including those with disabilities.</i>
Need specialist help	15	20.5	<ul style="list-style-type: none"> • <i>Not all available for my husband. We have a leisure card each but activities - even swimming- is not geared to dementia sufferers. There is a singing group for dementia provided by voluntary agencies - music therapy is good. A walking group would be really good. With all the leisure activities some kind of joint changing room is needed so I can help my husband dress and undress. We are both pensioners and would qualify for this support regardless of my husband's illness.</i>
Historical	9	12.3	<ul style="list-style-type: none"> • <i>Reminiscence groups.</i>
Food	9	12.3	<ul style="list-style-type: none"> • <i>Lunch clubs with a speaker.</i>
Reading	7	9.6	<ul style="list-style-type: none"> • <i>If saw with fewer pieces so earlier and shorter to complete. Smaller books with large print and a more varied subjects - Not just crime and fiction.</i>
Arts & Crafts	5	6.8	<ul style="list-style-type: none"> • <i>Art and crafts - simple model making, painting, sewing and needle craft. Games and fun activities.</i>
Musical / Singing	4	5.5	<ul style="list-style-type: none"> • <i>What about dementia services e.g. Singing for the Brain by Alzheimer's Society? The funding will stop for this too.</i>
IT / Technology	4	5.5	<ul style="list-style-type: none"> • <i>Craft classes, IT - use of technology.</i>
Healthy Living	3	4.1	<ul style="list-style-type: none"> • <i>Embroidery classes, healthy eating and dieting classes.</i>
Language Based	3	4.1	<ul style="list-style-type: none"> • <i>Language classes, for example French and Spanish.</i>
Gardening	2	2.7	<ul style="list-style-type: none"> • <i>Talks; French, Travel, History, Buildings, Sailing, Gardening.</i>
Other	13	17.8	<ul style="list-style-type: none"> • <i>Question to general will depend on the individual.</i>

3.8 Barriers to accessing community facilities

166 respondents shared what they felt were the main barriers that older people face. Of these over half (95 respondents; 57.2%) raised *transport and access* with many struggling to travel by taxi and phone, and finding VEST difficult to book.

Health conditions leading to loneliness and a loss of confidence ranked second (63 responses; 38%) with a *lack of knowledge* of community facilities also being raised by over a quarter of respondents (43; 25.9%).

Themes emerging from respondents opinions of barriers and older people face and which prevent them from accessing community facilities.

Theme	No.	%	Example comments
Transport and access	95	57.2	<ul style="list-style-type: none"> • <i>Lack of reliable transport. Taxis are not practicable for dementia sufferers to go on their own. VEST too difficult to book. Good neighbours. Budget cuts so service can't be provided.</i> • <i>Transport is a bit issue for me, I need a lot of help to into/out of a car. I only get out when my daughters take me. I enjoyed the day centre which reduced my isolation and the transport was good. I have no transport to my local luncheon club. I have carers every morning to help me get dressed. I would like to get out there and go to a day centre or luncheon club but I need help with transport and need my wheelchair.</i> • <i>I think the main barriers for the elderly is not being able to catch a a bus, or meet friends for coffee, etc.</i>
Health conditions	63	38.0	<ul style="list-style-type: none"> • <i>Loss of confidence, visual/hearing impairment. Nervous of strangers around them. Embarrassed about their difficulty in interacting. Problems when out and about - more specialist help needed e.g. signage or those experienced in teaching hands on with visually impaired etc.</i> • <i>For some here is a lack of independence due to physical mental health issues, levels of support need to be maintained.</i> • <i>My experience is with short term memory loss. Other barriers would be lack of awareness, motivation, help getting ready, anxiety about going somewhere new.</i>
Lack of knowledge	43	25.9	<ul style="list-style-type: none"> • <i>Communication - many older people don't have access to the internet. Have little or no contact with people therefore are unaware of the facilities on offer.</i> • <i>Lack of knowledge about facilities, lack of transport, lack of confidence.</i>
Support needed	37	22.3	<ul style="list-style-type: none"> • <i>Carer support for individual.</i> • <i>My Mum has dementia and anxiety issues.. needs someone to interact with her constantly.</i>
Lack of information available	33	19.9	<ul style="list-style-type: none"> • <i>Difficult to arrange , lack of information.</i> • <i>Being informed re this. Lack of co-ordinated thinking when delivering services. SAP CRM and Gateway will hopeful address this. However across all council services we should be able to sign post elderly or vulnerable peoples to a community access point - requiring training and comms for all Council staff to have a consistent customer journey for all.</i>
Other	32	19.3	<ul style="list-style-type: none"> • <i>Apathy.</i> • <i>Falling.</i>
Lack of facilities	17	10.2	<ul style="list-style-type: none"> • <i>Lack of knowledge about community facilities. Lack of access to community facilities.</i>
Service Instability	8	4.8	<ul style="list-style-type: none"> • <i>The dwindling amount of services on offer, the instability of services offered by the voluntary sector because of funding cuts, a growing lack of recognition by statutory services of the value of preventative services and of funding them.</i>

Lack of Specialist Staff	5	3.0	<ul style="list-style-type: none"> • <i>Re: Dementia - stigma, lack of understanding, lack of expertise within existing and universal provision. This strategy does not address this issue.</i>
Stigma associated to the condition	4	2.4	<ul style="list-style-type: none"> • <i>Getting here. Support being there. Very dependant on support needs of the individual. Enhanced, interesting social spaces for both carers and older people to enjoy together would be great. Presently this tends to be local cafes. Have seen 'dementia cafes' - what a terrible name! Needs to be a non-stigmatised enjoyable place to be! Tea dances great - at St David's Hall. Without day care would be a struggle we want to keep my mother with us a long as possible. Support to do so is also financially prudent for the council as it will reduce costs.</i>
Reliance on volunteers	3	1.8	<ul style="list-style-type: none"> • <i>Motivation, availability of sufficient volunteers,</i>

4 Events

The consultation included three events which were held in the centre of Cardiff, Ely and Llanrumney. The events gave people the opportunity to ask questions and raise concerns. All the questions and statements resulting from the events have been passed to the decision makers for consideration with the key recurring themes including:

Waiting lists and capacity for service users.

Many of the attendees at the events questioned the proposal to cease funding for Oldwell Court which will potentially result in closure and a decrease in spaces for people suffering with dementia. They argued that there are already waiting lists and that the number of people with dementia is expected to rise.

Disruption due to change of centre

Attendees at the event felt that Oldwell Court service users are settled and that change for people with dementia can be highly disruptive with a significant amount of time needed to settle in to a new routine. With many feeling that the day centres are situated on one side of the city there will also be significant travel which will be difficult for users.

Uncertainty over future places

There was uncertainty over whether current patients will have an automatic space if Oldwell Court is closed, or if they will be on a waiting list.

Lack of consideration of carers

Many of the attendees at the event were carers and a reoccurring theme was the effect of the changes on carers. Many felt that the Council is over-reliant on carers and that the service changes do not consider their support needs.

Changes are purely to save money

Several members of the public felt that the basis for the service change is to save money, and does not consider the needs of service users.

Assessment of needs

Questions were asked over how service users would be diagnosed as having low, medium or high level needs, as well as why the needs of users would need to be re-assessed.

Expertise of Alzheimer's Society and staff

Many used the opportunity to praise the work of the Alzheimer's Society and the skills of the people who work there. They were concerned over their future employment in the event of Oldwell Court closing and questioned whether the other day centres would have the same expertise.

5. Additional Correspondence

5.1 Petition

The City of Cardiff Council received a petition entitled *Save Alzheimer's Society Oldwell Day Support Service* with 4,830 individual signatures.

5.2 Letters and emails

The City of Cardiff Council received three letters from organisations. Responses from the Glamorgan Voluntary Service, on behalf of the third sector, and Cardiff and Vale Mental Health Forum both recognised the budget challenges and the need to discuss possible solutions but felt the proposed changes are not viable. They criticised the decisions to cease funding for Oldwell Court and questioned why it could not become one of the designated day centres, and were unsure of how the new model will mean a reduction in support when dementia is a progressive condition. In addition they questioned whether there was potential for the third sector to be more involved and praised Age Connects.

A response was also received from the University Health Board, who wanted assurances that a market analysis had been conducted to ensure that the new model will offer the same quality of care for less. They queried whether the new model included costs relating to increased travel for users.

In addition, 12 responses were also received from individuals, including two which were submitted by an AM and MP on behalf of members of the public. All the responses related to Oldwell Court and the need for stability and routine for service users. They questioned whether the proposal conflicted with the Cardiff and the Vale's Three Year Dementia Plan, and felt that the service should be increasing to tackle the increasing older population.

6. Learning

This consultation report, as well as the views of the 213 respondents, will be considered by Cardiff Council before a final decision is made on the proposals relating to the Day Opportunities Strategies.

Particular messages that have come through strongly through the engagement exercise include concern over the future of dementia services. Specifically the proposal to cease funding for the day centre places at Oldwell Court has prompted feedback in the consultation document, at the engagement events and through the petition and correspondence.

Responses relating to meeting the needs of BME communities, the Meals on Wheels service and ensuring adequate transport for older people to access opportunities will also require further consideration.

Cllr G Hinchey
County Hall
Cardiff
CF10 4UW

139 Brynfedw
Llanedeyrn
Cardiff
CF23 9PT

Cc. Cllr S Merry

12th January 2016

Dear Cllr Hinchey

Council Budget Proposals 2016/17

I'm writing to formally respond to the Council's budget proposals on behalf of Cardiff Schools' Budget Forum following our meeting on 9th December and additional comments received from Forum members.

The Forum fully appreciates the Council is under financial challenge due year on year reductions in the Aggregated External Finance (AEF) set against increasing cost pressures. However we have to make you aware of our concerns about the impact that the budget proposals will have on schools which we believe has the potential to damage the City's education system.

The Forum welcomes the Council's consistent approach in honouring the Welsh Government protection for the schools delegated budget and meeting the demographic pressures caused by increasing pupil numbers. However the proposal to only meet 60% of the additional pay and inflation pressures faced by schools will jeopardise the progress made in improving educational standards at a time when the Local Authority is under Estyn scrutiny having been found in need of significant improvement and will undermine the ability of schools to make further improvements. This proposal follows on from earlier challenging budget settlements that have resulted in schools (particularly secondary schools) making difficult decisions to cut provision, lose key staff members and increase class sizes. These proposals will force schools to cut deeper into the teaching and backroom staff with the inevitable effect on teacher workload, staff welfare, parental and pupil satisfaction rates and pupil outcomes. The ultimate losers in this will be children who may well face a narrowed and reduced curriculum. To quote one member of the Budget Forum "education should not be regarded as a cost but as an investment in the future".

Putting a 40% cap on funding the pay and inflationary pressures faced by schools results in 81 schools facing an in-year deficit (63/101 Primary Schools, 14/19 Secondary Schools, 4/7 Special Schools). This cap requires an efficiency saving of £20K per £1M budget which the Forum believes is unachievable without a significant negative impact on schools. Whilst this will save expenditure from delegated budgets, significant costs will be incurred in funding redundancy payments. These budget proposals are not about the efficiency of processing revenue, they are about the absence of the revenue itself and the impact caused by not being able to meet the expenditure demands to run schools across the phases.

As previously stated, the only way for Governors to make these savings will be through redundancies. Schools spend at least 85% of their delegated budget on staff costs and many have already reduced other costs significantly. Whilst redundancies will save expenditure from delegated budgets, will it result in real savings to the Council once the cost of meeting the significant financial penalty of funding redundancy pay-outs has been calculated?

Secondary school base line operational costs are not being met by sufficient revenue funding. Currently there are no short term proposals, strategically placed before the Budget Forum, to address a funding crisis in Cardiff Secondary schools, nor any mooted strategy about supporting schools facing severe difficulties over the next few years. This is needed to address the unprecedented challenges faced. Whilst annually this might be understandable, there needs to be a three year 'recovery plan' to deal with this secondary crisis. There should be no false sense of security by the recent freezing of the Post 16 grant to 11 to 18 schools, where deeper cuts were envisaged, in the urgency in dealing with the overall funding crisis.

The council needs through funding revenue, to support Governing Bodies through the funding crisis of the next three years, whilst more medium term planning and actions can be brought about as change management for the City. Effective school organisation planning is also part of this sustainable strategic recovery process. A key issue is whether the Council can move fast enough to act to address the issues raised about school revenues. Revenue needs to be moved from the centre (LA core funding and Central South Consortium) and into school budgets. The principle of greater delegation and shared back office efficiencies between schools is being endorsed by officers as part of the medium term planning, but can the rate and pace of such a 'switch' be done at a faster rate than the proposed cuts?

The distribution of funding between the secondary and primary phases has been questioned by secondary heads as some primary schools carried large balances into the current financial year. However primary heads have cautioned against a move to pay less for each primary child and more for each secondary child and have requested a better analysis of the level of surplus balances by expressing them as a percentage of delegated funding. It is essential that primary schools have the ability to intervene early where children are falling behind their peers. Research has shown that children living in poverty often start school academically behind their better-off peers. Further discussion about the distribution of funding and updating the formula should be informed by the current exercise of benchmarking what it costs to run primary, secondary and special schools.

The Forum is concerned over the growing issue of children living in families facing 'in-work poverty' and the ability of schools to provide the extra support these children need. Such children are not entitled to free school meals and therefore don't attract any Pupil Deprivation Grant. Their families are under significant financial strain with parents often working multiple jobs which contribute to family stress that is likely to impact negatively on children's learning.

In regards to the savings proposed for the Education Directorate, the Forum believes that some of the savings will result in schools taking on additional responsibility without an equivalent increase in resources, adding extra burden on schools already under pressure to absorb the 40% funding cap.

The Forum supports the proposal to reduce the authority's contribution to Central South Consortium. Members question the value for money of services provided by the Consortium and the effectiveness of some Challenge Advisors. It is essential that the LA continues to work closely with the Consortium to ensure that schools and Governing Bodies receive high quality challenge and an appropriate level of support to ensure the sustainability of the self-improving schools system.

The Forum urges an urgent review of SEN provision to ensure that the correct provision is in place to support the needs of pupil coming back into the city as out of county placements are reduced.

In summary, the Forum urges the Cabinet to reconsider the proposal to place a 40% cap on meeting the increased pay and inflation costs faced by schools, particularly as the provisional local government settlement resulted in a 0.1% reduction in AEF rather than the anticipated 3% reduction. Not to do so has the potential to damage the City's education system and will undermine its capacity to improve, impacting negatively on the experience and life chances of the children of Cardiff.

Thank you for seeking the views of the Forum on your budget proposals.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S. J. Griffiths', with a stylized flourish at the end.

Sarah Griffiths

Chair, Cardiff Schools' Budget Forum



Cardiff County Branch

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UNISON's Response to Cardiff Council's Budget Consultation, January 2016

Who We Are

UNISON Cardiff County Branch is a trade union branch representing thousands of workers in The City of Cardiff Council, as well as staff of Cardiff Bus, Cardiff & Vale College and the privatised care sector. The following response has been authored in consultation with stewards from across the council.

Our Response to the Council's Proposed Budget

We welcome the news of the less harsh reduction in the proposed settlement from the Welsh Government in November 2015. We expect the council to utilise the unexpected £11.56m savings from this beneficial settlement to alleviate the pressure on council staff who have endured years of pay freezes, restructures and increased workloads.

We support the council's proposals to use reserves and to increase Council Tax by 4.5%, and hope that councillors will resist any political or press pressure to reverse these decisions. As we did in 2015, we would like to suggest that further savings might be found from selling or charging more competitive rents on "non-operational" properties which the council owns but does not provide public services from.

We are pleased that the budget proposals this year do not include any cuts to hours or enhancement rates, and note that this marks an improvement on the last two years. Similarly we acknowledge that the way in which the process has been handled appears to date to be an improvement on last year's process, during which frequent amendments and issues around changes to Voluntary Severance caused considerable distress to staff.

However this year's proposed budget is still a cuts budget which will lead to job losses and increased workloads, and contribute to the continued decline of public services which ultimately derives from the austerity policies of the UK Government. The 2015 General Election result suggests that these policies are likely to continue for some years to come, and we believe that the council ought to be doing more to liaise with the Welsh Government and other Welsh councils in order to find a long-term solution to the crisis in Local Government funding.

The Public Consultation

We welcome the emphasis that Cardiff Council places on public consultation compared to other authorities in Wales, and are pleased to learn that the level of engagement from residents again appears to be substantial.

However we do not agree with some of the euphemistic terminology used in the documentation – such as “Alternative Delivery Model” rather than outsourcing, or seeking “Community Asset Transfers” rather than withdrawing funding. Such language masks the reality of austerity, confuses residents unnecessarily, and performs some of the government’s public relations work for them.

Furthermore we believe that some of the questions are leading or otherwise flawed – for example the very first question which asks “do you recognise that a budget gap of a potential £45.6m for 2016/17 means that difficult budget choices are required?” and which allows only multiple-choice answers, does not allow for the possibility that the respondent might understand the facts but simply disagree. We don’t believe that much can be learned from analysing the answers to questions such as this.

However there are some questions in the document which we do wish to give specific answers to:

Q5 – We don’t think that “community groups and the third sector should be asked to run more services and facilities,” which until now have been delivered by the council.

Q9 – We don’t agree with the new, partly-outsourced model of day service provision for the elderly.

Q23 – We don’t agree with the “new model” for children’s play services which could result in the replacement of paid, trained staff with volunteers. The way that play centre staff were treated in the 2014 and 2015 budget consultation processes was particularly bad. A period of stability, free from the constant fear of restructures and job losses, is badly needed in this service area.

As an affiliated union, we note that as well as being contrary to UNISON’s policies which are voted upon at our National Delegate Conference, the three above proposals are also all contrary to Welsh Labour policy which holds that in the provision of public services the third sector should only be used in addition to, and not instead of it, the public sector.

Whilst we are not opposed to the use of volunteers in all circumstances, they are not appropriate in the context of service areas where posts are being deleted and where many part-timers would welcome the potential to work additional hours.

Q41 – We don’t support “the increasing of commercial activities” – ie. the setting up of a trading company owned by the council. If as it seems this question refers to the proposed establishment of an Infrastructure wholly-owned company (or WOC), this is already the subject of extensive ongoing negotiations, at which we have repeatedly made it clear that we consider wholly-owned companies to be a form of outsourcing with potentially negative implications for staff.

Service Area-Specific Points

Generally speaking, many of the figures for projected savings seem arbitrary or optimistic. ADMs (outsourcing) are generally presumed to bring significant savings but we do not accept that this will be the case.

The below are responses to specific itemised proposals, as listed and numbered in the Equality Impact Assessment.

City Operations

3. Privatisation of leisure services – the potential for job losses and negative changes to terms and conditions here are substantial, as are the risks of price increases, centre closures, and a negative impact on equality. Because of the law around NNDR relief, leisure trusts benefit from highly-favourable tax arrangements even when in reality they are owned by private profit-making companies. We believe that halting the tendering process and instead making the much-needed investment to improve the council's facilities would be a more effective long-term use of public money.

5. See above Q5.

13. This is very vague for such a potentially-substantial change. The £100,354,000 projected saving figure is presumably a mistake?

14. The council should ensure that all internal statutory planning services get a fair proportion of the fees raised by this measure.

17. What do the council or local residents gain from owning a heliport?

18. Electrical team. More detail is required for such a substantial saving from staffing costs.

57. Roath Library has now been closed for more than a year despite a very public assurance given last year that branch libraries would remain open. This library covers one of the most densely populated areas in Wales and with the relocation of Splott library to Tremorfa there will be a huge inner city area with no library service. We believe that the library ought to be re-established as part of an integrated service with paid, trained staff, ideally in its previous location or failing that then at another permanent location nearby.

Economic Development

80-85. Reduce arts grants to organisations. Although our branch does not represent UNISON members in these organisations, we wish to associate ourselves with the public campaigns to protect the arts, which have both an economic and a social value to the city.

Education

The real-terms decrease in delegated schools budget as a result of inflation and population growth could have a significant negative impact on staff and pupils alike. As the majority of schools revenue spending is on staffing, it is likely to lead to redundancies which will themselves have to be funded by the council, so it could be counter-productive even in straightforward cost-saving terms.

92. Specialised services. This will further exacerbate the cost pressure on schools, and is likely to have a negative equality impact, particularly with regards to disability.

99. Youth Service Budget. The funding for Youth Services has already been dramatically reduced since 2011. The consultation which was published in June 2015 began a process which is likely to end in dramatic reductions in staff numbers (with a potentially-disproportionate impact on part-time staff) and the closure of most of the city's Neighbourhood Youth Activity Centres.

We believe that these cuts are very short-sighted. These services are accessed by thousands of young people in Cardiff, and not only in deprived areas. We believe that the council should cease pushing youth services away from open access provision, and follow the recommendation of the recent Jay Report that “every effort should be made to increase this capacity.”

If the council has unexpectedly gained £11.56m as a result of the favourable Welsh Government settlement, then we believe that offsetting the swingeing cuts to Youth Services would be one of the best uses of these resources.

Resources

The projected savings from including services in the arms-length company are generally optimistic. For example Point 125 (Security & Cleansing) saving suggests a saving of £165,000, or approximately 6% of the service’s total budget, but the council’s own assessment rates this as red for achievability.

116. Corporate Digital Efficiencies. The introduction of e-payslips and digigov phone apps rather than paper payslips, as well as leading to the potential deletion of posts in Business Support, is unlikely to be universally welcomed by council staff. Sufficient provisions ought to be in place for employees who don’t regularly work with computers or have smartphones, or who need paper payslips for reasons such as claiming in-work benefits.

140. Reduction to third sector infrastructure funding. This is also highlighted as red/amber and in the current climate for the voluntary sector likely to prove problematic and politically difficult.

Property & Premises

165. Office accommodation. Any reduction in office space such as the forthcoming closure of Global Link should be adequately planned for. The number of staff based in County Hall has already been increasing in recent years, creating issues around a lack of office and parking space. The response from our members to the proposed introduction of “Agile Mobile Working” for Social Workers has not been positive, and we anticipate problems around “hot-desking” and confidentiality. We hope that any move towards Agile Mobile Working is not motivated solely by the desire to sell off office space.

Other

171. Severance Budgets. As we have stated at the Joint Partnership Forum, we are completely opposed to any further reductions in respect of the voluntary severance scheme. The reduction in 31st March 2015, and in particular the fact that sums were calculated based on the date of leaving with no consideration given to when requests were made or when restructures began, caused enormous stress and resentment. The change at that time was justified by the argument that it was necessary to bring Cardiff’s scheme into line with other local authorities in Wales. Since that is now the case there is no justification for a further reduction.

Workforce Demographics

Freedom of Information requests from Unison have shown that despite initiatives such as the Strategic Equality Plan, in 2013 only 6% of the council’s workforce was Black or Minority Ethnic (BME) compared to 15.3% of the city’s population. We believe that this unacceptable and that more ought to be done to increase the representation of BME people within the council’s workforce.

Conclusion

There is considerably more that could be said about many of the individual budget proposals, which have many and various implications for staff and residents. We hope that the above comments give some sense of the views and priorities of UNISON's members and their elected representatives.

We will continue to engage with councillors and council officers in negotiations to secure the best possible arrangements for our members, while campaigning for an end to the UK government's austerity policies which are the ultimate cause of job losses, pay freezes and cuts to public services.

Signed on behalf of UNISON Cardiff County Branch,



Emma Garson
Joint Branch Secretary



Michael Sweetman
Area Organiser

WELSH LOCAL GOVERNMENT SETTLEMENT 2016-17**Provisional****Table 9: List and estimated amounts of Grants for total Wales**

Existing Grant name	£m	
	2015-16	2016-17
Adult Community Learning	3.737	N/A
Armed Forces Day Funding	0.020	0.020
Business Improvement Districts	0.203	N/A
Cardiff Bay Legacy Funding	6.253	6.146
Communities First (Clusters)	31.781	N/A
Communities LIFT ¹	0.944	0.992
Community Cohesion Grant	0.360	N/A
Domestic Abuse Service Grant - CORE	1.244	N/A
Education Improvement Grant for Schools ³	142.594	N/A
Families First	43.422	36.152
First World War Commemoration ¹	0.214	N/A
Flying Start Revenue Grant	77.401	76.051
General Teaching Council for Wales ^{1 3}	6.000	N/A
International Education Programme ¹	0.665	N/A
Local Service Board Development Grant (LSB)	0.669	N/A
Mentoring & Networking Support for Head Teachers ^{1 2 3}	0.100	0.000
One Voice Wales ¹	0.093	N/A
Out of School Childcare Grant	2.300	2.300
Post-16 Provision in Schools	104.544	N/A
Pupil Deprivation Grant ³	81.457	89.246
Pupil Deprivation Grant (Communities First)	1.601	N/A
Regional Collaboration Fund ^{2 3}	5.174	0.000
Reemploy ESG	0.213	0.115
School Uniform Grant	0.736	0.736
Schools Challenge Cymru ^{1 3}	15.600	15.000
Successor Outcome Agreement Grant ⁴	31.100	0.000
Supporting People	123.688	124.488
Town Centre Partnerships	0.422	0.422
Welsh Language Promotion & Facilitation (LA Element) ¹	0.375	0.401
Youth Crime Prevention Fund	4.900	N/A
Animal Health & Welfare Framework ¹	0.500	N/A
Bus Revenue Support	0.550	0.000
Bus Revenue Support (Traws Cymru)	1.500	2.071
Bus Services Support Grant	25.000	25.000
Ceredigion Oil Buying Syndicate ²	0.059	0.000

Concessionary Fares Scheme	60.500	N/A
CyMAL	1.693	N/A
Development of the Seren Network ^{1 3}	0.300	0.100
Single Environment Grant	67.310	63.000
Heads of the Valley & Bridgend Effect Project ¹	0.219	N/A
NDR Open for Business Scheme ¹	0.250	N/A
NDR Retail Relief Scheme 2015/16 ^{1 2}	18.700	0.000
New Developments	0.395	N/A
Private Water Supply Risk Assessment ^{1 2}	0.004	0.000
Road Safety Grant	2.000	2.000
SBRI Innovation Catalyst Programme - Local Authorities	0.600	0.200
Travel Plan Co-ordinators	0.125	0.125
Wales Transport Entitlement Card	0.200	0.200
Young Persons Discounted Bus Travel Scheme/Youth Concessionary Fares	5.000	9.750
Youth Entrepreneurship in FHE ^{1 3}	0.926	0.819
Youth Work Strategy Support Grant	2.756	N/A
Delivering Transformation Grant ³	2.770	N/A
Deprivation of Liberty Safeguard ^{1 3}	0.200	0.230
Social Care Workforce Development Programme	7.149	7.149
Substance Mis-use Action Fund ³	22.663	22.663

Note: The information shown above details the grants where the amount that Total Wales will receive in 2015-16 and estimated amounts for 2016-17 are known.

It is important to note that amounts for future years are indicative at this stage and are liable to change.

Formal notification of grant allocations is a matter for the relevant policy area.

N/A = figures not available at time of publication

1. New Grant in 2015-16
2. Grant Ending in 2016-17
3. Grant is paid on a regional basis
4. Transferring into Settlement for 2016-17

Revenue Resources Required for 2016/17		
	£000	£000
Adjusted Directorate budget		573,506
Add: Employee costs	5,849	
Special Inflation	2,266	
Directorate expenditure and income realignments	2,329	
Commitments	1,067	
Financial Resilience Mechanism	4,000	
School Growth (net)	<u>7,183</u>	
		22,694
Demographic pressures: Social Services	3,200	
Waste & School Transport	288	
Pupil numbers	<u>4,033</u>	
		7,521
Council Tax Support Scheme adjustment	1,052	
Add New Directorate Pressures	<u>2,223</u>	
		3,275
		606,996
Less: Directorate Savings	20,344	
Addressable Spend Savings	5,596	
Council Wide Savings	<u>2,895</u>	
		28,835
Directorate Base Budget for 2016/17		<u>578,161</u>

Appendix 4

FINANCIAL PRESSURES 2016/17				
No	Pressures Title	Value of Pressure 2016/17 £000	Risk Assessment	
			Residual	EIA
1	Reduction in Single Environment Grant - The Sustainable Waste Management Grant, Tidy towns and Flood prevention grants will be combined into one new grant entitled "Single Environment Grant" with an anticipated reduction of 6.4% in 2016/17. This grant is used to support recycling processing and initiatives, to drive recycling and avoid fiscal fines, to make local environmental quality improvements, prevent fly tipping and also support flood prevention activities.	456	Red	Green
2	Waste - Increased recycling market gate fees - To support the costs of introducing new recycling materials for the public. These will include mattresses, carpets and other materials such as hygiene waste.	175	Red	Green
3	Supplementary Planning Guidance - To provide additional support following approval of the Local Development Plan.	75	Amber-Green	Green
4	City Centre / Neighbourhood Street Cleansing & Drainage /Gully Cleaning - It is proposed that a Neighbourhood Services team be created to support cleansing and enforcement activities outside of 'normal' working hours, on a 2pm-10pm shift in the districts. The team would comprise of operatives who are skilled to not only remove waste and litter, but also able to gather evidence in order to pursue enforcement action. In addition these resources will support the Tidal Parking and ensure additional focus through increased capacity in the service to enable a deep cleanse and help to prevent drainage and surface highway flooding issues. Further, to support business and reputation of the county, street washing will be re-introduced to the City Centre, and make provision for street washing in the districts in areas where liquids can cause pavements to become unclean, but also potentially hazardous, e.g. fruit fall or fast food oils. This proposal includes the creation of nine new posts, two of which will be new apprenticeships.	220	Amber-Green	Green
CITY OPERATIONS TOTAL		926		
5	Reconfiguration of Capital Times Offer - Review of the existing Capital Times offer with development of Email/Online Tools and the creation of a new print product.	86	Amber-Green	Green
CORPORATE MANAGEMENT TOTAL		86		

Appendix 4

No	Pressures Title	Value of Pressure	Risk Assessment	
		2016/17 £000	Residual	EIA
6	Additional Solicitors to meet demands of workload - Additional resource proposed to fund new posts in legal services. This will enable further legal work to be carried out in-house with less reliance placed on more costly external services. In particular additional legal posts are sought to carry out work relating to child protection and procurement (to support work undertaken to facilitate the Council's new target operating model).	158	Green	Green
7	Member Support - To enable preparation for the implementation of the Local Government Act.	100	Amber-Green	Green
GOVERNANCE & LEGAL SERVICES TOTAL		258		
8	Social Services and Well Being Act (Information, Assistance & Advice) - Section 185 of the Social Services and Well Being Act 2014 places a new duty on the Local Authority to meet the care and support needs of its prison population. HMP Cardiff has a population of 814. Anticipated duties include the provision of information, assistance and advice to families, suitable assessments of a person's need for care and support, provision to meet identified care and support needs and facilitation of raising concerns of persons in the secure estate and their families in relation to care and support. It is anticipated that this new duty will require 1.5 additional social workers (£68,000) and two mental health support workers (£75,000.)	143	Red	Red-Amber
9	Social Services and Well Being Act - Advocacy - Section 182 of the Act requires local authorities to arrange for an advocacy service to be made available for people with care and support needs. Although an advocacy service is already provided for certain groups of service users it is anticipated that under the Act this service will be extended. The additional cost is difficult to estimate at this stage but an indicative value of £50,000 is included.	50	Red	Red-Amber
10	Families with No Recourse to Public Funds - Anticipated increase in the level of support payments to families with children who have no recourse to public funds. This reflects an ongoing and anticipated further increase in the level of migrant families with children. Local Authorities must not withhold Section 17 Children's Act 1989 support for families, as doing so would breach their rights under the European Convention of Human Rights.	150	Red	Red-Amber

Appendix 4

No	Pressures Title	Value of Pressure	Risk Assessment	
		2016/17 £000	Residual	EIA
11	Early Help Strategy - Additional resource requirement to fund a range of measures forming part of an Early Help Strategy. The component elements will provide additional support to families and young people and will contribute to an anticipated reduction in the number and cost of looked after children. The proposals include the establishment of an Adolescent Resource Centre to offer support to +11 children, the introduction of a safer families initiative and the development of family group conferencing. The combined annual cost of these initiatives is estimated at £410k and will include additional Council staff and payments to voluntary sector organisations. The pressure bid supports a number of initiatives forming part of Social Services savings proposals for 2016/17.	410	Red	Red-Amber
12	'When I'm Ready' Post 18 Foster Care/ Connected Persons Assessments for Foster Carers -From 1.4.16 Welsh Local Authorities must have implemented a 'When I'm Ready' scheme providing financial support for young people currently in foster care past the age of 18. Financial impact will depend on numbers of post 18 children accessing the scheme and the level of offsetting benefits and allowances that individuals can claim. There is also increased pressure on the fostering service in relation to 'connected persons' assessments. There is a significant increase in demand for assessments of prospective foster cares who are family, friends or who have a prior connection with a child/young person who is looked after. There is also additional pressure from Courts to complete assessments in a shorter timescale.	200	Red	Red-Amber
SOCIAL SERVICES TOTAL		953		
TOTAL COUNCIL WIDE		2,223		

2016/17 Savings Proposals - Overview

Summary of Directorate Savings	£000
City Operations	7,586
Communities, Housing & Customer Services	1,259
Corporate Management	307
Economic Development	1,286
Education and Lifelong Learning	3,074
Governance and Legal Services	125
Resources	1,842
Social Services	4,865
TOTAL	20,344

Council Wide Savings	£000
Digitalisation	875
Fees & Charges	250
Vehicle Utilisation	400
Travel/Mileage	350
Reduction in Agency (Sickness)	300
Reduction in Agency (General)	450
General Staffing	270
Total Council Wide Savings	2,895

Summary of Addressable Spend Savings	£000
Externally Set Levies and Charges	32
Property & Premises	1,515
Corporate Costs	2,933
Other	581
Capital Financing	535
Total Addressable Spend Savings	5,596

TOTAL SAVINGS	28,835
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DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2016/17

No	Directorate	Proposal	X Ref	Budget	Saving					Risk Analysis				Cabinet Portfolio
				£000	Employee £000	Other £000	Income £000	TBC £000	2016/17 £000	Status	Residual	Achievability	EIA	
1	City Operations	New operator for Canton Community Hall via "stepping up process" - new management operation for Canton Community Hall.	W	(240)	0	0	43	0	43	Detailed plan in place	Green	Green	Red-Amber	Community Development, Co-operatives & Social Enterprise
2	City Operations	Alternative Delivery Model (ADM) for Cardiff International Sports Stadium - Lease of asset - ADM for Cardiff International Sports Stadium (based on Cardiff & Vale taking over the facility in 2015/16).	X	(5,474)	0	0	78	0	78	Detailed plan in place	Green	Green	Red-Amber	Community Development, Co-operatives & Social Enterprise
3	City Operations	Alternative delivery for Leisure - a new operating model in Leisure.	X	6,394	0	0	0	850	850	Detailed plan in place	Red	Red	Red	Community Development, Co-operatives & Social Enterprise
4	City Operations	Transfer of Insole Court to Community Trust, "stepping up process" - transfer of Insole Court to Community Trust (Friends of Insole Court).	Y	(1,847)	0	0	59	0	59	Detailed plan in place	Green	Amber-Green	Red-Amber	Community Development, Co-operatives & Social Enterprise
5	City Operations	New model for Children's Play - a new delivery model for Children's Play responsive to the needs of children and young people. Play, including after school club activities, will in future be run from a range of community facilities within Neighbourhood Partnership areas.	AB	1,117	230	40	0	0	270	Detailed plan in place	Red-Amber	Red-Amber	Red-Amber	Community Development, Co-operatives & Social Enterprise
6	City Operations	Parks reduced business administration/ efficiencies - reduced business support through deletion of a vacant post and savings across supplies and services.	R	431	14	10	0	0	24	Detailed plan in place	Green	Green	Green	Environment
7	City Operations	Tree Management efficiencies - the Council in-house team will be reshaped, releasing capacity and enabling it to undertake work previously undertaken by a contractor.	S	687	0	25	0	0	25	Detailed plan in place	Green	Green	Green	Environment
8	City Operations	Optimise Parks Income - optimise income by increasing sales of nursery plants stock and increasing income from Roath Park Conservatory and Royal Horticultural Show.	S	(89)	0	3	38	0	41	Detailed plan in place	Green	Amber-Green	Green	Environment
9	City Operations	Reshaping of grounds maintenance service - reshaping of grounds maintenance services to protect core services whilst increasing productivity.	S	4,792	225	225	0	0	450	Detailed plan in place	Green	Green	Green	Environment
10	City Operations	Outdoor Sports - Reduce subsidies and outsource sport facilities - reduce subsidy through reductions in employee expenditure, supplies and services budgets, implementation of alternative delivery models and remodelling of fees and charges.	U	210	23	5	22	0	50	Detailed plan in place	Red-Amber	Amber-Green	Green	Community Development, Co-operatives & Social Enterprise
11	City Operations	Victoria Park Paddling Pool Wet Play Improvements - modernisation to a wet play area will result in lower maintenance, utilities, supplies and services costs.	U	402	20	25	0	0	45	Detailed plan in place	Green	Green	Green	Environment
12	City Operations	Landscape design fees - improve recharging process - a new mechanism for fees and charges will be introduced as part of a review of the landscape design service.	T	(347)	0	0	128	0	128	Detailed plan in place	Green	Green	Green	Environment

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2016/17

No	Directorate	Proposal	X Ref	Budget	Saving					Risk Analysis				Cabinet Portfolio
				£000	Employee £000	Other £000	Income £000	TBC £000	2016/17 £000	Status	Residual	Achievability	EIA	
13	City Operations	New Operating Model for City Operations - the business case for reshaping services within City Operations.	A-AU	100,354	784	268	0	0	1,052	Detailed plan in place	Red-Amber	Red-Amber	Green	Environment
14	City Operations	Planning Fee Income increase - through combination of volume and price increase.	AT	(2,077)	0	0	100	0	100	Detailed plan in place	Red-Amber	Red-Amber	Green	Transport, Planning & Sustainability
15	City Operations	Building Control - improve Business Process Efficiency.	AU	(501)	0	0	46	0	46	Detailed plan in place	Amber-Green	Red-Amber	Green	Transport, Planning & Sustainability
16	City Operations	Transportation Policy - improved recharging for services and deletion of vacant posts.	AD-AF	1,530	50	0	40	0	90	Detailed plan in place	Green	Amber-Green	Green	Transport, Planning & Sustainability
17	City Operations	Public Transport - saving to be realised through transfer of Heliport to new operator.	AH	(219)	0	178	(138)	0	40	Detailed plan in place	Green	Amber-Green	Green	Transport, Planning & Sustainability
18	City Operations	Electrical Team - contract rationalisation and improved business process efficiencies.	AO	1,040	0	134	0	0	134	Detailed plan in place	Green	Green	Green	Transport, Planning & Sustainability
19	City Operations	Butetown Tunnel - contract rationalisation, Business Process Efficiency and continued review of maintenance costs.	AM	715	0	20	0	0	20	Detailed plan in place	Green	Green	Green	Transport, Planning & Sustainability
20	City Operations	School Crossing Patrols - realignment of budget to reflect the staffing structure. There will be no change to the number of crossings supported by patrols. Locations will be reviewed as officers retire.	AI	570	50	0	0	0	50	Detailed plan in place	Green	Green	Green	Transport, Planning & Sustainability
21	City Operations	Increase Civil Parking Enforcement contribution to fund Transport/Environment improvements currently funded by base revenue budgets - increase in Moving Traffic Income (bus lane enforcement and yellow box junctions.) Delivery of on-line payments for residential permits.	AQ	(4,436)	0	10	360	0	370	Detailed plan in place	Green	Amber-Green	Green	Transport, Planning & Sustainability
22	City Operations	Design Team - improved business process efficiencies.	AJ	0	0	0	100	0	100	Realised	Green	Green	Green	Transport, Planning & Sustainability
23	City Operations	Riverwalk Bridge - Reduction in base budget for maintenance - saving to be achieved through the revision of the level of maintenance to the Riverwalk bridge to reflect existing requirements.	AJ	67	0	8	0	0	8	Detailed plan in place	Green	Amber-Green	Green	Transport, Planning & Sustainability
24	City Operations	Improved highway safety inspection will result in a reduction in the level of insurance claims - enhanced safety inspection information (introduction of new Asset Management system) will result in improved defence to claims.	AK	(795)	0	0	60	0	60	Detailed plan in place	Green	Amber-Green	Amber-Green	Transport, Planning & Sustainability
25	City Operations	Maintenance Operations - review of additional staff payments.	AP	1,907	50	0	0	0	50	Detailed plan in place	Amber-Green	Amber-Green	Green	Transport, Planning & Sustainability
26	City Operations	Maintenance Operations (Foul drainage) - improved performance allowing for additional work to be undertaken internally.	AP	(1,017)	0	0	40	0	40	Detailed plan in place	Green	Amber-Green	Green	Transport, Planning & Sustainability
27	City Operations	Roads & Pavements Highway Services - improved performance allowing for additional work to be undertaken internally. In-house work becomes a priority.	AP	(1,017)	0	0	25	0	25	Detailed plan in place	Amber-Green	Green	Green	Transport, Planning & Sustainability

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				£000	£000	£000	£000	£000	£000	£000					
28	City Operations	Highways Transport - vehicle reduction/rationalisation	AP	1,128	0	50	0	0	0	50	Detailed plan in place	Amber-Green	Red-Amber	Green	Transport, Planning & Sustainability
29	City Operations	High Speed Routes & Public Rights Of Way - saving to be achieved through staffing restructure.	AP	1,907	7	0	0	0	0	7	Detailed plan in place	Green	Green	Green	Transport, Planning & Sustainability
30	City Operations	Drainage Staff recharging - optimise recharging of staff costs to applicable grants.	AN	(120)	0	0	50	0	0	50	Detailed plan in place	Green	Amber-Green	Green	Transport, Planning & Sustainability
31	City Operations	Street Lighting Operations - improved performance allowing alternative chargeable works to be undertaken.	AO	(233)	0	0	33	0	0	33	Detailed plan in place	Amber-Green	Green	Green	Transport, Planning & Sustainability
32	City Operations	Street Lighting Recharging - improve recharging of design and inspection both externally and internally.	AO	(233)	0	0	26	0	0	26	Detailed plan in place	Amber-Green	Green	Green	Transport, Planning & Sustainability
33	City Operations	One Directorate Synergies - alignment of core processes within the new City Operations Directorate will result in synergies.	A-AU	73,144	150	90	0	0	0	240	Detailed plan in place	Green	Amber-Green	Green	Transport, Planning & Sustainability
34	City Operations	Commercialisation - improved charging and income generation projects within the Transport Portfolio.	A-AU	(36,013)	0	0	200	0	0	200	Detailed plan in place	Amber-Green	Amber-Green	Green	Transport, Planning & Sustainability
35	City Operations	Commercialisation - Improved charging & income generation projects within the Environment portfolio - from areas such as sponsorship, selling services via the website, fees and charges.	A-AU	(36,013)	0	0	200	0	0	200	Detailed plan in place	Amber-Green	Amber-Green	Green	Environment
36	City Operations	Trade Waste - Increase commercialisation - increase income through provision of new services and improved competitiveness.	J	(3,383)	0	0	78	0	0	78	Detailed plan in place	Red-Amber	Amber-Green	Green	Environment
37	City Operations	Litter Enforcement - Increase enforcement powers to reduce Environment Crime (Full Year Effect) - implementation of the approved Cabinet decision to make use of new powers to set and apply levels of fines, in line with the Anti-Social Behaviour, Crime & Policing Act 2014. This includes Community Protection Notices (CPN) and consultation on Public Space Protection Orders (PSPO) for dog fouling, littering and highways.	D	(160)	0	0	50	0	0	50	Detailed plan in place	Amber-Green	Amber-Green	Green	Environment
38	City Operations	Waste Disposal - Prosiect Gwyrdd & Interim Contract - in July 2015 Cabinet approved the Interim Contract for residual waste with four Council partners. The benefits of this were significant in 2015/16. In addition the Prosiect Gwyrdd (PG) 25 year residual waste treatment contract with Viridor formally commences on 1st April 2016 with a 7 month contract commissioning period preceding that, bringing about further savings per tonne for that year. In addition Waste Collection changes have meant less residual waste per household being sent to treatment as more is recycled.	K	4,128	0	759	0	0	0	759	Detailed plan in place	Green	Green	Green	Environment
39	City Operations	Materials recycling Reshaping Services - Increase productivity and plant maintenance of materials recycling processing. Improving flexibility to operate services for other Local Authorities and with partner operators.	M	2,524	130	122	0	0	0	252	Detailed plan in place	Green	Green	Green	Environment

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40	City Operations	Marketing Bulking facility - income generated by optimising the marketing of transfer waste and recycling bulk loading facility with other local authorities and businesses.	I	(198)	0	0	90	0	90	Detailed plan in place	Amber-Green	Amber-Green	Green	Environment
41	City Operations	Household Waste Recycling Centres - full year effect of seasonal opening hours and charging for non-Cardiff householders. Full year effect of two-site operations for productivity and effectiveness once new planned Household Waste Recycling Centre opens in summer 2016.	L	880	19	57	0	0	76	Detailed plan in place	Amber-Green	Red-Amber	Green	Environment
42	City Operations	Regulatory Collaboration - ongoing savings through the single shared service which brought the Environmental Health, Trading Standards and Licensing functions of Cardiff, Bridgend and the Vale of Glamorgan Councils under a single management structure.	Q	4,483	0	310	0	0	310	Detailed plan in place	Red-Amber	Red-Amber	Red-Amber	Skills, Safety and Engagement
43	City Operations	Cessation of Automated Public Conveniences - the Council has seven Automated Public Convenience (APC) Units with an average cost of £16 per use. Formal notice has been given on the contract and the units will be taken out of operation from 1st April 2016.	F	1,528	0	137	0	0	137	Detailed plan in place	Green	Green	Red-Amber	Environment
44	City Operations	Improved automated security at Lamby Way depot - security operation replaced by CCTV.	E	234	68	0	0	0	68	General planning	Green	Green	Amber-Green	Environment
45	City Operations	Further increasing income opportunity from renewal of landfill gas generator contract - contract negotiations in place.	K	(561)	0	0	100	0	100	General planning	Amber-Green	Red-Amber	Green	Environment
46	City Operations	Cost reduction from implementation of improved Customer Management Processes	B-O	11,988	0	105	0	0	105	Detailed plan in place	Green	Amber-Green	Green	Environment
47	City Operations	Capital investment of Butetown Tunnel Fans resulting in reduced maintenance costs (6 years only)	AM	715	0	80	0	0	80	Detailed plan in place	Green	Green	Green	Transport, Planning & Sustainability
48	City Operations	Conversion of CCTV cameras from BT lines to WIFI/own fibre	AO	509	0	20	0	0	20	Detailed plan in place	Green	Green	Green	Transport, Planning & Sustainability
49	City Operations	Managing reinstatement of road working for Utility street works - street works to manage fines and reinstatement.	AK	161	0	30	0	0	30	Detailed plan in place	Green	Green	Green	Transport, Planning & Sustainability
50	City Operations	Trading - Street Lighting Maintenance (10 years)	AO	(233)	0	0	27	0	27	Detailed plan in place	Green	Green	Green	Transport, Planning & Sustainability
51	City Operations	Improve charging for bespoke Planning Applications - support on design/master planning work	AT	(2,077)	0	0	50	0	50	Detailed plan in place	Green	Amber-Green	Green	Transport, Planning & Sustainability
52	City Operations	Bereavement Service - Improved efficiency and income generation - saving to be achieved through reshaping services and delivering increased income opportunities.	AC	(3,127)	0	0	100	0	100	Detailed plan in place	Green	Green	Green	Environment
53	City Operations	Improved digitalisation of services and payments - introduce E-auctioning to all areas of the City Operations directorate.	A-AU	27,210	0	200	0	0	200	Detailed plan in place	Green	Green	Green	Environment
City Operations Total					1,820	2,911	2,005	850	7,586					

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54	Communities, Housing & Customer Services	Refocusing Services from the Hubs - currently advice in the Hubs is provided through a variety of approaches including via the Council, Partners and Council-funded partners. This review would reduce Council-funded partner advice services to specialist financial advice with lower level demand delivered by the Hub Advice Officers.	K	1,675	0	100	0	0	100	Detailed plan in place	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing
55	Communities, Housing & Customer Services	Alarm Receiving Centre Additional Income - further realisation of income opportunities following the creation of the Alarm Receiving Centre.	N	(1,650)	0	0	300	0	300	Detailed plan in place	Green	Red-Amber	Green	Health, Housing & Wellbeing
56	Communities, Housing & Customer Services	Additional income in relation to Adult Community Learning - this is the staged achievement of the council Adult Community Learning service to a nil subsidy position. The plan is to increase income in relation to the Learning for Life Programme, otherwise costs will be controlled in order that this element is cost neutral.	Y	(328)	0	0	49	0	49	Detailed plan in place	Amber-Green	Green	Amber-Green	Skills, Safety and Engagement
57	Communities, Housing & Customer Services	Continued roll out of the Libraries/Hub Strategy - this saving will be delivered through implementing the recommendations of the Cabinet Report in relation to Roath Library and the vacation of the Dominions Way storage facility.	AA	2,497	250	0	0	0	250	Detailed plan in place	Amber-Green	Amber-Green	Red-Amber	Community Development, Co-operatives & Social Enterprise
58	Communities, Housing & Customer Services	Into Work Services - grant funded delivery - Universal Credit Face to Face grant funding and the alignment of the Adult Community Learning Grant will be used to deliver the outcomes of the Into Work Services.	AB	319	45	0	85	0	130	Detailed plan in place	Green	Amber-Green	Green	Skills, Safety and Engagement
59	Communities, Housing & Customer Services	Recharging of management costs to appropriate funding streams - efficiencies to be found in the management costs of the directorate. This includes the correct allocation of management costs in respect of grant funded services.	A	726	65	0	0	0	65	Detailed plan in place	Green	Green	Green	Health, Housing & Wellbeing
60	Communities, Housing & Customer Services	Additional Web Income Generation - commercially exploit the expertise of the Council's web team to achieve additional income.	M	(567)	0	0	30	0	30	Detailed plan in place	Green	Amber-Green	Green	Corporate Services & Performance
61	Communities, Housing & Customer Services	Review of Reablement Services - restructure of reablement services, refocussing towards reablement activities with fewer and better trained staff.	Z	6,453	105	88	0	0	193	Detailed plan in place	Amber-Green	Red-Amber	Red-Amber	Health, Housing & Wellbeing
62	Communities, Housing & Customer Services	Neighbourhood Regeneration - recharging of service costs of the Neighbourhood Regeneration scheme to the appropriate funding source (either capital or housing revenue account), depending on the nature of the scheme.	AC	(357)	0	0	142	0	142	Detailed plan in place	Green	Green	Green	Economic Development & Partnerships
Communities, Housing & Customer Services Total					465	188	606	0	1,259					
63	Corporate Management	Reduction in Cabinet Office - staffing reductions in the Cabinet Office and Policy Team.	P	519	54	0	0	0	54	Detailed plan in place	Amber-Green	Amber-Green	Green	Economic Development & Partnerships
64	Corporate Management	Efficiencies within Communications & Media - reduction in campaign budgets.	N	185	0	77	0	0	77	General planning	Amber-Green	Amber-Green	Amber-Green	Economic Development & Partnerships

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65	Corporate Management	Corporate Initiative Efficiencies - reduction in the amount available to support events and market the city.	L	699	0	131	0	0	131	Detailed plan in place	Green	Amber-Green	Amber-Green	Economic Development & Partnerships
66	Corporate Management	Reduction in Corporate Banking Charges - savings in relation to the banking contract.	E		0	15	0	0	15	Detailed plan in place	Green	Amber-Green	Green	Economic Development & Partnerships
67	Corporate Management	Reduction in Corporate Audit Fees - anticipated reduction in audit charges for 2016/17 as a result of partnership working.	E		0	30	0	0	30	Detailed plan in place	Green	Amber-Green	Green	Economic Development & Partnerships
Corporate Management Total					54	253	0	0	307					
68	Economic Development	Economic Development Income - generate additional income through sponsorship / advertising to cover a reduction in management costs.	A	0	0	0	88	0	88	Detailed plan in place	Green	Green	Green	Economic Development & Partnerships
69	Economic Development	Capitalisation of posts - Major Projects - appropriate charging of staffing costs within Major Projects (two full time and one part time post) to reflect capital works undertaken.	B	0	0	0	86	0	86	Detailed plan in place	Green	Green	Green	Economic Development & Partnerships
70	Economic Development	Service Redesign of Strategic Estates - to release one full time post.	G	628	41	0	0	0	41	Detailed plan in place	Green	Green	Green	Economic Development & Partnerships
71	Economic Development	Reduced service in Economic Development - reduce part-time hours in economic development to release 0.3 FTE.	G	628	15	0	0	0	15	Detailed plan in place	Green	Green	Green	Economic Development & Partnerships
72	Economic Development	Increase in Income - increase rental income from the managed industrial workshop estate over and above existing income targets.	J	(859)	0	0	47	0	47	Detailed plan in place	Green	Green	Green	Economic Development & Partnerships
73	Economic Development	Reduction in Revenue Budget - reduction in miscellaneous revenue support budget.	G	192	0	7	0	0	7	Detailed plan in place	Green	Green	Amber-Green	Economic Development & Partnerships
74	Economic Development	Economic Development Revenue Budget Reduction - remove budget for the provision of discretionary grants to Small to Medium Sized Enterprises (SMEs).	I	99	0	51	0	0	51	Detailed plan in place	Green	Green	Amber-Green	Economic Development & Partnerships
75	Economic Development	Cardiff Business Council - reduce revenue subsidy to Cardiff Business Council.	K	340	0	120	0	0	120	Detailed plan in place	Green	Green	Green	Economic Development & Partnerships
76	Economic Development	Alternative model for the delivery of the Taxi Marshalling service – release revenue funding through a new approach to funding the taxi marshalling service for night time economy in the city centre on weekends.	P	203	122	0	0	0	122	Detailed plan in place	Green	Amber-Green	Red-Amber	Community Development, Co-operatives & Social Enterprise
77	Economic Development	Increase in City Centre Management Income - through increased use of activity sites in the city centre.	P	(214)	0	0	45	0	45	Detailed plan in place	Green	Green	Green	Community Development, Co-operatives & Social Enterprise
78	Economic Development	Increase in Tourism Income - through increased local business subscriptions to the Cardiff Convention Bureau and the Cardiff Tourism Network.	Q	(369)	0	0	33	0	33	Detailed plan in place	Green	Green	Green	Economic Development & Partnerships
79	Economic Development	Arts Venues - review of costs, income and service delivery in Arts Venues.	T&U	1,260	0	35	0	395	430	Detailed plan in place	Red	Red	Red	Community Development, Co-operatives & Social Enterprise

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80	Economic Development	Remove Cardiff Contemporary Project Budget - release revenue saving by identifying alternative funding sources for the Arts Management budget associated with the Cardiff Contemporary project.	S	446	0	50	0	0	50	Detailed plan in place	Green	Green	Amber-Green	Community Development, Co-operatives & Social Enterprise
81	Economic Development	Rationalisation of Culture, Venues and Events Sales, Marketing & Advertising Functions - rationalise existing Culture, Venues & Events Marketing and Sales provision releasing savings through reduced FTE.	V	874	95	0	0	0	95	Detailed plan in place	Green	Green	Green	Community Development, Co-operatives & Social Enterprise
82	Economic Development	Income and Business Process Efficiencies - Strategic Estates - generate additional rental income from the Council's property estate through the periodic rent review process.	M	(128)	0	0	56	0	56	Detailed plan in place	Green	Green	Green	Corporate Services & Performance
Economic Development Total					273	263	355	395	1,286					
83	Education & Lifelong Learning	Rationalisation of centrally held budgets for school related issues - a reduction in centrally held budgets that fund school initiatives which will fall out in 2016/17, or costs within schools for which the full responsibility will be delegated to schools as part of the 2016/17 school budget strategy. This will include savings identified nationally, through the revision of the All Wales Service Level Agreement with the WJEC for the provision of educational services to schools and the current energy efficiency invest to save scheme.	A	1,496	0	569	0	0	569	Detailed plan in place	Green	Green	Green	Education
84	Education & Lifelong Learning	Reduction in costs of placements with other Local Authorities - when a pupil has a statement of Special Educational Need and has been placed in a school or educational establishment outside of Cardiff, the educational costs have to be met by Cardiff Council. In 2015/16 there are 146 pupils placed in local authorities other than Cardiff, an increasing number of whom have placements being charged at enhanced rates or with additional support costs. Officers will work with the Health Authority to improve joint commissioning arrangements with clear targets for reducing costs from other local authority placements.	G	5,570	0	150	0	0	150	Detailed plan in place	Red-Amber	Red-Amber	Red-Amber	Education
85	Education & Lifelong Learning	Reduction in number of Looked After Children placed Out Of County - 81 of the current Out Of County placements are children who are also Looked After. Officers will work with colleagues in Children's Services to identify children who potentially could be brought back into County and educated within an existing Cardiff provision.	G	5,570	0	100	0	0	100	Detailed plan in place	Red-Amber	Red-Amber	Red-Amber	Education
86	Education & Lifelong Learning	Reduction in number of new placements - the age profile of children currently placed out of county will mean that there are a significant number who will cease to be the financial responsibility of the Council during 2016/17 financial year. Officers will work with the Health Authority, Children's Services, the Vale of Glamorgan Council and other neighbouring authorities to significantly reduce the numbers of new placements required outside of Cardiff. This will be complimented by the review work currently being undertaken with regards to the capacity and range of SEN Specialist provision within Cardiff.	G	5,570	0	680	0	0	680	Detailed plan in place	Red-Amber	Red-Amber	Red-Amber	Education
87	Education & Lifelong Learning	Rationalisation of staff costs centrally retained to provide services of a specialised nature - The savings will be achieved by a restructure of the Specialist SEN teams.	H	374	60	0	0	0	60	Detailed plan in place	Amber-Green	Amber-Green	Amber-Green	Education

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				£000	£000	£000	£000	£000	£000	£000					
88	Education & Lifelong Learning	Reduction in central costs for the Education of Children not in School - over the past three financial years there has been a reduction in the level of central subsidy for pupils who are not educated in school. This saving will be achieved through the examination of a different delivery model for tuition through the commissioning of an external agency as opposed to direct employment of tutors which will reduce the overall cost of the service. Whilst it is expected that the full saving will be deliverable in this manner any shortfall will be recouped through an additional charge being levied on schools for providing tuition to pupils on roll in a school but educated elsewhere.	I	695	149	0	0	0	0	149	Detailed plan in place	Amber-Green	Amber-Green	Amber-Green	Education
89	Education & Lifelong Learning	Reduction in centrally retained budgets for supporting Childcare Providers - the Council has a statutory duty to assess the demand for, and supply of, childcare provision within the geographical area of Cardiff and provide a Family Information Service. In the past two years this team within the Education Service has been more closely aligned with the grant funded Flying Start provision which has facilitated significant savings. This proposal takes these savings further and will reduce the Childcare Team further. Support for childcare providers would be limited to that which is grant funded.	L	192	100	0	0	0	0	100	Detailed plan in place	Green	Amber-Green	Red-Amber	Education
90	Education & Lifelong Learning	Reduction in contribution towards the Central South School Improvement Consortium - the Council currently contributes £1.5m towards the costs of providing an Education School Improvement Service across the Central South region of Wales. This accounts for 35% of the total costs of the service. This saving will be achieved through passing at least a 5% reduction in contribution onto the Consortium.	O	1,616	0	81	0	0	0	81	Detailed plan in place	Green	Amber-Green	Green	Education
91	Education & Lifelong Learning	Further rationalisation of Education Service business processes - to achieve these savings the Education Service will work with the Council's Organisational Development Team to improve the efficiency and effectiveness of the current processes for dealing with pupil admissions, statements of Special Educational Need, fines for pupil non-attendance and parental payment for school delivered services.	P	877	100	0	0	0	0	100	Detailed plan in place	Red-Amber	Red-Amber	Amber-Green	Education
92	Education & Lifelong Learning	Reduction in staffing for Performance Management - the Performance and Information team provide a central resource to gather, analyse and disseminate the relevant pupil led, school level and authority level data necessary to allow the Council to discharge its statutory reporting duties. This saving will be achieved through a restructuring of this team which will align itself with other data functions both inside and outside the Council.	Q	333	35	0	0	0	0	35	Detailed plan in place	Green	Amber-Green	Amber-Green	Education
93	Education & Lifelong Learning	Youth Service Budget - this is a continuation of the 2015/16 budget decision to fundamentally change the provision of Youth Services in Cardiff and through this to save £1.7m of revenue budget over the medium term. This second year target of £650k will be achieved through a reduction in the numbers of full and part time youth workers delivering services across the City with a greater focus on meeting the needs of priority groups of young people.	T	1,774	650	0	0	0	0	650	Detailed plan in place	Amber-Green	Red-Amber	Red-Amber	Education
94	Education & Lifelong Learning	Annual Increase in the price of School Meals plus rationalisation of the service delivery model - this saving will be achieved through a combination of an increase of 10p in the price of a school meal, alongside a review of all costs not directly associated with the production of a school meal.	X	270	80	0	220	0	0	300	Detailed plan in place	Green	Amber-Green	Green	Education

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95	Education & Lifelong Learning	Reduction of central budgets for the Education Welfare Service (EWS) - in recent years much work has been done between schools and the Central Team to improve the attendance service, which has resulted in a significant improvement in pupil attendance across the city. The Central EWS Team has become involved in individual cases which have to be escalated sometimes through the legal process. This budget saving will be achieved through a reduction in the staffing capacity within the service.	P	877	75	0	25	0	100	Detailed plan in place	Green	Red-Amber	Amber-Green	Education
Education and Lifelong Learning Total					1,249	1,580	245	0	3,074					
96	Governance & Legal Services	Reduce scrutiny research function - Reduction in two vacant posts and review of the potential to combine existing research capacity across the Council.	D	460	50	0	0	0	50	Detailed plan in place	Green	Amber-Green	Amber-Green	Skills, Safety and Engagement
97	Governance & Legal Services	Provision of in-house welsh language translation at council meetings - moving to a welsh translation service for public meetings that will be dealt with in house resulting in savings.	K	56	0	3	0	0	3	Realised	Green	Green	Amber-Green	Skills, Safety and Engagement
98	Governance & Legal Services	Reduce level of directorate printing - a review of printing costs reflecting printing levels in the current year.	B	26	0	7	0	0	7	Detailed plan in place	Green	Green	Green	Skills, Safety and Engagement
99	Governance & Legal Services	Additional land charges income - additional income in land charges through a combination of increased demand and price.	B	(885)	0	0	41	0	41	Detailed plan in place	Green	Amber-Green	Green	Skills, Safety and Engagement
100	Governance & Legal Services	Welsh translation new income source - via a proposed invest to save initiative.	K	(36)	0	0	24	0	24	Detailed plan in place	Green	Amber-Green	Green	Skills, Safety and Engagement
Governance & Legal Services Total					50	10	65	0	125					
101	Resources	Deletion of two posts within Exchequer and Development - 1) voluntary severance of one Operational Manager in connection with on-going discussions regarding the future structure of Finance 2) voluntary severance of one Grade 7. Some of the work has been transferred to other areas within finance and there will be a merger of admin teams.	A	1,309	99	0	0	0	99	Detailed plan in place	Amber-Green	Amber-Green	Green	Corporate Services & Performance
102	Resources	Reduction in Subscriptions - a review to streamline subscriptions has generated savings in relation to health and safety and credit checks.	B & H	22	0	8	0	0	8	Detailed plan in place	Green	Green	Green	Corporate Services & Performance
103	Resources	Projects and Technical Accountancy Additional Income - additional income in respect of activities in relation to major projects.	B	(152)	0	0	14	0	14	Detailed plan in place	Green	Green	Green	Corporate Services & Performance
104	Resources	Deletion of two auditor posts and utilisation of reserve to enable fraud team to become self-financing - 1) deletion of one principal auditor and one senior auditor post. 2) Use of fraud detection reserve (£54k) as an interim measure to allow the fraud team two years to become self-financing through income generation measures.	C	818	86	0	54	0	140	Detailed plan in place	Red-Amber	Amber-Green	Green	Corporate Services & Performance
105	Resources	Staff savings within Service Accountancy - reduction of up to three posts in Service Accountancy. This will be achieved through a review of team structures and responsibilities and business process efficiencies.	D	2,069	80	0	0	0	80	Detailed plan in place	Red-Amber	Amber-Green	Green	Corporate Services & Performance

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				£000	£000	£000	£000	£000	£000	£000					
106	Resources	Extension of Income Enforcement Service - continue with recent changes to bring more of the enforcement of Penalty Charge Notices (PCNs) directly under the control of Local Authority staff. The majority of compliance and enforcement activity required to collect outstanding PCN notices will be carried out by directly employed Council staff.	E	(2,220)	0	0	150	0	150	Detailed plan in place	Amber-Green	Amber-Green	Green	Corporate Services & Performance	
107	Resources	Business rates additional court cost income - robust recovery procedures are in place for businesses that default on their scheduled payments. The proposal reflects securing additional income over and above the existing budget.	E	(2,220)	0	0	15	0	15	Detailed plan in place	Amber-Green	Amber-Green	Green	Corporate Services & Performance	
108	Resources	Commissioning & Procurement Employee Owned Mutual 2016-17 - a proposed reduction in the fixed costs of the Strategic Procurement Team through 'sale' of full costed staff time to an employee owned mutual or local authority trading company.	G	(511)	0	0	60	0	60	Detailed plan in place	Red-Amber	Red-Amber	Green	Corporate Services & Performance	
109	Resources	Corporate Digital Efficiencies - the introduction of an income target to reflect the Enterprise Architecture Team's support in driving out the adoption of digital services across the organisation which will result in improved customer experience, increased automation and employee efficiencies.	I	(16)	0	0	125	0	125	Detailed plan in place	Green	Amber-Green	Green	Corporate Services & Performance	
110	Resources	Post Deletions – HRPS Partnership Co-Ordinator (Grade 6) and Service Delivery Advisor (Grade 4) - in February 2015 Welsh Government announced that from September 2015 it would no longer require Careers Wales to have any involvement in the National Database which many schools use when sourcing potential placements. Instead, they now place the onus on schools to make their own arrangements directly with employers. The above posts are employed within HRPS to act as an intermediary which is no longer required. One expression of interest in voluntary redundancy has been received and one post holder is retiring in February 2016.	K	271	61	0	0	0	61	Detailed plan in place	Amber-Green	Amber-Green	Green	Corporate Services & Performance	
111	Resources	Post Deletion – HRPS First Point of Contact Team (1 x Grade 4 and vacant hours at Grade 4) – This is based on reviewing demands and efficiencies in managing the Contact Team.	N	1,146	40	0	0	0	40	Detailed plan in place	Amber-Green	Amber-Green	Green	Corporate Services & Performance	
112	Resources	Post Deletion – HRPS Manage Team (2 x Grade 4) - related to back office/systems efficiencies for example, the consolidation of the reduction to two Council payrolls, the roll out of DigiGOV to schools and proposed introduction of DBS on-line. This will reduce demand on the team. Post reduction will be made through the deletion of a vacant Grade 4 post and vacant hours at Grade 4.	L	1,854	50	0	0	0	50	Detailed plan in place	Amber-Green	Amber-Green	Green	Corporate Services & Performance	
113	Resources	Savings from vacant hours across HR People Services - the permanent redesignation of full time employee posts to contracted hours.	L&N	3,000	24	0	0	0	24	Detailed plan in place	Amber-Green	Amber-Green	Green	Corporate Services & Performance	
114	Resources	Review of HR Organisational Development Team - as Employee Engagement Programme is now more embedded and Directors are responsible for engagement activity within their Directorates, there will be a reduced requirement for this level of activity to be supported corporately from within the Council's HRPS OD Team. Consequently vacant hours at Grade 7 and Grade 4 post is deleted.	N	1,146	40	0	0	0	40	Detailed plan in place	Amber-Green	Amber-Green	Green	Corporate Services & Performance	
115	Resources	Staff savings within ICT - deletion of one vacant ICT Developer post and one vacant technical administrative post.	P	4,283	56	0	0	0	56	Realised	Green	Green	Green	Corporate Services & Performance	

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2016/17

No	Directorate	Proposal	X Ref	Budget	Saving					Risk Analysis				Cabinet Portfolio
				£000	Employee £000	Other £000	Income £000	TBC £000	2016/17 £000	Status	Residual	Achievability	EIA	
116	Resources	Reduction in spend on licences, network, telephony links, support and maintenance - this will include negotiations with suppliers and driving down costs.	Q	2,500	0	111	0	0	111	Detailed plan in place	Amber-Green	Red-Amber	Green	Corporate Services & Performance
117	Resources	Alternate Delivery Models (ADM) ICT implementation - income in relation to two posts to reflect transitional support provided to ADMs.	P	(553)	0	0	105	0	105	Detailed plan in place	Amber-Green	Amber-Green	Green	Corporate Services & Performance
118	Resources	Alternative Delivery Model - Security and Cleaning.	T&U	0	0	0	135	0	135	Detailed plan in place	Red-Amber	Red	Amber-Green	Corporate Services & Performance
119	Resources	Efficiencies in Security and Cleaning - maximising income and savings from partnership with the Alarm Receiving Centre.	U	0	0	0	30	0	30	General planning	Green	Amber-Green	Green	Corporate Services & Performance
120	Resources	Building Services Income - maximise all internal sources of income and market services to public sector bodies.	S	(297)	0	0	50	0	50	General planning	Green	Amber-Green	Amber-Green	Corporate Services & Performance
121	Resources	Building general savings - general efficiency savings across a number of budget headings within Facilities Management Buildings.	R	16,445	0	11	0	0	11	Detailed plan in place	Green	Green	Green	Corporate Services & Performance
122	Resources	Staffing savings in Central Transport Services - Impact of team restructure.	X	1,429	30	0	0	0	30	Detailed plan in place	Amber-Green	Amber-Green	Green	Corporate Services & Performance
123	Resources	Central Transport Services parts procurement & supply framework - improving the supply, stock and managing of parts.	X	190	0	20	0	0	20	General planning	Green	Amber-Green	Green	Corporate Services & Performance
124	Resources	Vehicle replacement programme - efficiencies through procurement.	X	190	0	68	0	0	68	General planning	Red-Amber	Red-Amber	Green	Corporate Services & Performance
125	Resources	Deletion of two Grade 3 posts in Business Support - the saving can be made without any impact on service delivery.	Y	748	42	0	0	0	42	Detailed plan in place	Green	Green	Green	Corporate Services & Performance
126	Resources	Training budget savings - reduction in training budget.	Y	748	5	0	0	0	5	Detailed plan in place	Green	Green	Green	Corporate Services & Performance
127	Resources	Deletion of Grade 3 post or reduction of hours - release or reduction in hours in this post will be linked to any decision to future Flexi Time arrangement.	Y	748	10	0	0	0	10	Detailed plan in place	Amber-Green	Amber-Green	Green	Corporate Services & Performance
128	Resources	Restructure of the Improvement and Information Team - reduction in posts.	AA	794	22	0	0	0	22	Realised	Green	Green	Green	Corporate Services & Performance
129	Resources	Streamlining business processes and income generation through delivering Information Governance responsibilities across Council services	AA	(25)	0	0	82	0	82	Realised	Green	Green	Green	Corporate Services & Performance
130	Resources	Competitive charging model for the Council's Record Centre - reviewing the pricing and charging model for the Records Centre in order to generate additional income.	AA	(25)	0	0	35	0	35	Detailed plan in place	Amber-Green	Red-Amber	Green	Corporate Services & Performance
131	Resources	Cardiff Works Income - securing additional income over existing budget.	O	(309)	0	0	29	0	29	General planning	Amber-Green	Green	Green	Corporate Services & Performance
132	Resources	Reduction to Third Sector Infrastructure Funding - following alignment of third sector infrastructure support within the city, further efficiencies would be sought in relation to increasing collaboration of back office functions (Cardiff Third Sector Council/VCS/Diverse Cymru and Race Equality First) and exploring joint opportunities with Cardiff & Vale UHB, Vale of Glamorgan Council and the Wales Council for Voluntary Action regional grant allocation.	AD	278	0	60	0	0	60	Detailed plan in place	Amber-Green	Amber-Green	Red-Amber	Community Development, Co-operatives & Social Enterprise

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2016/17

No	Directorate	Proposal	X Ref	Budget	Saving					Risk Analysis				Cabinet Portfolio
				£000	Employee £000	Other £000	Income £000	TBC £000	2016/17 £000	Status	Residual	Achievability	EIA	
133	Resources	Reduction in Community Safety Funding - the existing community safety budget provides support to initiatives such as Victim Support; mobile CCTV; Operation Mistletoe to help manage the night time economy over the festive period; and additional support for major events. The saving includes £10k from removal of mobile CCTV cameras following cost benefit review, plus £25k reduction to the events/Operation Mistletoe budget (required December 2016). It is anticipated that by this date alternative funding mechanisms would be in place eg. BID/Late Night Levy (to be voted on in summer 2016).	AD	305	0	35	0	0	35	Detailed plan in place	Amber-Green	Amber-Green	Amber-Green	Skills, Safety and Engagement
Resources Total					645	313	884	0	1,842					
134	Social Services	Early Help Strategy - introduction of 'Early Help Strategy' to promote and facilitate early interventions to tackle problems emerging for children, young people and their families. Steering Group developed with partners to establish and develop a multi-agency approach, promoting early support, better outcomes and more cost effective delivery of services. The aim is to reduce demand for external placements over a three year period. It is estimated that implementation of the early help strategy will lead to a 5% reduction in the looked after children population leading to savings of approximately £1.3m over three years. This proposal is a gross saving with an associated cost included in the financial pressures.	G	18,219	0	340	0	0	340	Detailed plan in place	Red-Amber	Red-Amber	Red-Amber	Early Years, Children & Families
135	Social Services	Establish an Adolescent Resource Centre - this is a resource to assist in supporting young people to stay at home. It is based on a model operated in other authorities and will require some initial investment to establish the facility. This proposal is a gross saving with an associated cost included in the financial pressures.	G	18,219	0	700	0	0	700	Detailed plan in place	Red-Amber	Red-Amber	Red-Amber	Early Years, Children & Families
136	Social Services	Safer Families Initiative - utilise and encourage volunteering in the community to provide a mentoring service aimed at reducing Looked After Children admissions. Based on pilot in other authorities, it is anticipated that the scheme will reduce the numbers of children coming into the care system. Research suggests an average saving of £5.4k per child referred. Forty referrals are targeted for 2016/17. This proposal is a gross saving with an associated cost included in the financial pressures.	G	18,219	0	210	0	0	210	Detailed plan in place	Amber-Green	Amber-Green	Red-Amber	Early Years, Children & Families
137	Social Services	Reduction in the Number of Children Placed in Out Of Area Placements - Review of children currently placed in out of area placements. Aim to step down children who are currently in residential care into alternative care settings, including enhanced fostering. Combine with other preventative initiatives aimed at reducing the number of looked after children in external placements.	G	18,219	0	500	0	0	500	Detailed plan in place	Red-Amber	Red-Amber	Amber-Green	Early Years, Children & Families
138	Social Services	Restructure of Social Work Teams - remodelling of social work service to reflect early help, targeted and specialist services that encourage prevention.	A	3,769	90	0	0	0	90	Detailed plan in place	Red-Amber	Red-Amber	Red-Amber	Early Years, Children & Families
139	Social Services	Review of Commissioned Services - a number of commissioning opportunities have been identified by the directorate to be targeted in 2016/17.	R	28,230	0	1,000	0	0	1,000	Detailed plan in place	Red	Red	Red	Health, Housing & Wellbeing

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2016/17

No	Directorate	Proposal	X Ref	Budget	Saving					Risk Analysis				Cabinet Portfolio
				£000	Employee £000	Other £000	Income £000	TBC £000	2016/17 £000	Status	Residual	Achievability	EIA	
140	Social Services	Learning Disabilities Supported Living Contract - full year effect of the saving realised on the re-commissioning of the supported living contract for service users with learning disabilities. New contract arrangements commenced in August 2015 and a part year saving achieved in 2015/16. The full realisation of the saving will thus be achieved in 2016/17.	T	31,890	0	350	0	0	350	Realised	Green	Green	Green	Health, Housing & Wellbeing
141	Social Services	Reshape Day Services for Older People - develop a new model for Day Opportunities which will be subject to specific consultation with users of the service. Savings will be achieved through the development of day opportunities that will be more outcome focused. This will include a review of the organisational resources required to meet the changing needs of the population.	Q	3,102	250	0	0	0	250	Detailed plan in place	Green	Amber-Green	Red-Amber	Health, Housing & Wellbeing
142	Social Services	Review of Continuing Health Care eligibility for Physical Disability care packages - review care packages for people with a physical disability to identify those service users who are eligible for continuing health care/joint funding.	W	4,656	0	100	0	0	100	General planning	Red	Red-Amber	Red	Health, Housing & Wellbeing
143	Social Services	Review of Third Sector grants - Review of third sector grants to identify areas where funding can be reduced.	Z	1,505	0	75	0	0	75	Detailed plan in place	Green	Amber-Green	Red-Amber	Health, Housing & Wellbeing
144	Social Services	Review of commissioning within the Community Alcohol and Drug Team - Review of the use of residential placements for people with substance misuse issues.	V	689	0	100	0	0	100	Detailed plan in place	Red-Amber	Red-Amber	Green	Health, Housing & Wellbeing
145	Social Services	Review of administrative arrangements for Direct Payments - This will include the current contract with a support provider. Consideration to be given to alternative service delivery focussing on quality and best use of resources whilst continuing to maintain existing service user support to those receiving a direct payment.	Z	1,505	0	200	0	0	200	Detailed plan in place	Amber-Green	Red-Amber	Red-Amber	Health, Housing & Wellbeing
146	Social Services	Reduction in external legal costs - Proposed reduction in the external legal advice costs incurred in relation to Children's services, including the examination of alternative internal arrangements.	A	4,724	0	130	0	0	130	Detailed plan in place	Red-Amber	Red-Amber	Amber-Green	Early Years, Children & Families
147	Social Services	Family Support/ Youth Offending Services (YOS) staffing review - Review of staffing in Family Support/YOS, involving increased use of grant funding.	C	1,344	65	0	0	0	65	Detailed plan in place	Green	Amber-Green	Red-Amber	Early Years, Children & Families
148	Social Services	Reduction in Travel Costs - arising from office rationalisation.	R	1,708	0	25	0	0	25	General planning	Green	Amber-Green	Amber-Green	Health, Housing & Wellbeing
149	Social Services	Efficiency savings due to integration of directorate's central functions - Merger of directorates will enable business process efficiencies and facilitate a reduction in staffing, including finance assessment functions.	AA	282	130	0	0	0	130	Detailed plan in place	Green	Amber-Green	Amber-Green	Health, Housing & Wellbeing
150	Social Services	Review of staffing within Assessment & Care Management - There will be a review of case management roles, responsibilities and assessment processes to ensure optimum efficiency in service delivery.	V	988	100	0	0	0	100	Detailed plan in place	Amber-Green	Amber-Green	Red-Amber	Health, Housing & Wellbeing

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2016/17

No	Directorate	Proposal	X Ref	Budget	Saving					Risk Analysis				Cabinet Portfolio
				£000	Employee £000	Other £000	Income £000	TBC £000	2016/17 £000	Status	Residual	Achievability	EIA	
151	Social Services	Demand Management - Signposted alternative provision - increased sign-posting of service users (via the One Point of Contact service) to alternative forms of care and preventative services in order to reduce overall demand and cost. This will also contribute to a reduction in assessment activity via alternative models of care delivery, including equipment, alarm and universal services.	R	1,758	0	250	0	0	250	Detailed plan in place	Amber-Green	Red-Amber	Amber-Green	Health, Housing & Wellbeing
152	Social Services	Locality based service delivery - initial mapping on a pilot basis would appear to indicate opportunities for improved service delivery and reduced costs through service redesign on a locality focused basis. This would include consideration of accommodation models, commissioned services and community opportunities. It is likely however that significant work will be required to implement a revised commissioning model for care services, with a roll out likely to take place over a number of financial years.	R	28,230	0	250	0	0	250	Detailed plan in place	Red	Red	Amber-Green	Health, Housing & Wellbeing
Social Services Total					635	4,230	0	0	4,865					
Council Total					5,191	9,748	4,160	1,245	20,344					

COUNCIL WIDE BUDGET SAVINGS PROPOSALS 2016/17

No	Savings Title	Budget £000	Saving				TOTAL 2016/17 £000	Risk Assessment				Cabinet Portfolio
			Employee £000	Other £000	Income £000	TBC £000		Status	Residual	Achievability	EIA	
			£000	£000	£000	£000						
1	Digitalisation		0	0	0	875	875	General Planning	Red	Red	Amber-Green	Council Wide
2	Fees & Charges		0	0	250	0	250	General planning	Amber-Green	Red-Amber	Amber-Green	Council Wide
4	Vehicle Utilisation		0	400	0	0	400	Detailed plan in place	Amber-Green	Amber-Green	Amber-Green	Council Wide
5	Travel/Mileage		0	350	0	0	350	Detailed plan in place	Amber-Green	Amber-Green	Amber-Green	Council Wide
6	Reduction in Agency (Sickness)		300	0	0	0	300	General Planning	Red-Amber	Red-Amber	Amber-Green	Council Wide
7	Reduction in Agency (General)		450	0	0	0	450	General Planning	Red	Red	Amber-Green	Council Wide
8	General Staffing		270	0	0	0	270	General Planning	Amber-Green	Amber-Green	Amber-Green	Council Wide
Council Total			1,020	750	250	875	2,895					

ADDRESSABLE SPEND - BUDGET SAVINGS PROPOSALS 2016/17												
No	Theme	Savings Title	Budget £000	Saving			TOTAL 2016/17 £000	Risk Assessment				Cabinet Portfolio
				Employee £000	Other £000	Income £000		Status	Residual	Achievability	EIA	
1	Externally Set	Precepts and Levies - a targeted reduction on precepts and levies paid to other bodies. The level of reduction targeted has been set at 3% which is in line with the Council's anticipated funding reductions from Welsh Government.	17,570	0	32	0	32	Detailed plan in place	Amber-Green	Red-Amber	Green	Corporate Services & Performance
Externally Set Total				0	32	0	32					
2	Property & Premises	Energy efficiency - invest to save schemes focussing on buildings to which energy efficiency measures can be fully applied.	4,334	0	30	0	30	Detailed plan in place	Amber-Green	Red-Amber	Green	Environment
3	Property & Premises	Renewable Energy Generation - A number of renewable energy schemes will become operational during 2015/16. Income will be derived from these through government incentives related to energy generation (Feed In Tariffs, etc), the sale of energy to the grid and/or other rental income.	4,334	0	20	0	20	Detailed plan in place	Green	Amber-Green	Green	Environment
4	Property & Premises	Energy efficiency (behavioural changes) - the recently approved Carbon Reduction Strategy sets out a series of actions that will manage and reduce the Council's energy consumption. Part of this strategy relates to better management of energy consumption and behaviour change amongst building managers and other staff.	4,334	0	40	0	40	General planning	Amber-Green	Amber-Green	Green	Environment
5	Property & Premises	Office Accommodation - next phase of savings from the office rationalisation programme. Ensuring more effective use of the Council's existing property estate and considering opportunities to rationalise where possible.	4,992	0	1250	0	1,250	Detailed plan in place	Amber-Green	Amber-Green	Amber-Green	Corporate Services & Performance
6	Property & Premises	Facilities management savings - associated with the alternative delivery model of Cardiff International Sports Stadium.	6,281	0	175	0	175	Detailed plan in place	Amber-Green	Amber-Green	Amber-Green	Corporate Services & Performance
Property & Premises Total				0	1,515	0	1,515					
7	Corporate	Reduction in requirements of insurance claims provision - review of the level of cover based on current claims history.	5,387	0	500	0	500	Detailed plan in place	Amber-Green	Amber-Green	Green	Corporate Services & Performance
8	Corporate	Prosiect Gwyrdd - reduction in specific contingency.	7,815	0	500	0	500	Detailed plan in place	Amber-Green	Green	Green	Corporate Services & Performance
9	Corporate	Reduction in External Audit Fee - review of the audit fee to ensure that all areas of the Council are appropriately charged for audit work incurred.	472	0	25	0	25	Detailed plan in place	Amber-Green	Amber-Green	Green	Corporate Services & Performance
10	Other	Severance Budgets - budget realignment comprising a) recovery of budgets from directorates that were set aside to repay initial severance outlay over five annual instalments. This was prior to severance becoming a central budget and the respective repayments have now been fully recovered. b) revision of the ongoing requirement on severance budgets reflecting most recent profile of leavers. c) extension of the payback profile to reserves	0	1908	0	0	1,908	Detailed plan in place	Amber-Green	Amber-Green	Green	Corporate Services & Performance
Corporate Total				1,908	1,025	0	2,933					
12	Other	Street Lighting Dimming - The Council approved an invest to save scheme for the dimming of street lights in residential areas. The scheme is to be implemented over three years with a total of approximately 24,000 street lights being dimmed. It is planned to complete the installation of dimming units on 8,000 street lighting units this financial year with the result that savings will start to be made next year.	2,621	0	35	0	35	Realised	Amber-Green	Amber-Green	Green	Transport, Planning & Sustainability

ADDRESSABLE SPEND - BUDGET SAVINGS PROPOSALS 2016/17

No	Theme	Savings Title	Budget £000	Saving				Risk Assessment				Cabinet Portfolio
				Employee £000	Other £000	Income £000	TOTAL 2016/17 £000	Status	Residual	Achievability	EIA	
13	Other	Street Lighting Conversion to LED - Replace main route lighting with LED to reduce long term energy expenditure.	2,621	0	150	0	150	Detailed plan in place	Red-Amber	Amber-Green	Green	Transport, Planning & Sustainability
14	Other	Traffic Signals/Bollards - Conversion of traffic signals to LED lighting.	2,621	0	25	0	25	Detailed plan in place	Red-Amber	Amber-Green	Green	Transport, Planning & Sustainability
15	Other	School Transport - the full year effect of the withdrawal of non statutory primary school transport. Withdrawal of non statutory primary school transport from Sept 2015 - six routes: 614,621,624,626,633,638.	6,531	0	81	0	81	Realised	Green	Green	Green	Education & Skills
16	Other	School Transport increase price of bus passes - Increase bus passes from £300 to £325.	6,531	0	0	5	5	Detailed plan in place	Green	Green	Amber-Green	Education & Skills
17	Other	School Transport (Primary & Secondary) continued route retendering/optimisation - Continued route retendering/optimisation for mainstream primary and secondary transport. Mainstream school transport has reached its peak and should reduce as a result of the school reorganisation implementation.	6,531	0	60	0	60	Detailed plan in place	Green	Green	Green	Education & Skills
18	Other	School Transport - Additional Learning Needs (ALN) route optimisation, retendering of routes/mergers - continued route retendering/optimisation. Reviewing on a case by case basis and working closely with schools and Education. Review current transport provision - fits needs of pupil.	6,531	0	100	0	100	Detailed plan in place	Green	Amber-Green	Amber-Green	Education & Skills
19	Other	Additional Learning Needs (ALN) withdrawal of transport for pupils within 2-3 miles (primary/secondary school) and review and implement new ALN policy - Review transport for statemented pupils who live within two miles from primary school and three miles from secondary. This will done on an individual case basis, to take into account of the individual child's needs based on ALN transport policy.	6,531	0	125	0	125	Detailed plan in place	Red-Amber	Amber-Green	Amber-Green	Education & Skills
Other Total				0	576	5	581					
20	Capital Financing	Capital Financing - updated profile of capital financing requirements based on latest estimates in relation to borrowing requirements and slippage.	36,794	0	535	0	535	Detailed plan in place	Amber-Green	Amber-Green	Green	Corporate Services & Performance
Future Capital Aspirations Total				0	535	0	535					
Council Total				1,908	3,683	5	5,596					

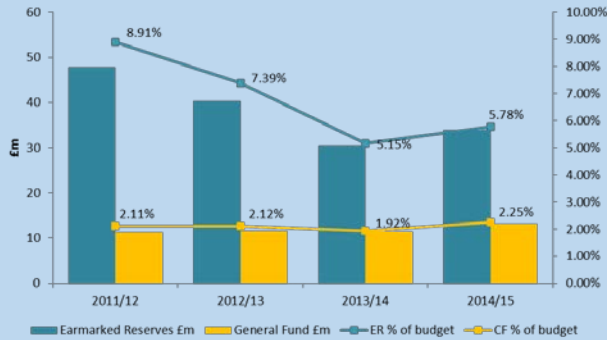
Risk Assessment Summary of Savings Proposals

		City Operations	Communities, Housing & Customer Services	Corporate Management	Economic Development	Education & Lifelong Learning	Governance & Legal Services	Resources	Social Services	Total Directorate Savings	Addressable Spend	Council-Wide	Total Savings
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Planning Status	General	168	0	77	0	0	0	197	125	567	40	2,145	2,752
	Detailed	7,318	1,259	230	1,286	3,074	122	1,485	4,390	19,164	5,440	750	25,354
	Realised	100	0	0	0	0	3	160	350	613	116	0	729
	Total	7,586	1,259	307	1,286	3,074	125	1,842	4,865	20,344	5,596	2,895	28,835
Residual Risk	Red	850	0	0	430	0	0	0	1,350	2,630	0	1,325	3,955
	Red-Amber	1,860	100	0	0	1,030	0	483	1,860	5,333	300	300	5,933
	Amber-Green	946	492	131	0	859	0	894	760	4,082	5,030	1,270	10,382
	Green	3,930	667	176	856	1,185	125	465	895	8,299	266	0	8,565
	Total	7,586	1,259	307	1,286	3,074	125	1,842	4,865	20,344	5,596	2,895	28,835
Achievability Risk	Red	850	0	0	430	0	0	135	1,250	2,665	0	1,325	3,990
	Red-Amber	2,004	593	0	0	1,780	0	274	2,410	7,061	62	550	7,673
	Amber-Green	1,871	410	307	122	725	115	1,164	855	5,569	4,888	1,020	11,477
	Green	2,861	256	0	734	569	10	269	350	5,049	646	0	5,695
	Total	7,586	1,259	307	1,286	3,074	125	1,842	4,865	20,344	5,596	2,895	28,835
Equality Impact Assessment	Red	850	0	0	430	0	0	0	1,100	2,380	0	0	2,380
	Red-Amber	897	543	0	122	1,680	0	60	2,030	5,332	0	0	5,332
	Amber-Green	128	49	208	108	444	53	220	1,285	2,495	1,655	2,895	7,045
	Green	5,711	667	99	626	950	72	1,562	450	10,137	3,941	0	14,078
	Total	7,586	1,259	307	1,286	3,074	125	1,842	4,865	20,344	5,596	2,895	28,835

FINANCIAL SNAPSHOT REPORT - BUDGET REPORT VERSION

The following tables, charts and figures give an indication of the financial resilience of the Council as per the Statement of Accounts.

Level of Council Fund (CF) and Earmarked Reserves (ER)



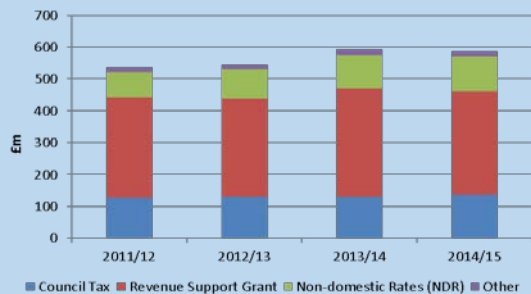
Levels of Reserves

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
Earmarked Reserves	47.822	40.319	30.559	33.824
General Fund Balance	11.342	11.548	11.413	13.154

Budgeted Sources of Revenue Funding

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
Total Revenue funding	536,867	545,631	593,007	585,288
Revenue Support Grant	315,271	307,237	339,678	326,291
Non-domestic Rates (NDR)	80,067	93,743	107,229	109,695
Other	15,681	15,451	16,874	14,182
Council Tax	125,848	129,200	129,226	135,120

Budgeted Revenue Funding Split



Financial Performance and Ratios

Ratio	Calculation	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
Net Worth	(Assets - Liabilities)	912,881	884,876	940,758	877,814
Net Worth exc Pension Liability	(Assets - Liabilities)	1,546,881	1,592,190	1,413,785	1,417,600
Working Capital Ratio	(Current Assets/Current Liabilities)	1.93%	1.65%	1.41%	1.34%
Gearing Ratio	(Borrowing/Total Reserves)	48.9%	52.3%	51.0%	54.4%

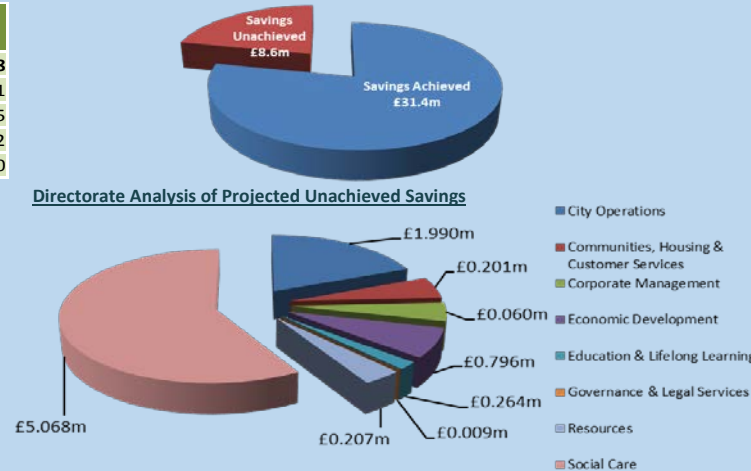
Appendix 7

The figures below show a snapshot of the Council finance for the current financial year for both revenue monitoring and capital.

Revenue Month 9 Projected Outturn Position

Directorate	Net Expenditure Budget £000	Projected Outturn £000	Variance £000	Variance %
City Operations	52,389	52,538	149	0.3%
Communities, Housing & CS	46,976	46,976	0	0.0%
Corporate Management	24,504	24,899	395	1.6%
Economic Development	2,162	2,474	312	14.4%
Education & LL	234,657	234,657	0	0.0%
Governance & Legal Services	4,501	4,489	(12)	-0.3%
Resources	16,777	16,599	(178)	-1.1%
Social Services	137,830	142,750	4,920	3.6%
Total Directorates	519,796	525,382	5,586	1.07%
Capital Financing	35,845	34,633	(1,212)	-3.4%
General Contingency	4,000	0	(4,000)	-100.0%
Summary Revenue Account etc.	10,578	9,216	(1,362)	-12.9%
Total Net Expenditure	570,219	569,231	(988)	-0.17%
Funded by:				
Revenue Support Grant	322,851	322,851	0	0.0%
Non-domestic Rates (NDR)	101,253	101,253	0	0.0%
Council Tax	142,633	142,633	0	0.0%
Other	3,482	3,482	0	0.0%
Total	570,219	570,219	0	0

Revenue Savings Achieved and Unachieved



Capital Month 9 Projected Outturn Position

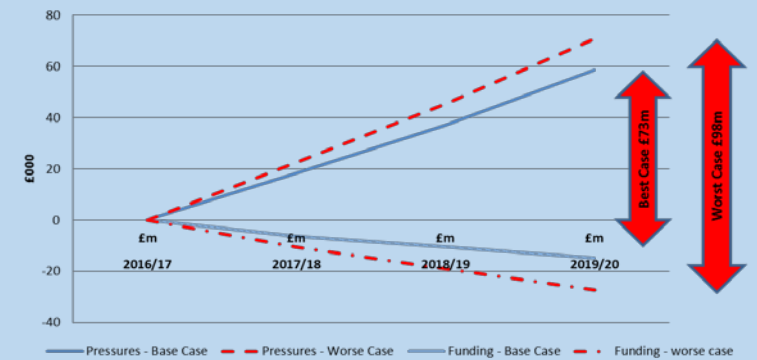
Directorate	Budget £000	Projected Outturn £000	Variance £000	Variance %
City Operations	38,433	31,607	(6,826)	-17.8%
Communities, Housing & CS	9,594	10,172	578	6.0%
Economic Development	16,853	15,534	(1,319)	-7.8%
Education & LL	45,656	24,367	(21,289)	-46.6%
Governance & Legal Services	335	335	0	0.0%
Resources	7,874	7,048	(826)	-10.5%
Social Services	25	25	0	0.0%
Total	118,770	89,088	(29,682)	-24.99%

The tables below show the Medium Term Financial Plan (MTFP), the risks and affordability indicators facing the Council.

MTFP Scenario

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
Financial Pressures	33,490	18,330	18,611	21,617	92,048
Funding Reductions	- 4,655	6,333	4,220	4,136	10,034
Budget Requirement Reduction	28,835	24,663	22,831	25,753	102,082
Savings Targets & BS Assumptions	28,835	17,459	15,552	18,394	80,240
Shortfall to Requirement	-	7,204	7,279	7,359	21,842

Modelling of Budget Gap 2016/17 - 2018/19



Capital Expenditure & Capital Financing Requirement (CFR)

	31 Mar 2015 £m	31 Mar 2016 £m	31 Mar 2017 £m	31 Mar 2018 £m
Capital Expenditure				
General Fund (GF)	63	89	88	114
Housing Revenue Account	20	211	26	28
Total Capital Expenditure	83	300	114	142
Capital Financing Requirement				
General Fund CFR inc Landfill	426	463	482	476
Housing Revenue Account CFR	95	277	279	296
Total CFR	521	740	761	772

Affordability Indicator - GF Capital Financing costs as a % of Controllable Budget

	2011/12	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Difference 11/12- 20/21
Net	13.47	15.42	15.79	15.27	15.53	17.00	16.82	24.87
Gross	15.17	19.13	19.94	20.31	20.80	22.51	22.37	47.46

EARMARKED RESERVES GENERAL FUND

	Title	Estimated balance at 31.03.16 £000	Estimated Movements 2016/17		Estimated balance at 31.03.17 £000	Purpose
			To finance budget £000	Other Commitments £000		
1	Apprenticeship Reserve	391	0	(195)	196	To fund the cost of apprentices.
2	Bereavement Services Reserve	76	0	60	136	To fund a planned programme of refurbishment and improvement.
3	Building Control Fee Earning Reserve	558	0	0	558	To fund the net costs of the Building Control fee earning account and related activities.
4	Bute Park Match Funding Reserve	228	0	(25)	203	To provide match funding for grant funded initiatives in relation to Bute Park as per the HLF agreement.
5	Cardiff Academy Reserve	95	0	(30)	65	To support initiatives undertaken by the Academy.
6	Cardiff Dogs Home Legacy Reserve	118	0	(10)	108	Donations left to Cardiff Dogs Home to be used for improvements to the home.
7	Cardiff Enterprise Zone Reserve	3,457	0	(1,317)	2,140	Budget set aside to fund expenditure on the Cardiff Enterprise Zone in future years.
8	Cardiff Insurance Reserve	6,745	0	292	7,037	To protect the Council from future potential insurance claims.
9	Central Transport Service Vehicle Reserve	166	0	0	166	To fund costs relating to the CTS vehicle service in future years.
10	City Deal Reserve	32	0	(32)	0	To fund the Council's share of the Local Authority partnership revenue budget to progress a City Deal for the Cardiff Capital Region in collaboration with Welsh and UK Governments.
11	Community Based Transitional Reserve	424	0	(100)	324	To fund the support for potential future community asset transfers.

Appendix 8(a)

	Title	Estimated balance at 31.03.16 £000	Estimated Movements 2016/17		Estimated balance at 31.03.17 £000	Purpose
			To finance budget £000	Other Commitments £000		
12	Council Tax Bad Debt Release Reserve	1,000	(1,000)	0	0	An amount released from the Council Tax Bad Debt Provision to fund the 2016/17 budget.
13	Discretionary Rate Relief Reserve	100	0	0	100	To fund changes to the NDR discretionary rate relief scheme. This may include further approaches from the community in respect of guidance provided in the Stepping Up Toolkit.
14	Energy/Carbon Reduction Reserve	439	0	0	439	To provide funding for future unexpected increases in the councils carbon reduction charges.
15	Equal Pay Reserve	281	0	0	281	To fund costs incurred in connection with Equal Pay claims.
16	Flatholm Reserve	24	0	(24)	0	To fund essential unforeseen maintenance and provision for potential liabilities in relation to the future running of the island and in respect of the future of the island.
17	Fraud Detection Reserve	193	0	(66)	127	To supplement staffing and other costs associated with fraud detection.
18	Harbour Project and Contingency Fund	824	0	333	1,157	To fund expenditure for the improvement and enhancement of infrastructure, assets, activities or services in or around the Bay.
19	Highways Local Government Borrowing Initiative Reserve	1,047	(1,047)	0	0	To fund the capital financing implications of expenditure on highways relating to the Highways Local Borrowing Initiative (LGBI) as provided by Welsh Government. Change of treatment with cost to be funded by base budget.
20	HMO Licensing Reserve	50	0	(12)	38	To spread the income in relation to costs for the 5 year length of licences.

Appendix 8(a)

	Title	Estimated balance at 31.03.16 £000	Estimated Movements 2016/17		Estimated balance at 31.03.17 £000	Purpose
			To finance budget £000	Other Commitments £000		
21	Homelessness Reserve	1,431	0	121	1,552	To be used to meet increases in homelessness pressures. Previously used to provide temporary funding for voluntary redundancy, for which the net movement in 2016/17 represents replenishment of the reserve balance.
22	House Mortgage Reserve	29	0	0	29	This represents surpluses on the fund to meet net service costs.
23	Housing Benefit Reserve	1,044	0	(450)	594	To meet the budgeted costs of trainees and other temporary staffing costs within the Housing Benefit section.
24	Housing Options Centre Reserve	893	0	30	923	To meet the budgeted capital financing costs of the new Housing Options Centre. Previously used to provide temporary funding for voluntary redundancy, for which part of the net movement in 2016/17 represents replenishment of the reserve balance.
25	Housing Support Reserve	1,212	0	(101)	1,111	To improve sustainability by maintaining people's independence in their own homes. Previously used to provide temporary funding for voluntary redundancy, for which part of the net movement in 2016/17 represents replenishment of the reserve balance.
26	ICT Holding Account Reserve	202	0	(40)	162	To fund future Business Process Improvement initiatives and other future ICT initiatives.
27	Inspectorate Support Reserve	236	0	(100)	136	To procure necessary consultancy for the inspections and regulatory environment.
28	Integrated Partnership Strategy Reserve	31	0	0	31	To support ongoing implementation of the Cardiff Integrated Partnership arrangements to include progression of work stream activities and facilitated support for joint working.

Appendix 8(a)

	Title	Estimated balance at 31.03.16 £000	Estimated Movements 2016/17		Estimated balance at 31.03.17 £000	Purpose
			To finance budget £000	Other Commitments £000		
29	Invest to Save Reserve	350	0	0	350	To fund revenue invest to save schemes.
30	Joint Equipment Store - Pooled Budget Reserve	126	0	(50)	76	To be utilised to offset deficits or one off expenditure items in the pooled budget in future years.
31	Kitchen Improvement Reserve	109	0	(109)	0	To fund refurbishments of primary school kitchens in support of health and safety standards.
32	Legal Services Reserve	260	0	(75)	185	To fund future Legal Services initiatives, including projects in connection with ICT upgrades and procurement of additional resource on a temporary basis.
33	Local Lend a Hand Mortgage Scheme Reserve	177	0	45	222	Interest receivable in case of default on Local Lend a Hand Mortgage Scheme.
34	Local Plan Reserve	155	0	(50)	105	To provide for the cost of the Local Development Plan and any potential appeals or judicial reviews.
35	Major Projects Reserve	1,157	0	(200)	957	To contribute towards the cost of Major Projects.
36	Members Development Reserve	45	0	(10)	35	To support webcasting of Council meetings and any additional members' ICT software.
37	Municipal Election Reserve	446	0	96	542	To provide for the cost of local elections.
38	Organisational Development Programme Reserve	905	0	(338)	567	To fund additional advice/support for the delivery of Organisational Development projects. Requests for funding are presented to the Investment Review Board for approval. The balance at 31.3.16 includes sums and previously identified as Employee Changes.
39	Out of School Childcare Reserve	121	0	0	121	Surplus balances from each school operating an out of school childcare scheme. These can be drawn upon by each school to balance in year.

Appendix 8(a)

	Title	Estimated balance at 31.03.16 £000	Estimated Movements 2016/17		Estimated balance at 31.03.17 £000	Purpose
			To finance budget £000	Other Commitments £000		
40	Parking Reserve	255	0	433	688	This represents surpluses on the Civil Parking Enforcement Account which, under the Road Traffic Act 1984, have to be reinvested in Road Traffic Schemes.
41	PDD - Impact on Design Reserve	45	0	(10)	35	To cover unattributable anomalies in building design and construction.
42	Property Management System Reserve	22	0	(22)	0	To fund future upgrades to the Property Management System.
43	Public Service Board Initiative Reserve	46	(23)	0	23	To fund scrutiny work in connection with the Local Service Board.
44	Registration Service Improvement Reserve	17	0	(9)	8	To fund various service improvements.
45	Resources Reserve	880	0	(120)	760	To provide funding to a number of areas within the Resources Directorate.
46	Schools Catering Reserve	160	0	(160)	0	To be used to support the Schools Catering Service, including the implementation of a cashless transaction system for secondary schools.
47	Schools Formula Funding Reserve	476	0	(476)	0	Contingency Fund set aside to meet unplanned and unforeseen expenditure incurred by or on behalf of the delegated schools' budgets. Such expenditure would include meeting the cost of premature retirements of schools staff and for other issues relating to the budget and management of change in schools in the future.
48	Schools Organisation Plan Reserve	7,157	0	393	7,550	To be used to manage the cash flow implications of the Schools Organisational Plan financial model and to provide temporary funding in relation to voluntary redundancy.

Appendix 8(a)

	Title	Estimated balance at 31.03.16 £000	Estimated Movements 2016/17		Estimated balance at 31.03.17 £000	Purpose
			To finance budget £000	Other Commitments £000		
49	Scrutiny Development & Training Reserve	72	0	(15)	57	To fund Member development and training.
50	Social Care Safeguarding & Preventative Measures Reserve	85	0	(15)	70	To fund costs of preventative measures in relation to vulnerable children and adults.
51	Social Care Technology Reserve	711	0	(50)	661	To support social care IT developments.
52	Waste Management Reserve	2,320	0	0	2,320	To make provision for additional initiatives to ensure recycling targets are achieved.
53	Youth and Community Education Reserve	164	0	(164)	0	To fund on-line enrolment system within Adult Learning, and other youth based services including Youth Service restructure.
		37,587	(2,070)	(2,572)	32,945	

EARMARKED RESERVES HRA

Title	Estimated balance at 31.03.16 £000	Estimated Movements 2016/17		Estimated balance at 31.03.17 £000	Purpose
		To finance budget £000	Other Commitments £000		
Investment & Housing Development Reserve	160	0	0	160	To fund costs associated with new housing developments.
HRA/Housing IT Reserve	138	0	(138)	0	To fund CMS Mobile working IT infrastructure.
	298	0	(138)	160	

Title	Estimated balance at 31.03.16 £000	Estimated Movements 2016/17		Estimated balance at 31.03.17 £000	Purpose
		To finance budget £000	Other Commitments £000		
General Housing Reserve	8,438	0	0	8,438	General housing balances.
	8,438	0	0	8,438	

SCHOOLS RESERVES

Title	Estimated balance at 31.03.16 £000	Estimated Movements 2016/17		Estimated balance at 31.03.17 £000	Purpose
		To finance budget £000	Other Commitments £000		
Balances on Schools' Delegated Budgets including Nursery Schools	(1,588)	0	(251)	(1,839)	This reflects the net position of individual schools' surpluses and deficits under Local Management of Schools. The debit balance is as a result of significant deficits incurred by a number of secondary schools and the planned pay back over five years of £1.9 million severance payments.
Primary/Special DSU Repairs Reserve	108	0	(30)	78	Contingency fund out of which participating schools share the cost of funding large items of repairs and maintenance work.
	(1,480)	0	(281)	(1,761)	

Earmarked Reserves Used Temporarily for Voluntary Severance Borrowing

Earmarked Reserves	Actuals		Projected		
	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
<u>Schools Organisational Plan</u>					
Opening Balance 1 April	8,585	5,282	4,006	7,157	7,550
Net Non-VS Contribution to/(from) Reserve (Borrowed from)/Repaid to Reserve to fund VS	(191) (3,112)	(1,224) (52)	1,038 2,113	(658) 1,051	(747) 0
Closing Balance 31 March	5,282	4,006	7,157	7,550	6,803
Cumulative Borrowing from Reserve to fund VS	(3,112)	(3,164)	(1,051)	0	0
<u>Housing Options Centre Reserve</u>					
Opening Balance 1 April	1,462	834	694	893	923
Net Non-VS Contribution to/(from) Reserve (Borrowed from)/Repaid to Reserve to fund VS	(136) (492)	(131) (9)	(136) 335	(136) 166	(136) 0
Closing Balance 31 March	834	694	893	923	787
Cumulative Borrowing from Reserve to fund VS	(492)	(501)	(166)	0	0
<u>Homelessness Reserve</u>					
Opening Balance 1 April	1,558	1,214	1,188	1,431	1,552
Net Non-VS Contribution to/(from) Reserve (Borrowed from)/Repaid to Reserve to fund VS	0 (344)	(6) (20)	0 243	0 121	0 0
Closing Balance 31 March	1,214	1,188	1,431	1,552	1,552
Cumulative Borrowing from Reserve to fund VS	(344)	(364)	(121)	0	0
<u>Housing Support Reserve</u>					
Opening Balance 1 April	1,937	1,453	1,382	1,212	1,111
Net Non-VS Contribution to/(from) Reserve (Borrowed from)/Repaid to Reserve to fund VS	(154) (330)	(53) (18)	(402) 232	(217) 116	0 0
Closing Balance 31 March	1,453	1,382	1,212	1,111	1,111
Cumulative Borrowing from Reserve to fund VS	(330)	(348)	(116)	0	0
Net Total (Borrowing from)/Repayment to Earmarked Reserves for VS (in-year)	(4,278)	(99)	2,923	1,454	0
Cumulative Net Total Borrowing from Earmarked Reserves for VS	(4,278)	(4,377)	(1,454)	0	0

Appendix 10

EMPLOYEE IMPLICATIONS OF BUDGET

				All figures are expressed in terms of full time equivalent posts					
Ref	Impact on posts	Savings Title	Voluntary Redundancy	Vacant	Retirement/ Flexi Retirement	Redeploy	TBC	New Post / Temporary	TOTAL FTE's
1	Delete	New model for Children's Play		(2.00)			(5.00)		(7.00)
2	Delete	Parks reduced business administration/ efficiencies		(.50)					(.50)
3	Delete	Reshaping of grounds maintenance service	(3.00)	(5.00)					(8.00)
4	Delete	Outdoor Sports- Reduce subsidies and outsource sport facilities		(1.00)					(1.00)
5	Delete	New Operating Model for City Operations					(24.00)		(24.00)
6	Delete	Transportation Policy - Improved recharging for services & deletion of vacant posts		(2.00)					(2.00)
7	Delete	School Crossing Patrol		(2.50)					(2.50)
8	Delete	One Directorate Synergies					(14.00)		(14.00)
9	Delete	Materials recycling Reshaping Services					(5.00)		(5.00)
10	Delete	Household Waste Recycling Centres					(.70)		(.70)
11	Delete	Improved automated security at Lamby Way depot					(2.00)		(2.00)
12	Create	*Supplementary Planning Guidance						2.00	2.00
13	Create	City Centre / Neighbourhood Street Cleansing & Drainage /Gully Cleaning						9.00	9.00
14	Create	*Visible Street Scene Services						3.00	3.00
City Operations Net Position			(3.00)	(13.00)	0.00	0.00	(50.70)	14.00	(52.70)
15	Delete	Continued roll out of the Libraries/Hub Strategy					(9.00)		(9.00)
16	Delete	Review of Reablement Services					(4.00)		(4.00)
Communities , Housing and Customer Services Net Position			0.00	0.00	0.00	0.00	(13.00)	0.00	(13.00)
17	Delete	Reduction in Cabinet Office	(1.00)	(1.00)					(2.00)
Corporate Management Net Position			(1.00)	(1.00)	0.00	0.00	0.00	0.00	(2.00)
18	Delete	Service Redesign of Strategic Estates					(1.30)		(1.30)
19	Delete	Alternative model for the delivery of the Taxi Marshalling service					(3.00)		(3.00)
20	Delete	Rationalisation of Culture, Venues and Events Sales, Marketing & Advertising Functions					(3.00)		(3.00)
Economic Development Net Position			0.00	0.00	0.00	0.00	(7.30)	0.00	(7.30)
21	Delete	Reduction in central costs for the Education of Children not in School					(8.40)		(8.40)
22	Delete	Reduction in centrally retained budgets for supporting Childcare Providers		(2.00)					(2.00)
23	Delete	Further rationalisation of Education Service business processes	(1.00)	(1.00)		(1.00)			(3.00)
24	Delete	Reduction in staffing for Performance Management		(1.00)					(1.00)
25	Delete	Youth Service Budget					(22.00)		(22.00)

Note that where savings proposals are part year and have a staff implication, this appendix identifies the head count implication in the year saving commences. There may be additional TUPE implications of alternative delivery model proposals.

Appendix 10

Ref	Impact on posts	Savings Title	Voluntary Redundancy	Vacant	Retirement/ Flexi Retirement	Redeploy	TBC	New Post / Temporary	TOTAL FTE's
26	Delete	Annual Increase in the price of School Meals plus rationalisation service delivery model	(1.00)	(1.00)					(2.00)
27	Delete	Reduction of central budget for the Education Welfare Service (EWS)				(2.00)			(2.00)
Education & Lifelong Learning Net Position			(2.00)	(5.00)	0.00	(3.00)	(30.40)	0.00	(40.40)
28	Create	Additional Solicitors to meet demands of workload						2.00	2.00
29	Create	Member Support						2.00	2.00
Governance & Legal Services Net Position			0.00	0.00	0.00	0.00	0.00	4.00	4.00
30	Delete	Deletion of two posts within Exchequer and Development	(2.00)						(2.00)
31	Delete	Deletion of two auditor posts and utilisation of reserve to enable fraud team to become self-financing		(2.00)					(2.00)
32	Delete	Staff savings within Service Accountancy		(3.00)					(3.00)
33	Delete	Post Deletions - Partnership Co-Ordinator (Grade 6) and Service Delivery Advisor (Grade 4)	(1.00)		(1.00)				(2.00)
34	Delete	Post Deletion – HRPS First Point of Contact Team (1 x Grade 4)		(1.00)					(1.00)
35	Delete	Post Deletion – HRPS Manage Team (2 x Grade 4)		(2.00)					(2.00)
36	Delete	Review of HR Organisational Development Team		(1.00)					(1.00)
37	Delete	Staff savings within ICT		(2.00)					(2.00)
39	Delete	Staffing savings in Central Transport Services		(1.00)					(1.00)
40	Delete	Deletion of Two Grade 3 posts in Business Support		(2.00)					(2.00)
Resources Net Position			(3.00)	(14.00)	(1.00)	0.00	0.00	0.00	(18.00)
41	Delete	Restructure of Social Work Teams					(2.00)		(2.00)
42	Delete	Reshape Day Services for Older People	(4.00)	(7.10)					(11.10)
43	Delete	Family Support/ Youth Offending Services (YOS) staffing review					(2.00)		(2.00)
44	Delete	Efficiency savings due to integration of directorate's central functions					(4.00)		(4.00)
45	Delete	Review of staffing within Assessment & Care Management					(2.00)		(2.00)
46	Create	Social Services and Well Being Act (Information, Assistance & Advice)						3.50	3.50
47	Create	Families with No Recourse to Public Funds						2.00	2.00
48	Create	Early Help Strategy						7.00	7.00
Social Services Net Position			(4.00)	(7.10)	0.00	0.00	(10.00)	12.50	(8.60)
Council Total			(13.00)	(40.10)	(1.00)	(3.00)	(111.40)	30.50	(138.00)

* Temporary posts

Note that where savings proposals are part year and have a staff implication, this appendix identifies the head count implication in the year saving commences. There may be additional TUPE implications of alternative delivery model proposals.

Appendix 11(a)

Summary of Recommended Increases to Fees and Charges 2016/17 - General Fund

Ref	Income Source	Current Price	Proposed Price Change	Change	Effective Date	Comment
	City Operations					
1	Active Waste Landfill Tipping Toll - Standard Gate Fee	£43.50	Nil	Nil	1 April 2016	No proposed increase.
2	Bulky Collections	£12.50 for every 2 items	Nil	Nil	1 April 2016	No proposed increase.
3	Waste Transfer Station - Small Medium Enterprises	£40.00	Nil	Nil	1 April 2016	No proposed increase.
4	Residual Commercial Waste Bags - per bin	£1.85	Nil	Nil	1 April 2016	No proposed increase.
5	Commercial Waste Food Collections (240l) - per lift	£4.50	Nil	Nil	1 April 2016	No proposed increase.
6	Commercial Waste Food Collections (500l)	£8.50	Nil	Nil	1 April 2016	No proposed increase.
7	Commercial Food Caddies	£1.00	Nil	Nil	1 April 2016	No proposed increase.
8	Commercial Recycling - per lift	£1.34	Nil	Nil	1 April 2016	No proposed increase.
9	Commercial Water Transfer Notes	£40.00	Nil	Nil	1 April 2016	No proposed increase.
10	Commercial General Waste Collections (240l) - per lift	£5.00	Nil	Nil	1 April 2016	No proposed increase.
11	Commercial Recycling - Unacceptable Levels of Contamination - per bag or bin	£25.00	Nil	Nil	1 April 2016	No proposed increase.
12	Abandoned trolley recovery fee	£75.00	Nil	Nil	1 April 2016	No proposed increase.
13	Replacement reusable garden sacks	£25.00	Nil	Nil	1 April 2016	No proposed increase.
14	Replacement/new wheeled bin or equivalent striped bag provision	£2.00	Nil	Nil	1 April 2016	No proposed increase.
15	Pest Control	Various	Nil	Nil	1 April 2016	No proposed increase.
16	Cardiff Dogs Home	£95.00 - £200.00	£5.00 - £10.00	5% - 50%	1 April 2016	The proposed new charge is £100.00 - £300.00.
17	Puppies Rehoming Fee	£110.00	£40.00	36.36%	1 April 2016	The proposed new charge is £150.00.
	Cardiff Port Health					
18	Port Health - Sanitation Inspection (Up to 1,000 tonnes)	£76.00	£4.00	5.26%	1 April 2016	The proposed new charge is £80.00.
19	Port Health - Sanitation Inspection (1,001-3,000 tonnes)	£112.00	£3.00	2.68%	1 April 2016	The proposed new charge is £115.00.
20	Port Health - Sanitation Inspection (3001-10,000 tonnes)	£172.00	£3.00	1.74%	1 April 2016	The proposed new charge is £175.00.
21	Port Health - Sanitation Inspection (10,001 - 20,000 tonnes)	£228.00	£2.00	0.88%	1 April 2016	The proposed new charge is £230.00.
22	Port Health - Sanitation Inspection (20,001 - 30,000 tonnes)	£290.00	£5.00	1.72%	1 April 2016	The proposed new charge is £295.00.
23	Port Health - Sanitation Inspection (Over 30,000 tonnes)	£345.00	£5.00	1.45%	1 April 2016	The proposed new charge is £350.00.
24	Heath Park Car Park	First 2 hours are free. £1.50 for 2-3 hours. Over 3 hours £4.00	Nil	Nil	1 April 2016	No proposed increase.
25	Llandaff Fields/Pontcanna Fields Car Parking	First 2 hours are free. £1.00 for up to 3 hours. £3.00 for over 3 hours	Nil	Nil	1 April 2016	No proposed increase.

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Ref	Income Source	Current Price	Proposed Price Change	Change	Effective Date	Comment
26	Leisure Activities (Leisure Centres and Community Halls)	Various	Various	6.00%	1 April 2016	An average increase of 6% across leisure activities.
27	Cardiff Riding School Charges	Various	Various	6.00%	1 April 2016	Cardiff Riding School charges are to be increased by an average of 6%.
28	Food, Drinks & Goods for Resale	See comment	Nil	Nil	1 April 2016	Prices increase as catering costs are based on current market rates.
29	Cardiff Caravan & Camping Charges	Various	Nil	Nil	1 April 2016	No proposed increase.
	Allotments					
30	Allotments - Full Price	Annual charges are £11.20 per pitch Category A, £10.90 per pitch Category B, £10.52 per pitch Category C, Chalet £107.00, Brick cubicle £25.00	£0.10 - £1.00	0.95%	2 February 2016	The proposed new charges are Category A £11.36 per pitch. Category B £11.04 per pitch. Category C £10.62 per pitch. Chalet £108.00. Brick cubicle £25.00 (no change).
31	Allotments - Concession	Annual charges are £5.60 per pitch Category A, £5.45 per pitch Category B, £5.26 per pitch Category C, Chalet £53.50	£0.05 - £0.08	1.00%	2 February 2016	The proposed new charges are Category A £5.68 per pitch. Category B £5.52 per pitch. Category C £5.31 per pitch (no change). Chalet £53.50.
	Bereavement & Registration					
32	Cremation Fees Income	£515.00	£15.00	2.91%	1 April 2016	The proposed new charge is £530.00.
33	Burial Fee Income	£600.00	Nil	Nil	1 April 2016	No proposed increase.
34	Grave Purchase Fee Income	£675.00	Nil	Nil	1 April 2016	No proposed increase.
35	Cremated Remains Burial	£220.00	£10.00	4.55%	1 April 2016	The proposed new charge is £230.00.
36	Cremated Remains Purchase	£280.00	Nil	Nil	1 April 2016	No proposed increase.
37	Registration Ceremony Fees - St David's Room - Weekdays	£165.00	£30.00	18.18%	1 April 2016	The proposed new charge is £195.00.
38	Registration Ceremony Fees - St David's Room - Weekends	£195.00	£50.00	25.64%	1 April 2016	The proposed new charge is £245.00.
39	Registration Ceremony Fees - Approved Premises - Weekdays	£320.00	£10.00	3.13%	1 April 2016	The proposed new charge is £330.00.
40	Registration Ceremony Fees - Approved Premises - Weekends	£400.00	£25.00	6.25%	1 April 2016	The proposed new charge is £425.00.
41	Registration Ceremony Fees - Approved Premises - Bank Holidays	£400.00	£75.00	18.75%	1 April 2016	The proposed new charge is £475.00.
42	Webcast of Ceremony	£70.00	£5.00	7.14%	1 April 2016	The proposed new charge is £75.00.
43	DVD of Ceremony	£60.00	£5.00	8.33%	1 April 2016	The proposed new charge is £65.00.
44	Webcast and DVD of Ceremony	£90.00	£5.00	5.56%	1 April 2016	The proposed new charge is £95.00.
45	Audio recording of ceremony	£50.00	£5.00	10.00%	1 April 2016	The proposed new charge is £55.00.
46	Registry Office Ceremony fee	£49.00	Nil	Nil	1 April 2016	No proposed increase.
47	Notice Fee	£35.00	Nil	Nil	1 April 2016	No proposed increase.

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Ref	Income Source	Current Price	Proposed Price Change	Change	Effective Date	Comment
48	Citizenship ceremonies Fee	£80.00	Nil	Nil	1 April 2016	No proposed increase.
49	Certificate Fee	£10.00	Nil	Nil	1 April 2016	No proposed increase.
50	Registrars Certificate	£4.00	Nil	Nil	1 April 2016	No proposed increase.
51	Copy Certificates Standard service	£7.00	Nil	Nil	1 April 2016	No proposed increase.
52	Copy Certificates - Priority Service within 24hours)	£17.00	Nil	Nil	1 April 2016	No proposed increase.
	Nationality Checking Service					
53	Single adult	£70.00	£10.00	14.29%	1 April 2016	The proposed new charge is £80.00.
54	Married couples/registered civil partners	£120.00	£10.00	8.33%	1 April 2016	The proposed new charge is £130.00.
55	Married couples/registered civil partners and up to two children	£120.00	£10.00	8.33%	1 April 2016	The proposed new charge is £130.00.
56	Single child	£45.00	£10.00	22.22%	1 April 2016	The proposed new charge is £55.00.
57	Settlement checking service	£100.00	£10.00	10.00%	1 April 2016	The proposed new charge is £110.00.
	Planning					
58	Tree Preservation Orders-search and copy of information	£10.00 - Extract £20.00 - Full copy	Nil	Nil	1 April 2016	No proposed increase.
59	Admin Fee from Section 106 Agreements	6% of agreement price	Nil	Nil	1 April 2016	No proposed increase.
60	Pre Application Advice	Various	Nil	Nil	1 April 2016	No proposed increase.
61	Building Control Charges Statutory	Various	Nil	Nil	1 April 2016	No proposed increase as covered by statute.
62	Building Control Charges	Various	Nil	Nil	1 April 2016	No proposed increase.
	Transportation					
63	Road Safety Audits (RSA)	Various	Nil	Nil	1 April 2016	£150.00 - essential RSA, £350.00 - Minor Works RSA, £600.00 - County Works RSA and £900.00 - Full RSA.
64	Accident Information	Various - based on request/ complexity currently charges a standard charge is based on the following: £225.00 summary £335.00 summary plus map	Nil	Nil	1 April 2016	No proposed increase.
65	Sign Design	Various - based on request	Nil	Nil	1 April 2016	No proposed increase.
66	Traffic Regulation Orders	Emergency notices £415.00, £1,690.00 for Traffic Regulation Orders with Advert	Nil	Nil	1 April 2016	No proposed increase.

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Ref	Income Source	Current Price	Proposed Price Change	Change	Effective Date	Comment
67	Traffic Data	Various - based on request - no. of man hrs	Nil	Nil	1 April 2016	No proposed increase.
68	Replacement Bus Passes Concessionary Travel (per pass)	£5.00	Nil	Nil	1 April 2016	No proposed increase.
69	Shopper Park & Ride (Excluding Cardiff East)	£3.00	Nil	Nil	1 April 2016	No proposed increase.
70	Section 38 (Creation of New Public Highways)	This charge is based on 2 elements, a fixed 7% fee applied to a rate of £850.00 per linear metre	Nil	Nil	1 April 2016	No proposed increase.
71	Section 278 Agreement	7% engineering fee based on total cost of highway works connected with the development	Nil	Nil	1 April 2016	No proposed increase.
72	Hiring Out Vehicles to School Transport	Based on cost of vehicle plus 10% - administration fees	Nil	Nil	1 April 2016	No proposed increase.
73	School Transport Bus Passes	£300.00	£25.00	8.33%	1 April 2016	The proposed new charge is £325.00.
74	Traffic Signal - Switch Offs	£320.00 per switch on/off plus a £50.00 admin charge per invoice	Nil	Nil	1 April 2016	No proposed increase.
75	Castle Mews Car Park	Various	Nil	Nil	1 April 2016	No proposed increase.
76	Sophia Gardens Car Park	Various	Nil	Nil	1 April 2016	No proposed increase.
	Residents Parking Permits				1 April 2016	
77	Resident Parking Permits	Various	Nil	Nil	1 April 2016	No proposed increase.
78	On Street Parking - up to 1 hour	£1.70	Nil	Nil	1 April 2016	No proposed increase.
79	On Street Parking - up to 2 hours	£2.80	Nil	Nil	1 April 2016	No proposed increase.
80	On Street Parking - up to 5 hours	£5.00	Nil	Nil	1 April 2016	No proposed increase.
81	On Street Parking - up to 10 hours	£8.00	Nil	Nil	1 April 2016	No proposed increase.
82	Norwegian Church Parking	Various	Nil	Nil	1 April 2016	No proposed increase.
83	Canton Car parks	Various	Nil	Nil	1 April 2016	No proposed increase.
84	Whitchurch Car Parks	Various	Nil	Nil	1 April 2016	No proposed increase.
85	Penylan Library	Various	Nil	Nil	1 April 2016	No proposed increase.
86	Butetown on street parking	Various	Nil	Nil	1 April 2016	No proposed increase.
87	Schooner Way & Hemmingway Rd on street	Various	Nil	Nil	1 April 2016	No proposed increase.
88	Parking Penalty Charge Notices	£35.00	Nil	Nil	1 April 2016	No proposed increase. This charge becomes £70.00 after 14 days.

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Ref	Income Source	Current Price	Proposed Price Change	Change	Effective Date	Comment
89	Moving Traffic Offences	£35.00	Nil	Nil	1 April 2016	No proposed increase. This charge becomes £70.00 after 21 days.
90	Replacement Blue Badges	£10.00	Nil	Nil	1 April 2016	No proposed increase.
91	Licence for Digital Advertising sites on the Highway per Advertising Panel	£1,200	Nil	Nil	1 April 2016	No proposed increase.
92	Fixed Penalty Notice's for Highways/Environment Offences	£100.00	Nil	Nil	1 April 2016	No proposed increase.
93	Skips License - Standard Charge	£67.00	Nil	Nil	1 April 2016	No proposed increase.
94	Skips - Illegal - Fine	£236.00	Nil	Nil	1 April 2016	No proposed increase.
95	Opening Up Notice	£169.00	Nil	Nil	1 April 2016	No proposed increase.
96	Section 50 - Installation of Equipment, In ,On or Above the Public Highway	£374.00	Nil	Nil	1 April 2016	No proposed increase.
97	Storage of Building Materials on the Highway	£67.00	Nil	Nil	1 April 2016	No proposed increase.
98	Containers Sited on the Public Highway	£221.00	Nil	Nil	1 April 2016	No proposed increase.
99	Cherry Picker/Mobile Elevating Work Platform (MEWP)	£169.00	Nil	Nil	1 April 2016	No proposed increase.
100	Mobile Cranes	£374.00	Nil	Nil	1 April 2016	No proposed increase.
101	Tower Crane Oversail	£374.00	Nil	Nil	1 April 2016	No proposed increase.
102	Permits for Hoardings on the Public Highway	£169.00	Nil	Nil	1 April 2016	No proposed increase.
103	Scaffold Licences	£221.00	Nil	Nil	1 April 2016	No proposed increase.
104	Vehicle Crossovers	£169.00	Nil	Nil	1 April 2016	No proposed increase.
105	Advertising Frame Permits - New Applications	£169.00	Nil	Nil	1 April 2016	No proposed increase.
106	Advertising Frame Permits - Renewals	£118.00	Nil	Nil	1 April 2016	No proposed increase.
107	Chairs on the Public Highway (up to 6)	£169.00	Nil	Nil	1 April 2016	No proposed increase.
108	Chairs on the Public Highway (over 6)	£31.00	Nil	Nil	1 April 2016	No proposed increase.
109	Charges for Temporary Signs	£67.00	Nil	Nil	1 April 2016	No proposed increase.
110	Additional Inspections	£51.00	Nil	Nil	1 April 2016	No proposed increase.
111	RASWA Supervisory Charge	£47.50	Nil	Nil	1 April 2016	Charge set by statute.
112	RASWA Income - All Inspections	£50.00	Nil	Nil	1 April 2016	Charge set by statute.
113	Fixed Penalty Notice for New Roads & Street Works Act	£80.00	Nil	Nil	1 April 2016	Charge set by statute.
114	Section 74 Notice - Charges for Overstays	£100.00	Nil	Nil	1 April 2016	Charge set by statute.
	Charges for Street Numbering of Properties				1 April 2016	
115	Developments up to 5 plots	£200.00	Nil	Nil	1 April 2016	No proposed increase.
116	Developments between 6 to 10 plots	£250.00	Nil	Nil	1 April 2016	No proposed increase.
117	Developments with 10 Plots or more -per application	£300 plus £20 per unit after 10 plots	Nil	Nil	1 April 2016	No proposed increase.
118	Numbering of Flat complex over 5 plots per floor inc. ground floor	£65.00	Nil	Nil	1 April 2016	No proposed increase.
119	Change of street name and numbering layout after notification	£500 plus £10 per unit	Nil	Nil	1 April 2016	No proposed increase.
120	Re-naming street at the residents request	£500.00	Nil	Nil	1 April 2016	No proposed increase.
121	Creation of new road name	£200.00	Nil	Nil	1 April 2016	No proposed increase.
122	Change of house name	£100.00	Nil	Nil	1 April 2016	No proposed increase.

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Ref	Income Source	Current Price	Proposed Price Change	Change	Effective Date	Comment
123	Confirmation address to Solicitors, Search agents & Conveyances	£50.00	Nil	Nil	1 April 2016	No proposed increase.
	Communities, Housing & Customer services					
124	Community Alarm Service - Contact Only - per week	£1.94	Nil	Nil	4 April 2016	No proposed increase.
125	Community Alarm Service - Contract and Mobile Response - per week	£4.56	Nil	Nil	4 April 2016	No proposed increase.
126	Telecare Packages - per week	£3.97	Nil	Nil	4 April 2016	No proposed increase.
127	Supply and installation of telecare monitoring unit	£125.00	Nil	Nil	4 April 2016	No proposed increase.
128	Installation of reconditioned telecare monitoring unit	£30.00	Nil	Nil	4 April 2016	No proposed increase.
129	Replacement Telecare pendant	£40.00	Nil	Nil	4 April 2016	No proposed increase.
130	Supply / installation of keysafe for mobile response customer	£50.00	Nil	Nil	4 April 2016	No proposed increase.
131	Supply / installation of keysafe for contact only customer	£65.00	Nil	Nil	4 April 2016	No proposed increase.
132	Supply / installation of keysafe for non-Telecare customer	£99.00	Nil	Nil	4 April 2016	No proposed increase.
133	Gypsy Sites - Rent - per pitch - per week	£69.11 Rover Way, £76.71 Shirenewton	See comment	See comment	4 April 2016	As per CPI published rate 28 days before increase.
134	Gypsy & Traveller Site Service charge - per pitch - per week	£27.62 Rover Way, £24.45 Shirenewton	£2.76 - £2.45	10.00%	4 April 2016	The proposed new charge is £30.38 Rover Way, £26.90 Shirenewton.
135	Disabled Facility Grant Income	£900.00 or 15% whichever the greater	Nil	Nil	1 April 2016	No proposed increase.
136	Targeted Elderly and Renewal Grant Income	£900.00 or 15% whichever the greater	Nil	Nil	1 April 2016	No proposed increase.
137	Day Nursery Rental charge in St Mellon's Enterprise - per annum	£24,505.00	Nil	Nil	4 April 2016	No proposed increase.
138	St Mellon's Enterprise Centre - 10 units - per annum	£3,000 - £3,300	Nil	Nil	4 April 2016	No proposed increase.
	Rent Smart Wales					
139	Landlord Registration - On Line	£33.50	See comment	See comment	1 April 2016	This service went live in November 2015. Rent Smart Wales (RSW) fees will be subject to review.
140	Landlord Registration - Paper	£80.50	See comment	See comment	1 April 2016	
141	Landlord Licensing- On Line	£144.00	See comment	See comment	1 April 2016	
142	Landlord Licensing- Paper	£186.00	See comment	See comment	1 April 2016	
143	Agent licensing- On Line	£3,728.00	See comment	See comment	1 April 2016	
144	Agent licensing- Paper	£4,368.00	See comment	See comment	1 April 2016	
145	Course Approval	£440.00	See comment	See comment	1 April 2016	
146	Training Provider Authorisation	£685.00	See comment	See comment	1 April 2016	
147	Landlord Development Course	£100.00	See comment	See comment	1 April 2016	
148	Agent Development Course	£140.00	See comment	See comment	1 April 2016	
149	Landlord Development	£30.00	See comment	See comment	1 April 2016	
150	Agent Development Course	£50.00	See comment	See comment	1 April 2016	
151	Agent Development Top Up Course	£20.00	See comment	See comment	1 April 2016	

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Ref	Income Source	Current Price	Proposed Price Change	Change	Effective Date	Comment
Libraries						
152	Adult book late return penalty charge	£0.15	Nil	Nil	1 April 2016	No proposed increase.
153	Adult spoken word late return penalty charge	£0.40	Nil	Nil	1 April 2016	No proposed increase.
154	Adult music recording late return penalty charge - per week	£0.60	Nil	Nil	1 April 2016	No proposed increase.
155	Adult DVD, video or CD ROM late return penalty charge - per week	£2.50	Nil	Nil	1 April 2016	No proposed increase.
156	Children's DVD or video late return penalty charge - per week	£1.50	Nil	Nil	1 April 2016	No proposed increase.
157	Loan Charges	Various	Nil	Nil	1 April 2016	No proposed increase.
158	PC printouts / Photocopies - per page	£0.20 - £1.50	Nil	Nil	1 April 2016	No proposed increase.
159	Reservations for stock from outside Cardiff (interlibrary loans)	£10.00	Nil	Nil	1 April 2016	No proposed increase.
160	Replacement card - Adult	£1.75	Nil	Nil	1 April 2016	No proposed increase.
161	Replacement card - Child	£0.50	Nil	Nil	1 April 2016	No proposed increase.
162	Central Library Fax service :UK - A4	£1.00	Nil	Nil	1 April 2016	No proposed increase.
163	Central Library Fax service :Europe - A4	£2.00	Nil	Nil	1 April 2016	No proposed increase.
164	Central Library Fax service :Worldwide - A4	£4.00	Nil	Nil	1 April 2016	No proposed increase.
165	Central Library Fax service :Incoming	£1.00	Nil	Nil	1 April 2016	No proposed increase.
166	Gallery/Exhibitions	20% of all sales and orders	Nil	Nil	1 April 2016	No proposed increase.
167	Local Studies Department	Various	Nil	Nil	1 April 2016	No proposed increase.
168	Central Library - Meeting Rm 4 Hire (per hour)	£50.00	See comment	See comment	1 April 2016	No proposed increase.
169	Central Library - Meeting Rm 4 Hire (1/2 day)	£200.00	See comment	See comment	1 April 2016	No proposed increase.
170	Central Library - Meeting Rm 4 Hire (full day)	£400.00	See comment	See comment	1 April 2016	No proposed increase.
171	Central Library - Meeting Rm 4 Hire (per hour) - for charities/community groups	£20.40	See comment	See comment	1 April 2016	No proposed increase.
172	Central Library - Creative Suite Hire (per hour)	£60.00	See comment	See comment	1 April 2016	No proposed increase.
173	Central Library - Creative Suite Hire (1/2 day)	£250.00	See comment	See comment	1 April 2016	No proposed increase.
174	Central Library - Creative Suite Hire (full day)	£500.00	See comment	See comment	1 April 2016	No proposed increase.
175	Central Library - Creative Suite Hire (per hour) - for charities/community groups	£20.40	See comment	See comment	1 April 2016	No proposed increase.
176	Central Library - ICT Suite Hire (1/2 day)	£200.00	See comment	See comment	1 April 2016	No proposed increase.
177	Central Library - ICT Suite Hire (full day)	£400.00	See comment	See comment	1 April 2016	No proposed increase.
178	Central Library - ICT Suite Hire (per hour) - for charities/community groups	£20.40	See comment	See comment	1 April 2016	No proposed increase.
Adult Community Learning Course Fees						
179	Category A (Full Fee)	£4.90	£0.15	3.06%	1 April 2016	The proposed new charge is £5.05.
180	Category B (State Pension or FT Student)	£3.60	£0.11	3.06%	1 April 2016	The proposed new charge is £3.71.
181	DICE (Disability Inclusion in Community Education) courses	£4.00	Nil	Nil	1 April 2016	No proposed increase.
Economic Development						
182	Charge in respect of filming in the City	Various	See comment	See comment	1 April 2016	No proposed increase. Includes Regional TV £100.00 per day and National TC £200.00 per day.

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Ref	Income Source	Current Price	Proposed Price Change	Change	Effective Date	Comment
183	Workshop Rents	Various	See comment	See comment	1 April 2016	Subject to conditions of lease. Rents reviewed on a commercial basis.
184	Land and Building rents	Various	See comment	See comment	1 April 2016	Subject to conditions of lease.
	Events Park & Ride					
185	Rugby and local football	6.00	£1.00 to £4.00	17% or 67%	1 April 2016	The proposed new charge is £7.00 pre booked and £10.00 on the day.
186	Football & Concerts	£10.00	£Nil or £3.00 reduction	Nil or -30%	1 April 2016	The proposed new charge is £7.00 pre booked and £10.00 on the day.
187	Coaches	£15.00	£5.00	33.33%	1 April 2016	The proposed new charge is £20.00.
	Business Development					
188	Loan Administration Fee - One Off Payment	£250.00	Nil	Nil	1 April 2016	No proposed increase.
189	Equity Administration Fee - One Off Payment	£1,000.00	Nil	Nil	1 April 2016	No proposed increase.
	Venues					
190	St David's Hall - Lettings - (Auditorium Hires)	Various	Nil	Nil	1 April 2016	No proposed increase.
191	Cultural Venues - Ticket Service Charge - per transaction	£2.90	Nil	Nil	1 April 2016	No proposed increase.
192	Commercial Catering	Various	See comment	See comment	1 April 2016	Menu price constantly reviewed on a commercial basis.
193	Cardiff Castle Gift Shop	Various	See comment	See comment	1 April 2016	Determined by mark up to cover required profit margin.
194	Castle Key	Various	Nil	Nil	1 April 2016	No proposed increase.
195	Cardiff Castle Tours	Various	Nil	Nil	1 April 2016	No proposed increase.
196	Castle Banquet	Various	Nil	Nil	1 April 2016	No proposed increase.
197	Castle Room Hire	Various	Nil	Nil	1 April 2016	No proposed increase.
	City Hall Conference and Events-Room Hire					
198	Assembly Room - Mon-Fri (6 hours)	£1,650.00	£50.00	3.03%	1 April 2016	The proposed new charge is £1700.00.
199	All City Hall Room Hire - Discount for Registered Charities	£0.20	Nil	Nil	1 April 2016	No proposed increase.
200	Assembly Room - Mon to Fri (6 hours)	1,650.00	£50.00	3.03%	1 April 2016	The proposed new charge is £1700.00.
201	Assembly Room - Weekends, Evenings & Bank Holidays(6 hours)	2,300.00	£50.00	2.17%	1 April 2016	The proposed new charge is £2350.00
202	Marble Hall - (6 Hours)	1,470.00	£30.00	2.04%	1 April 2016	The proposed new charge is £1500.00
203	Lower Hall - Mon - Fri (6 Hours)	990.00	£35.00	3.54%	1 April 2016	The proposed new charge is £1025.00
204	Lower Hall - Weekends, Evenings & Bank Holidays (6 Hours)	1,600.00	£50.00	3.13%	1 April 2016	The proposed new charge is £1650.00
205	Ferrier Hall - Mon - Fri (4 Hours)	345.00	£5.00	1.45%	1 April 2016	The proposed new charge is £350.00.
206	Ferrier Hall - Weekends, Evenings & Bank Hols (4 Hours)	535.00	£15.00	2.80%	1 April 2016	The proposed new charge is £550.00
207	Council Chamber - Mon - Fri (4 Hours)	265.00	£10.00	3.77%	1 April 2016	The proposed new charge is £275.00
208	Council Chamber - Weekends, Evenings & Bank Hols(4 Hours)	340.00	£60.00	17.65%	1 April 2016	The proposed new charge is £400.00
209	Syndicate Rooms - Mon - Fri - Full Day	390.00	£10.00	2.56%	1 April 2016	The proposed new charge is £400.00
210	Syndicate Rooms - Weekends, Evenings & Bank Hols - (4 Hours)	320.00	£10.00	3.13%	1 April 2016	The proposed new charge is £330.00.
	Mansion House Hire					
211	Per 4 hour session	£500.00	£50.00	10.00%	1 April 2016	The proposed new charge is £550.00.

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Ref	Income Source	Current Price	Proposed Price Change	Change	Effective Date	Comment
212	Evening - 6hrs	£1,000.00	£50.00	5.00%	1 April 2016	The proposed new charge is £1050.00.
213	Mansion House Hire Charges - Discount for registered charities	£0.20	Nil	Nil	1 April 2016	No proposed increase.
	Cardiff Story Museum					
214	Corporate hire of Cardiff Story Museum galleries for events <u>outside</u> normal opening hours (4 hours)	£900.00	Nil	Nil	1 April 2016	No proposed increase.
215	Corporate hire of Cardiff Story Museum Learning Suite/board room for events <u>within</u> normal opening hours (4 hours)	£360.00	Nil	Nil	1 April 2016	No proposed increase.
216	Corporate hire of Cardiff Story Museum Learning Suite/board room for events <u>outside</u> normal opening hours (4 hours)	£500.00	Nil	Nil	1 April 2016	No proposed increase.
217	Cardiff Story Museum - commission from exhibition sales	£0.30	Nil	Nil	1 April 2016	No proposed increase - the current charge is 30% of sale price.
218	Exhibition previews out of museum opening hours and serving alcohol, 4 hour session	£180.00	£20.00	11.11%	1 April 2016	The proposed new charge is £200.00.
219	Cardiff Story Museum - Use of Learning Suite/Board Room and equipment for school groups, local heritage and community organisations within normal opening hours.	£60.00	Nil	Nil	1 April 2016	No proposed increase.
220	Cardiff Story Museum - Use of Learning/Meeting rooms for <u>non local</u> heritage/community organisations <u>within</u> normal opening hours.	£170.00	Nil	Nil	1 April 2016	No proposed increase.
221	Cardiff Story Museum - Use of Learning Suite/Board room and equipment for school groups, local heritage and community organisations outside normal opening hours.	£180.00	Nil	Nil	1 April 2016	No proposed increase.
222	Cardiff Story Museum - Use of Learning/Meeting rooms for <u>non local</u> heritage/community organisations <u>outside</u> normal opening hours.	£260.00	Nil	Nil	1 April 2016	No proposed increase.
223	Welsh Baccalaureate-linked visits (1 hour session)	£25.00	Nil	Nil	1 April 2016	No proposed increase.
224	Cardiff Story Museum - Oral History Training Session - per hour and talk by Museum Professional Staff per hour	£60.00	£Nil- £20.00	Nil% to 30%	1 April 2016	Packages are tailored according to the client's requirements and are subject to current market rates. Charges range from £60.00-80.00
225	Museum formal education / school visits	Various	See comment	See comment	1 April 2016	Formal education and school packages are tailored according to the teacher's requirements and are subject to current market rates. Range from £1.00 per pupil to £4.00 per pupil and / or £25.00 to £80.00 per led session.
	Norwegian Church					
226	Exclusive Wedding Package Room Hire	£3,500.00	£495.00	14.14%	1 April 2016	The proposed new charge is £3995.00.
227	Gallery Hire - per week.	£290.00	£40.00	13.79%	1 April 2016	The proposed new charge is £330.00.

Appendix 11(a)

Ref	Income Source	Current Price	Proposed Price Change	Change	Effective Date	Comment
228	Grieg Room Hire	£240.00 half day - £360.00 full day	£50.00 half day - £40.00 full day	20% half day to 11% full day	1 April 2016	The proposed new charge is £290.00 half day - £400.00 full day.
229	Day delegate Package per head	£20.00	£10.00	50.00%	1 April 2016	The proposed new charge is £30.00.
230	Overhead Projector and Screen Hire	£60.00	£10.00	16.67%	1 April 2016	The proposed new charge is £70.00.
231	Concert Hire	£250.00	£40.00	16.00%	1 April 2016	The proposed new charge is £290.00.
	Education and Lifelong Learning					
232	School Meals - per meal (Primary)	£2.20	£0.10	4.55%	1 April 2016	The proposed new charge is £2.30.
233	School Meals - per meal (secondary)	£2.65	£0.10	3.77%	1 April 2016	The proposed new charge is £2.75.
234	Music Service Charges- Maintained Schools - per hour	£34.00 - £35.10	£1.50 - £1.90	4.41% - 5.41%	1 September 2016	The proposed new charge is £35.50 - £37.00.
235	Music Service Charges - Non Maintained Schools - per hour	£36.00	£2.00	5.56%	1 September 2016	The proposed new charge is £38.00.
236	Music Service Ensemble Fees	£45.00 - £55.00	£2.00 - £2.50	4.4% - 4.5%	1 September 2016	The proposed new charge is £47.00 - £57.50.
237	Music Service Choir Fees (Primary)	£35.00	£1.50	4.29%	1 September 2016	The proposed new charge is £36.50.
238	Music Service Choir Fees (Secondary)	£40.00	£2.00	5.00%	1 September 2016	The proposed new charge is £42.00.
239	Music Service Advanced Percussion Fees (Primary)	£40.00	£2.00	5.00%	1 September 2016	The proposed new charge is £42.00.
240	Music Service Advanced Percussion Fees (Secondary)	£45.00	£2.50	5.56%	1 September 2016	The proposed new charge is £47.50.
241	Storey Arms	Various	Various	Average of 3.8% for in-county, 0% for out county	1 September 2016	The proposed new charge ranges from £85.00 to £301.00 for in-county and £136.00 to £319.00 for out-county.
242	UWIC Level 1 2 day Team Building (per head)	£143.00	£5.00	3.50%	1 September 2016	The proposed new charge is £148.00.
243	Mountain Leader Award Training (6 day) adult training	£425.00	Nil	Nil	1 September 2016	No proposed increase.
244	2 day non-residential NGB award – adult training	£156.00	Nil	Nil	1 September 2016	No proposed increase.
245	1 day NGB award assessment – adult training	£180.00	Nil	Nil	1 September 2016	No proposed increase.
246	Childcare Strategy Courses			Nil	1 September 2016	No proposed increase.
	Childcare - After School Clubs					
247	Glyncoed After School Club	£9.00	£0.50	5.56%	1 April 2016	The proposed new charge is £9.50.
248	Lansdowne After School Club	£9.00	£0.50	5.56%	1 April 2016	The proposed new charge is £9.50.
249	Gladstone and St Monica's After School Club	£9.00	£0.50	5.56%	1 April 2016	The proposed new charge is £9.50.
250	Powerhouse crèche	£15.00	£0.50	3.33%	1 April 2016	The proposed new charge is £15.50.

Appendix 11(a)

Ref	Income Source	Current Price	Proposed Price Change	Change	Effective Date	Comment
251	Severn Road crèche	£15.00	£0.50	3.33%	1 April 2016	The proposed new charge is £15.50.
252	St Mellons Community crèche	£15.00	£0.50	3.33%	1 April 2016	The proposed new charge is £15.50.
Youth Service						
253	Duke of Edinburgh Award Scheme (Bronze)	£156.00	Nil	Nil	1 September 2016	No proposed increase.
254	Duke of Edinburgh Award Scheme (Sliver)	£216.00	Nil	Nil	1 September 2016	No proposed increase.
255	Duke of Edinburgh Award Scheme (Gold)	£384.00	Nil	Nil	1 September 2016	No proposed increase.
Resources						
256	Search Fees	£85.80	£12.90	15.03%	1 April 2016	Flat 15% increase in service unit charge.
257	Sale of Land	£475.00	£10.00	2.11%	1 April 2016	The proposed new charge is £485.00.
Commercial Property Fees						
258	Registration Fee on Notice of Assignment/Underletting/Charge	£75.00	£5.00	6.67%	1 April 2016	The proposed new charge is £80.00.
259	Consent for Assignment / Underletting / Change of Use/Alterations	£375.00	£10.00	2.67%	1 April 2016	The proposed new charge is £385.00.
260	Certificates of Title	£60.00	£10.00	16.67%	1 April 2016	The proposed new charge is £70.00.
261	Grant of Shop Lease	£480.00	£20.00	4.17%	1 April 2016	The proposed new charge is £500.00.
262	Workshops Lease	£225.00	£5.00	2.22%	1 April 2016	The proposed new charge is £230.00.
263	Grant of Industrial Lease	£800.00	£25.00	3.13%	1 April 2016	The proposed new charge is £825.00.
264	Market Tenancies	£275.00	£10.00	3.64%	1 April 2016	The proposed new charge is £285.00.
265	Lease Renewals	£275.00	£10.00	3.64%	1 April 2016	The proposed new charge is £285.00.
266	Variations/Surrenders	£325.00	£5.00	1.54%	1 April 2016	The proposed new charge is £330.00.
Section 106 (S106) Agreements (on time spent basis)						
267	individual properties/householder applications	£375.00	£5.00	1.33%	1 April 2016	The proposed new charge is £380.00.
268	Standard S106	£1,250.00	£5.00	0.40%	1 April 2016	The proposed new charge is £1255.00.
269	Complex S106 agreements -e.g. phased development etc based on actual time	£1,875.00	£5.00	0.27%	1 April 2016	The proposed new charge is £1880.00.
270	Unilateral obligations for S106	£800.00	£10.00	1.25%	1 April 2016	The proposed new charge is £810.00.
271	Unilateral obligations for S106 in relation to Appeals	£800.00	£10.00	1.25%	1 April 2016	The proposed new charge is £810.00.
272	Deed of variation for S106	£550.00	£5.00	0.91%	1 April 2016	The proposed new charge is £555.00.
273	Consent to disposals under S106 restriction	£55.00	£5.00	9.09%	1 April 2016	The proposed new charge is £60.00.
274	Easements	£375.00	£5.00	1.33%	1 April 2016	The proposed new charge is £380.00.
275	Wayleaves	£225.00	£5.00	2.22%	1 April 2016	The proposed new charge is £230.00.
Residential Property Fees						
276	Registration Fee on Notice of Assignment/Underletting/Charge	£75.00	£5.00	6.67%	1 April 2016	The proposed new charge is £80.00.
277	Deed of Postponement	£80.00	£5.00	6.25%	1 April 2016	The proposed new charge is £85.00.
278	Right to Buy - 2nd Mortgage Questionnaires	£80.00	£5.00	6.25%	1 April 2016	The proposed new charge is £85.00.
279	Pre-emption questionnaires	£50.00	£5.00	10.00%	1 April 2016	The proposed new charge is £55.00.
280	Transfers (Subject to Mortgage)	£200.00	£5.00	2.50%	1 April 2016	The proposed new charge is £205.00.
281	Vacating Receipts	£55.00	£5.00	9.09%	1 April 2016	The proposed new charge is £60.00.

Appendix 11(a)

Ref	Income Source	Current Price	Proposed Price Change	Change	Effective Date	Comment
282	Sales of Freehold Reversions	£450.00	£25.00	5.56%	1 April 2016	The proposed new charge is £475.00.
283	Deeds of Variation (Right to Buy leases)	£150.00	£5.00	3.33%	1 April 2016	The proposed new charge is £155.00.
284	Nursing Home charge fees	£50.00	£5.00	10.00%	1 April 2016	The proposed new charge is £55.00.
285	Shared Equity Scheme resales and redemptions	£325.00	£10.00	3.01%	1 April 2016	The proposed new charge is £335.00.
286	CCTV Requests in Connection with Data Protection Act	£75.00 Flat Fee, £15.00 additional copies CD/DVD	Nil	Nil	1 April 2016	No proposed increase.
Central Transport Services						
287	MoT	£45.00	Nil	Nil	1 April 2016	No proposed increase.
Harbour Authority						
288	Navigation Fee - per metre	£22.66	£0.45	1.99%	1 April 2016	The proposed new charge is £23.11.
289	Permission to Moor - per metre	£15.45	£0.30	1.94%	1 April 2016	The proposed new charge is £15.75.
290	Provision of Mooring	£90.00	£1.80	2.00%	1 April 2016	The proposed new charge is £91.80.
291	Commercial operators licence	£160.00 plus £0.10 per passenger carried	£5.00	3.00%	1 April 2016	Proposed new fee is £165.00 for the licence plus £0.10 per passenger carried.
292	Launching permits for sailing craft, motor craft or multi person rowing craft (Section 15(1)(a))	£11.50	Nil	Nil	1 April 2016	No proposed increase.
293	Launching permits for single person rowing craft and windsurfers	£5.00	Nil	Nil	1 April 2016	No proposed increase.
294	Use of Harbour Authority landing stages.	£375.00	£7.50	2.00%	1 April 2016	The proposed new charge is £382.50.
295	Short stay moorings - Inner Harbour- per hour	£1.00	Nil	Nil	1 April 2016	Any increase in charges would likely result in a decrease in income as less use or reluctance to pay.
296	Car parking fees - Havannah Street	Various	Nil	Nil	1 April 2016	No proposed increase. £1.50 for 1 hour, £3.00 for 2 hours, £4.00 for 3 hours, £5.50 for 4 hours, £6.50 for 5 hours, £7.50 for 6 hours, £8.50 for 7 hours, £15.00 8-24 hours.
297	Barrage Car Park	Various	Nil	Nil	1 April 2016	No proposed increase. £1.50 for 1 hour, £2.50 for 2 hours, £3.50 for 3 hours, £4.50 for 4 hours, £5.50 for 5 hours, £6.50 for 6 hours, £7.50 for 7 hours, £8.50 for 8 hours.
Social Services						
298	Client/Staff meals	Various	Nil	Nil	1 April 2016	No proposed increase.
299	Charge for non-residential services	£60.00	Nil	Nil	1 April 2016	No proposed increase.

Appendix 11(b)

Summary of Recommended Increases to Fees and Charges 2016/17 - Housing Revenue Account

Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
1	Pre-assignment enquiries	£100.80	Nil	Nil	4 April 2016	No proposed increase.
2	Landlord consents for leaseholders	£155.00	Nil	Nil	4 April 2016	No proposed increase.
3	Postponement of Right to Buy charge	£100.80	Nil	Nil	4 April 2016	No proposed increase.
4	Administration charge for major works	12% capped at £250	Nil	Nil	4 April 2016	No proposed increase.
5	Leaseholders Sub-Letting Charge	£30.00	Nil	Nil	4 April 2016	No proposed increase.
6	Leaseholder Management Fee	£163.08	Nil	Nil	4 April 2016	No proposed increase.
7	Council Dwellings Rent	Various	Various	1.4% + £2.00	4 April 2016	As per Welsh Government guidelines.
8	All Property Cleaning Charge	£0.37	Nil	Nil	4 April 2016	No proposed increase.
9	Retirement Complex - Community Alarm Full Cover	£4.56	Nil	Nil	4 April 2016	No proposed increase.
10	Retirement Complex - Cleaning	£8.56	Nil	Nil	4 April 2016	No proposed increase.
11	Retirement Complex - Communal Maintenance/Scheme Management	£10.31	Nil	Nil	4 April 2016	No proposed increase.
12	Grounds & Pest Control	£0.97	Nil	Nil	4 April 2016	No proposed increase.
13	Flats Service Charge - Communal Maintenance	£1.05	£0.01	0.95%	4 April 2016	The proposed new charge is £1.06.
14	Flats Service Charge - Reduced Cleaning Charge	£2.35	Nil	Nil	4 April 2016	No proposed increase.
15	Discretionary Repairs	£1.48	Nil	Nil	4 April 2016	No proposed increase.
16	Sheltered Service Charges - Personal Heating	Various	Various	-23.40%	4 April 2016	Reduction in costs/usage.
17	Sheltered Housing Rents	Various	Various	1.4% + £2.00	4 April 2016	Increase 1.4% + £2.00 as per Council Dwellings.
18	Water Charges / Sheltered complexes	Various	Various	0.88%	4 April 2016	Small increases or decreases at each complex results in overall change of +0.88%.
19	Adult Services Furniture Renewal	£62.41	£0.90	1.40%	4 April 2016	The proposed new charge is £63.31.
20	Carport	£4.23	Nil	Nil	4 April 2016	No proposed increase.
21	Garages - Attached	Various (£5.95-£8.14)	Nil	Nil	4 April 2016	No proposed increase.
22	Garage rents - Tenants	£5.41	£0.08	1.40%	4 April 2016	The proposed new charge is £5.49.
23	Garage rents - Private Let	£6.77	£0.10	1.40%	4 April 2016	The proposed new charge is £6.87.
24	Garage rents with water - Tenants	£7.73	£0.11	1.40%	4 April 2016	The proposed new charge is £7.84.
25	Garage rents with water - Private Let	£9.09	£0.13	1.40%	4 April 2016	The proposed new charge is £9.22.
26	Garage Rent at sheltered complex (Electricity)	£8.14	£0.13	1.40%	4 April 2016	The proposed new charge is £8.27.
27	Hardstandings	£2.25	Nil	Nil	4 April 2016	No proposed increase.
28	Garden Sheds	£0.37 / £0.49	Nil	Nil	4 April 2016	No proposed increase.
29	Concierge Service Butetown/Arc	£4.07	Nil	Nil	4 April 2016	No proposed increase.
30	Concierge Service Litchfield Court	£62.36	£33.32	-53.43%	4 April 2016	The proposed new charge is £29.04.
31	Flats Service Charge - Cleaning	£4.03	Nil	Nil	4 April 2016	No proposed increase.
32	Flat service charge- landlord lighting & electricity	£1.15	£0.35	-30.43%	4 April 2016	The proposed new charge is £0.80.
33	Flats Service Charge - Door Entry	£0.50	£0.10	-20.00%	4 April 2016	Reduction in costs/usage.
34	Beech House heating	£8.67	£2.02	-23.20%	4 April 2016	The proposed new charge is £6.65.
35	Sycamore House heating	£10.85	£2.97	-27.40%	4 April 2016	The proposed new charge is £7.88.
36	Hostel service Charges	Various	Nil	Nil	4 April 2016	No proposed increase.
37	Tai Penlan Drainage	£6.71	£0.52	-7.70%	4 April 2016	The proposed new charge is £5.79.

Appendix 11(c)

Summary of Recommended Increases to Fees and Charges 2016/17 - Outdoor Activities

Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
1	Roath Park Conservatory	Charges range from £1.50 for school / group visits to £24.00 for family season ticket.	Nil	Nil	1 April 2016	No proposed increase.
2	Roath Park -Duck Food	£0.60	Nil	Nil	1 April 2016	No proposed increase.
3	Roath Park - Fish Food	£0.60	Nil	Nil	1 April 2016	No proposed increase.
4	Roath Park - Duck and Fish Food	£1.00	Nil	Nil	1 April 2016	No proposed increase.
5	Roath Park Post cards - Individual	£0.50	Nil	Nil	1 April 2016	No proposed increase.
6	Roath Park Post cards - Pack of 6	£2.50	Nil	Nil	1 April 2016	No proposed increase.
	<u>Fishing Roath Park Lake</u>					
7	Bowls - Buy Back of Maintenance of Greens - annual charge	£6,300.00	Nil	Nil	1 April 2016	No proposed increase.
8	Bowls - Season Ticket	£150.00 Adult £100.00 over 60	Various	Nil	1 April 2016	No proposed increase.
9	Deckchair Hire	£3.50	Nil	Nil	1 April 2016	No proposed increase.
10	Hire of Pavilions half day	£30.00	£5.00	16.67%	4 April 2016	The proposed new charge is £35.00.
11	Hire of Pavilions whole day	£55.00	Nil	Nil	4 April 2016	No proposed increase.
12	Football Pitch & Changing Facilities	£55.00	Nil	Nil	1 April 2016	No proposed increase.
13	Football Pitch only	£44.00	Nil	Nil	1 April 2016	No proposed increase.
14	Rugby Pitch & Changing Facilities	£75.00	Nil	Nil	1 April 2016	No proposed increase.
15	Rugby pitch only	£60.00	Nil	Nil	1 April 2016	No proposed increase.
16	Cricket Pitch & Changing Facilities	£66.00	Nil	Nil	1 April 2016	No proposed increase.
17	Cricket - Pitch only	£55.00	Nil	Nil	1 April 2016	No proposed increase.
18	Baseball Pitch & Changing Facilities	£66.00	Nil	Nil	1 April 2016	No proposed increase.
19	Baseball - Pitch only	£55.00	Nil	Nil	1 April 2016	No proposed increase.
20	Training area & changing facilities	£30.00	Nil	Nil	1 April 2016	No proposed increase.
	<u>3G Football Pitch</u>					
21	Gold/Silver Accredited - per hour	£48.00	£18.00	37.50%	1 April 2016	The proposed new charge is £66.00.
22	Bronze/Standard Accredited - per hour	£54.00	£12.00	22.22%	1 April 2016	The proposed new charge is £66.00.
23	Non Accredited - per hour	£60.00	£6.00	10.00%	1 April 2016	The proposed new charge is £66.00.
24	Off Peak - per hour	£24.00	£16.00	66.67%	1 April 2016	The proposed new charge is £40.00.
25	Gold/Silver Block Booking	£40.00	£26.00	65.00%	1 April 2016	The proposed new charge is £66.00.
26	Bronze Block Booking	£45.00	£21.00	46.67%	1 April 2016	The proposed new charge is £66.00.
27	Non Accredited Block Booking	£50.00	£16.00	32.00%	1 April 2016	The proposed new charge is £66.00.

Appendix 11(c)

Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
28	Schools - per hour	£20.00	Nil	Nil	1 April 2016	No proposed increase.
	<u>Sailing Centre</u>					
29	Windsurfing - 2 day - Adult	£165.00	Nil	Nil	1 April 2016	No proposed increase.
30	Windsurfing - 2 day -Youth	£120.00	Nil	Nil	1 April 2016	No proposed increase.
31	Multi Activity - 2 day -Youth	£120.00	Nil	Nil	1 April 2016	No proposed increase.
32	Supervised Sailing & Windsurfing (3 hour session)	£21.00	Nil	Nil	1 April 2016	No proposed increase.
33	Supervised Sailing & Windsurfing - 5 Week Session	£100.00	Nil	Nil	1 April 2016	No proposed increase.
34	Supervised Sailing & Windsurfing - 10 week Session	£180.00	Nil	Nil	1 April 2016	No proposed increase.
35	Youth Sailing Courses - 2 day	£120.00	Nil	Nil	1 April 2016	No proposed increase.
36	Youth Sailing Courses - 3 day	£160.00	Nil	Nil	1 April 2016	No proposed increase.
37	Youth Sailing Courses - 6 week	£180.00	Nil	Nil	1 April 2016	No proposed increase.
38	Youth Sailing Courses - 10 week	£280.00	Nil	Nil	1 April 2016	No proposed increase.
39	Youth Sailing Courses - After Schools club	£120.00	Nil	Nil	1 April 2016	No proposed increase.
40	Youth Sailing Taster 1/2 day	£30.00	Nil	Nil	1 April 2016	No proposed increase.
41	Scout Sailing Taster 1/2 day	£16.00	Nil	Nil	1 April 2016	No proposed increase.
42	Sailing Schools Group	Various	Nil	Nil	1 April 2016	No proposed increase.
	<u>Adult Sailing Courses</u>					
43	Level 1 - 2 day	£170.00	Nil	Nil	1 April 2016	No proposed increase.
44	Level 2 & 3 - 2 day	£165.00	Nil	Nil	1 April 2016	No proposed increase.
45	Advanced 2 day	£165.00	Nil	Nil	1 April 2016	No proposed increase.
46	Level 1 - 6 week	£250.00	Nil	Nil	1 April 2016	No proposed increase.
47	Level 2 - 6 week	£245.00	Nil	Nil	1 April 2016	No proposed increase.
48	Advanced - 6 week	£245.00	Nil	Nil	1 April 2016	No proposed increase.
49	Adult Sailing Taster 1/2 day	£45.00	Nil	Nil	1 April 2016	No proposed increase.
50	Corporate Sailing Taster 1/2 day	£85.00	Nil	Nil	1 April 2016	No proposed increase.
51	Corporate Sailing Taster Full day	£150.00	Nil	Nil	1 April 2016	No proposed increase.
	<u>Sailing/Windsurfing - Private Tuition</u>					
52	Half day	£120.00	Nil	Nil	1 April 2016	No proposed increase.
53	Full day	£240.00	Nil	Nil	1 April 2016	No proposed increase.
	<u>Corporate - Per person</u>					
54	Sailing, Powerboat, Windsurfing-Half day -per person	£90.00	Nil	Nil	1 April 2016	No proposed increase.
55	Sailing, Powerboat, Windsurfing- Full day - per person	£150.00	Nil	Nil	1 April 2016	No proposed increase.
56	Raft Building, Problem Solving & Bell Boating - Half Day	£70.00	Nil	Nil	1 April 2016	No proposed increase.
57	Raft Building, Problem Solving & Bell Boating - Full Day	£115.00	Nil	Nil	1 April 2016	No proposed increase.
58	Power Boat Courses	Various	Nil	Nil	1 April 2016	No proposed increase.
	<u>Activity Adventure Program CBWC</u>					
59	Multi Activity half day (8 - 16 people)	£20.00	Nil	Nil	1 April 2016	No proposed increase.
60	Multi Activity full day (8 - 16 people)	£32.50	Nil	Nil	1 April 2016	No proposed increase.
61	Bell Boat session Junior (2 hours)	£7.50	Nil	Nil	1 April 2016	No proposed increase.
62	Bell Boat session Adult (2 Hours)	£12.50	Nil	Nil	1 April 2016	No proposed increase.

Appendix 11(c)

Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
63	Archery session (1.5 hours)	£22.50	Nil	Nil	1 April 2016	No proposed increase.
64	Archery course (4 x 1.5 hours)	£65.00	Nil	Nil	1 April 2016	No proposed increase.
	<u>Fishing Permit Charges - Barrage</u>					
65	Day License - Adult	£8.00	Nil	Nil	1 April 2016	No proposed increase.
66	Day License - Junior	£4.00	Nil	Nil	1 April 2016	No proposed increase.
67	Day License - Concession	£5.00	Nil	Nil	1 April 2016	No proposed increase.
68	Annual License - Adult	£47.00	Nil	Nil	1 April 2016	No proposed increase.
69	Annual License - Junior	£23.00	Nil	Nil	1 April 2016	No proposed increase.
70	Annual License - Concession	£32.00	Nil	Nil	1 April 2016	No proposed increase.
71	Private Tuition - Adult (2.5hrs)	£25.00	Nil	Nil	1 April 2016	No proposed increase.
72	Private Tuition - Junior(2.5hrs)	£20.00	Nil	Nil	1 April 2016	No proposed increase.
73	Learn to Fish Course (4*2.5hrs)	£65.00	Nil	Nil	1 April 2016	No proposed increase.
	<u>Slipway Fees and Charges</u>					
74	Single occupancy launch	£5.00	Nil	Nil	1 April 2016	No proposed increase
75	Multi occupancy launch	£11.50	£0.50	4.35%	1 April 2016	The proposed new charge is £12.00.
76	Sail boat launch	£11.50	£0.50	4.35%	1 April 2016	The proposed new charge is £12.00.
77	Motor boat launch	£11.50	£0.50	4.35%	1 April 2016	The proposed new charge is £12.00.
78	Boat Launch - Season Tickets per metre	£23.50	Nil	Nil	1 April 2016	No proposed increase.
	<u>Rowing</u>					
79	Level 1 Blades Junior (3 x 2.5 hours)	£65.00	Nil	Nil	1 April 2016	No proposed increase.
80	Level 1 Blades Adult (3 x 2.5 hours)	£75.00	Nil	Nil	1 April 2016	No proposed increase.
81	Level 2 Blades Junior (3 x 2 hours)	£60.00	Nil	Nil	1 April 2016	No proposed increase.
82	Level 2 Blades Adult (3 x 2 hours)	£70.00	Nil	Nil	1 April 2016	No proposed increase.
83	Private Tuition (1.5 hours)	£30.00	Nil	Nil	1 April 2016	No proposed increase.
84	Recreational Rowing - per hour	£5.00	Nil	Nil	1 April 2016	No proposed increase.
85	Ergo Room Junior - per hour	£2.50	Nil	Nil	1 April 2016	No proposed increase.
86	Ergo Room Adult - per hour	£3.00	Nil	Nil	1 April 2016	No proposed increase.
	<u>Cardiff International White Water</u>					
87	Cardiff International White Water	Various	Nil	Nil	1 April 2016	No proposed increase.
88	Sky Trail (Youth)	£8.00 to £12.00	Nil	Nil	1 April 2016	No proposed increase.
89	Sky Trail (Adults)	£10.00 to £15.00	Nil	Nil	1 April 2016	No proposed increase.

Appendix 12

Directorate Revenue Budgets

	2015/16 Adjusted Base	Inflation & Commitments	Savings	Technical Adjustments	Total 2016/17
	£000	£000	£000	£000	£000
City Operations	52,091	3,539	(9,270)	70	46,430
Communities, Housing & Customer Servs	42,532	2,544	(1,390)	193	43,879
Corporate Management	24,620	1,372	(1,245)	0	24,747
Economic Development	2,013	630	(1,412)	0	1,231
Education & Lifelong Learning	234,649	12,551	(3,356)	0	243,844
Governance & Legal Services	4,420	426	(152)	0	4,694
Resources	17,972	1,764	(3,721)	(70)	15,945
Social Services	141,107	9,062	(5,346)	(193)	144,630
Capital Financing	47,134	1,602	(2,443)	0	46,293
General & Issue Specific Contingency	6,968	0	(500)	0	6,468
Total Budget	573,506	33,490	(28,835)	0	578,161

Appendix 13

Cabinet Member Portfolio Revenue Budgets

	2015/16 Adjusted Base	Inflation & Commitments	Savings	Technical Adjustments	Total 2016/17
	£000	£000	£000	£000	£000
Community Development, Co-operatives & Social Enterprise	12,567	1,308	(2,841)	0	11,034
Corporate Services & Performance	14,458	1,872	(4,145)	(70)	12,115
Early Years & Families	46,150	3,429	(2,474)	(400)	46,705
Economic Development & Partnerships	27,395	1,497	(1,739)	0	27,153
Education & Skills	240,649	12,743	(3,628)	0	249,764
Environment	26,499	2,140	(4,741)	0	23,898
Health, Housing & Wellbeing	132,066	7,934	(3,361)	400	137,039
Skills, Safety & Engagement	9,024	965	(621)	0	9,368
Transport, Planning & Sustainability	10,596	0	(2,342)	70	8,324
Capital Financing etc.	47,134	1,602	(2,443)	0	46,293
General & Issue Specific Contingency	6,968	0	(500)	0	6,468
Total Budget	573,506	33,490	(28,835)	0	578,161

Summary of Post Consultation Changes - £14.095 million

Additional Pressures & Financial Resilience Mechanism	4,971	
Reductions to Directorate Savings	2,833	
<u>Reduction to Addressable Spend Savings</u>		
Precepts etc	455	Reduced to reflect updated information
Waste Management Contingency	500	Reduced to reflect updated information
Severance (Modelling)	(400)	Increased saving to reflect updated information
Severance Scheme Policy	750	Reduced to remove policy savings re: future changes to VS scheme
School Transport	4	Reduced to halve proposed price increase on bus passes
TOTAL ADDRESSABLE SPEND SAVINGS	1,309	
<u>Reduction to Council Wide Savings</u>		
Digitalisation	200	Reductions to savings proposals to address pace and scale, improving achievability for 2016/17.
Fees & Charges	100	
Simplification of Structures	500	
General Staffing	30	
Reduction in Agency (General)	50	
TOTAL COUNCIL WIDE SAVINGS	880	
<u>Amendments to Budget Strategy Assumptions</u>		
Council Tax Increase	928	Increase reflected at consultation was 4.5%, now reduced to 3.7%
Use of Reserves	500	To reduce reliance on one off funding sources
Cap on Schools (non demographic) growth	1,674	Cap reduced to fully fund impact on NI of end of "contracting out" rules
Capitalisation	1,000	Removed due to increasing uncertainty re: capitalisation direction
TOTAL BUDGET STRATEGY ASSUMPTIONS	4,102	
GRAND TOTAL	14,095	

Post Consultation Changes - Further Detail

Financial Resilience Mechanism - Proposed one-off use for 2016/17		
Disabled Adaptations Grants - DRF	1,900	Enabling more people to remain in their own homes for longer and reduce waiting times for adaptations
Establish Fund for Apprenticeships/Youth Guarantee	500	One off fund (pending confirmation of entitlements through Apprenticeship Levy Redistribution in 2017/18)
Workforce Training and Development	700	To support our workforce as we reshape the council to reflect changing resources, changing needs etc. To take forward initiatives raised through "Making the Difference" and employee roadshows
City Development Initiatives	250	To include contributions to future arrangements for Llanishen Reservoir and progression of City Deal arrangements
Targeted Interventions for Potholes	320	Would allow approximately 3,000 more potholes to be dealt with
Transport Project Delivery	100	20 mph schemes in sensitive areas and improve residential parking schemes
Mobile Recycling Facility	80	To support this new initiative
Visible Street Scene Services	100	City Centre / Neighbourhood Street Cleansing / Drainage/Gully Cleaning (some linked to leaf fall.) A one off sum to enhance the £220k ongoing funding already allocated - £320k in total for 2016/17.
Scrutiny Capacity	50	This sum will allow the scrutiny budget to be retained at the current level for 2016/17 but anticipates a review of the function taking place during the year.
TOTAL	4,000	
Additional Pressures	£000	Further Information
Increase Single Environment Grant Pressure	90	To reflect most recent indications of grant levels
Supplementary Planning Guidance	75	To refresh planning guidance following approval of the LDP
Visible Street Scene Services	220	City Centre / Neighbourhood Street Cleansing/ Drainage/Gully Cleaning (some linked to leaf fall). An additional one off sum of £100k is included within the budget taking total allocation for 2016/17 to £320k.
Materials Recycling Facility	200	Realignment of income
Local Government Bill (Wales) 2015	100	To plan for implementation
Domiciliary Care Fees	200	To cover potential price changes
Reconfiguration of Capital Times Offer	86	Capital Times replaced with targeted, online and quarterly print products
TOTAL	971	

Schedule of Amended 2016/17 Savings Proposals (post consultation)

Ref	Directorate Savings	Reduction £000	
CONSULT 3	ADM Leisure	150	Reduced from £1m to £0.850m
CONSULT 13	New Operating Model for City Ops	260	Reduced from £1.312m to £1.052m
CONSULT 21	Civil Parking Enforcement	230	Reduced from £0.6m to £0.37m
CONSULT 34,35	Commercialisation	150	Reduced from £0.55m to £0.4m
CONSULT 42	Regulatory Collaboration	51	Reduced from £0.361m to £0.310m
CONSULT 52	Bereavement Service	50	Reduced from £0.15m to £0.1m
CONSULT 61	Review of Reablement Services	100	Reduced from £0.293m to £0.193m
CONSULT 65	Corporate Initiative Efficiencies	153	Reduced from £0.284m to £0.131m
CONSULT 78	Reduced Service in Tourism	47	Removed
CONSULT 80	Arts Grants to Organisations	68	Removed
CONSULT 81	Artes Mundi	20	Removed
CONSULT 83	Cardiff Singer of the World	36	Removed
CONSULT 84	Cardiff Contemporary Initiative	37	Removed
CONSULT 92	Rationalisation of staff costs centrally retained to provide services of a specialised nature	140	Reduced from £0.2m to £0.06m
CONSULT 94	Rationalisation of costs of pupil referral unit	80	Removed
CONSULT 96	Reduction in Contributions to Education Consortium	80	Reduced from £0.161m to £0.81m
CONSULT 101	Reconfiguration of Health and Safety support service to schools	132	Removed
CONSULT 103	Reduce Scrutiny Research Function*	31	Reduced from £0.081m to £0.05m
CONSULT 125	ADM - Security and Cleaning	30	Reduced from £0.165m to £0.135m
CONSULT 135	Staff savings in organisational development	80	Removed
CONSULT 145	Review of External Placements (Children's)	280	Reduced from £0.780m to £0.5m
CONSULT 147	Review of Commissioned Services (Adult Services)	366	Reduced from £1.366m to £1m
CONSULT 151	Review of Third Sector Grants (Pedal Power Component only)	12	Pedal Power component of proposal removed
CONSULT 160	Locality Based Service Delivery for Adult Services	250	Reduced from £.5m to £0.25m
		2,833	

* One off funding of £50k provided (see earlier sheet) to retain scrutiny budget at current level anticipating that a review of the function will take place in 2016/17

Supporting People Spending Plan for 2016/17

Spend Plan Collection Period	Local Authority Spend Plan 2016-17													
	Regional Collaborative Committee: The Vale & Cardiff													
Local Authority:	Cardiff													
Annual Allocation:	£16,267,470.00													
	Service Type												Total units	Total
	Fixed Site (Accommodation Based)						Floating (Community Based)							
	Client units	Less Than 6 Months	Client units	6 to 24 Months	Client units	24 Months plus	Client units	Less Than 6 Months	Client units	6 to 24 Months	Client units	24 Months plus		
Client Spend Category (The category to which the service is primarily focused)	No	£000	No	£000	No	£000	No	£000	No	£000	No	£000	No	£000
Women at risk of Domestic Abuse	37	548	2	12	0	0	25	182	42	306	0	0	106	1,048
Men at risk of Domestic Abuse	0	0	4	23	0	0	0	0	0	0	0	0	4	23
People with Learning Disabilities	0	0	4	22	354	2,217	0	0	0	0	0	0	358	2,239
People with Mental Health Issues	0	0	9	65	107	566	30	190	20	42	0	0	166	863
People with Substance Issues (Alcohol)	0	0	27	299	38	355	0	0	0	0	0	0	65	654
People with Substance Misuse issues (Drugs and Volatile substances)	0	0	57	703	0	0	0	0	16	101	0	0	73	804
People with Criminal Offending History	0	0	33	386	0	0	0	0	0	0	0	0	33	386
People with Refugee Status	0	0	0	0	0	0	0	0	35	198	0	0	35	198
People with Physical and/or Sensory Disabilities	0	0	0	0	31	75	0	0	0	0	0	0	31	75
People with Developmental Disorders (i.e. Autism)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
People with Chronic Illnesses (including HIV/AIDS)	0	0	0	0	6	35	0	0	0	0	0	0	6	35
Young People who are Care Leavers	0	0	10	181	0	0	0	0	0	0	0	0	10	181
Young People with Support Needs (16 - 24)	0	0	119	1,578	0	0	12	87	18	131	0	0	149	1,796
Single Parent Families with Support Needs	0	0	30	393	0	0	0	0	0	0	0	0	30	393
Families with Support Needs	51	694	0	0	0	0	50	85	33	137	0	0	134	916
Single People with Support Needs not listed above (25 - 54)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
People over 55 years of age with Support Needs (this category must be exclusive of alarm services)	0	0	0	0	139	187	50	104	0	0	0	0	189	291
Generic Floating support to prevent homelessness (tenancy support services which cover a range of service user needs but which must be exclusive of fixed site support)							515	2,143	151	700	0	0	666	2,843
Alarm services (including sheltered/extracare schemes)	0	0	0	0	3782	650	0	0	0	0	0	0	3782	650
Expenditure which does not directly link to the spend plan categories above (Explanation required in accompanying e-mail)	221	2,318	79	555	0	0	0	0	0	0	0	0	300	2,873
TOTAL	309	3,560	374	4,217	4457	4,085	682	2,791	315	1,615	0	0	6137	16,268

City of Cardiff Council

Draft Strategy for Older Peoples Day Opportunities



Independent
Living Services
**One point
of Contact**

“ People in
Cardiff are
Supported to
Live
Independently ”



“ Supporting
People in
Vulnerable
Situations ”



“ Working
together for a
brighter
future ”

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Introduction

This paper outlines the strategic direction that the City of Cardiff Council will take in developing Day Opportunities for older people and their carers. It forms the basis for a series of consultation events that will take place with a range of stakeholders, including existing and future service users.

The City of Cardiff Council strives to deliver its vision of becoming Europe's most liveable capital city and this can only be achieved if all residents have the opportunity to benefit from what the city has to offer. This strategy builds on the council's key priority of "Supporting People in Vulnerable Situations" by ensuring "People in Cardiff are Supported to Live Independently".

Day Opportunities for the purpose of this strategy are defined as all the opportunities for older people to do things, whether in the day, evening or weekend. A range of activities on different days of the week, in different venues, that maximise independence and are suited to individuals' needs and interests

Legal Framework

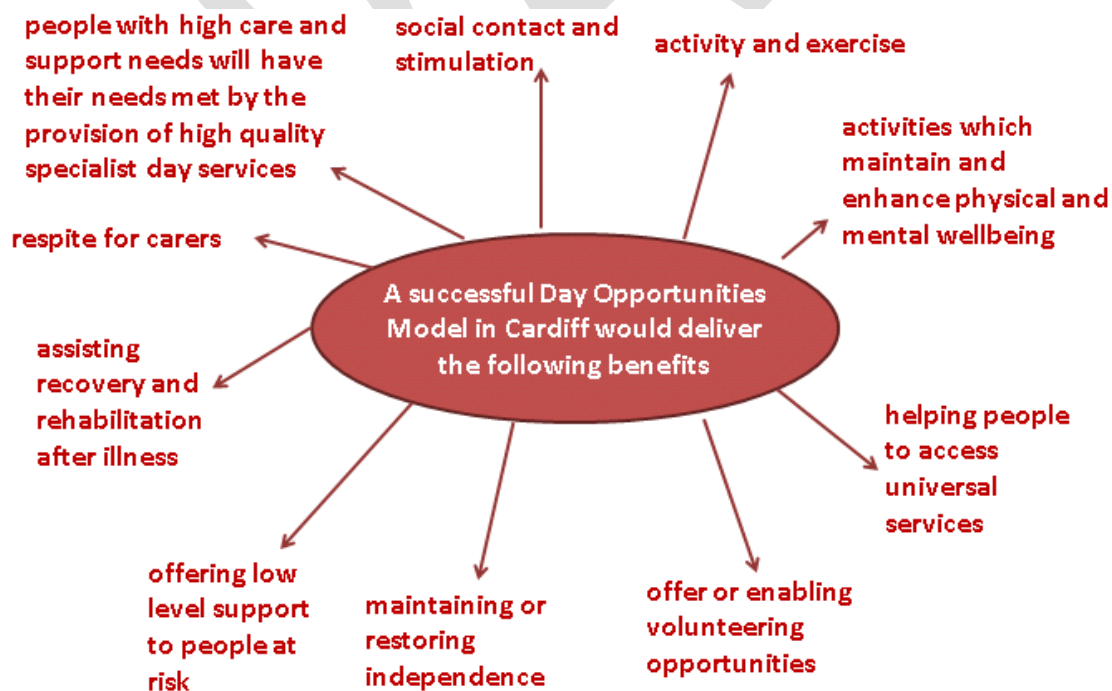
All local authorities have a statutory obligation to meet the assessed eligible needs of older and disabled people.

The Social Services Well-being (Wales) Act 2014 creates a new legal system for social services. The current models of social care provision across Wales are acknowledged to no longer be sustainable, with services under pressure due to increased demand and reduced budgets. The Act provides the legal framework for achieving the vision, in partnership with national and local government, NHS, third sector organisations and independent providers. The Act places a duty on local authorities to promote the well-being of people who need care and support, and their carers. According to the Act, local authorities are to ensure that there are services that contribute "towards preventing or delaying the development of people's needs for care and support".



The Day Opportunities Strategy reflects the direction of travel within local and national strategies and research policies (including The Strategy for Older People in Wales 2013 – 2023 (Welsh Government), incorporating for example:

- A focus on the outcomes that service users and carers wish to achieve
- A reablement approach placed at the heart of all service delivery
- A greater focus on prevention, promoting well-being and delivering services in settings which are more convenient to the people that use them
- A change of service delivery to ensure readiness for the projected increase in the number of older people in Cardiff, including an increase in the number of people with dementia
- The “mainstreaming” of older people’s concerns across all service and policy areas so that older people receive more positive engagement, have more opportunities to contribute to Cardiff and to their local communities, and to enable older people to live as actively and independently as possible in a suitable and safe environment of their choice.



Drivers for Change

Population

The population of Cardiff has risen sharply in recent years, and is forecast to continue for the foreseeable future. This is largely due to Cardiff's appeal as a great place to live and work driving migration to the city, and is clearly a sign of economic and social success. Increases in working-age population will inevitably be followed by increases in the numbers of elderly retired people, as incomers to the city age and retire, and as elderly people move into the city to be near to their families and to access the city's amenities and services.

A review of the population of Cardiff aged 65 or over shows that this population is now starting to increase after two decades of no significant change. Most demand for social care services, however, comes from those individuals aged 85 or over and it is this group that is predicted to have the highest increase over the next 5 to 15 years.

	Present 2015	2020	% increase 2015 - 2020	2030	% increase 2015 - 2030
Total population aged 65+	49,675	54,492	10%	68,924	39%
Total population aged 85+	7,428	8,326	12%	11,107	48%
Population aged 65+ with dementia	3,598	3,943	10%	5,154	43%
Population aged 65+ unable to manage 1+ mobility activity	9,374	10,283	10%	13,188	41%
Population aged 65+ who are obese	10,704	11,783	10%	14,728	38%



Changing Expectations

New and future service users have experienced a better living standard than ever before, and they expect that to continue into old age. They rightly, expect more choice, better quality, and control over the support they receive. Therefore, this strategy needs to see service users and their carers as consumers rather than passive recipients of services. The success of this strategy will be determined by the delivery of outcomes that matter most.

The impact of Loneliness

More and more research reaffirms what people already know; that happy and sociable lives are key to healthy, long life. It is later in life that people are particularly at risk of loneliness, especially following the loss of a partner or close friends. According to Age UK's figures, 7 per cent of people over 65 across the UK say they always or often feel lonely. This figure rises to 33 per cent when for those who sometimes feel lonely are included. It is widely recognised that loneliness and social isolation are harmful to health. Research shows that lacking social connections can be as detrimental as smoking 15 cigarettes a day (Holt-Lunstad, 2010). Further to impacting on mortality, social networks and friendships also help individuals to recover and regain their independence when they fall ill (Marmot, 2010).

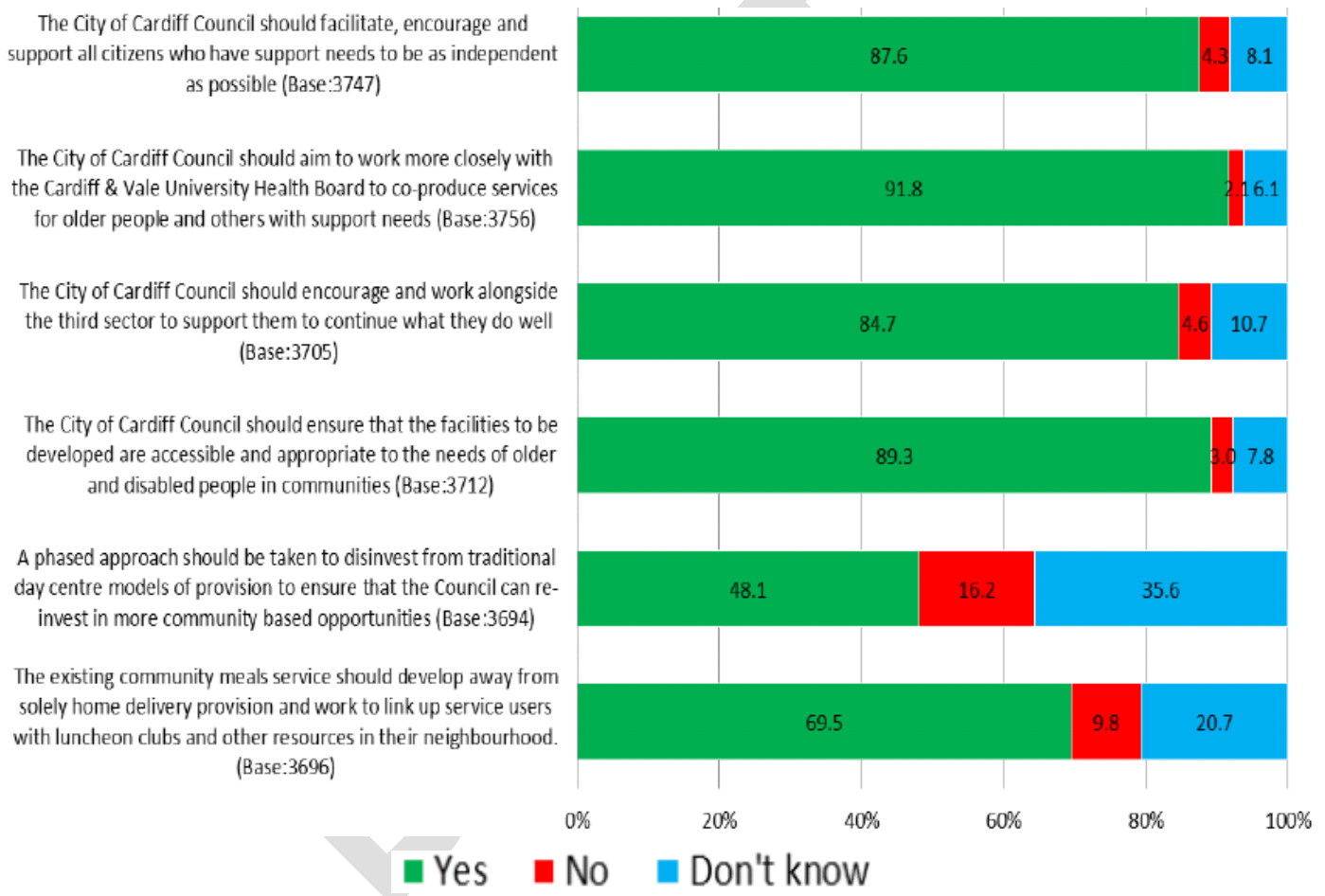
Budget Resources

Like all other authorities, the City of Cardiff Council is facing unprecedented financial pressures at the same time as demands on services are increasing. This has meant that the authority must ensure that all council spending is focused on the areas that are most important and make the biggest difference. It also means we need to make sure that each pound goes as far as possible through working successfully with partners and community groups.



Previous Consultation

As part of the budget setting process for 2015/16, the council carried out a series of consultation events. These took place within the Changes for Cardiff Budget Proposals, which ran from 21st November 2014 until 12th January 2015. It was the City of Cardiff Council's most far reaching city-wide public consultation which included service-specific consultation with service users/groups to discuss the organisations' budget proposals. The results relevant to Day Opportunities are displayed below.



Disinvestment in traditional day centre models received the least support, with 16.2 % of respondents disagreeing with this strategy. 9.8% opposed the development of community meals away from solely home delivery.



Consultation

The Day Opportunities Strategies Consultation on the proposed strategy opened on November 30th and was closed on February 5th February after a consultation period of 67 days. The consultation was undertaken via the following methods:

- An online questionnaire / paper questionnaires which were distributed to 1,742 older people who were receiving a care package.
- Three public events which were held enabling residents to find out more about the proposals, ask questions, raise concerns and share their opinions. Paper questionnaires were also disseminated at the events.
- Cardiff Third Sector Council sent links to all older people network groups with a letter encouraging them to take part in the consultation process.
- In addition we also received communications including emails and letters, plus a petition all of which are reflected in the results section.

Overall the main feedback to the consultation was positive with 61% of those stating a preference either agreeing or strongly agreeing with the Day Centre proposals. The response to the proposal to retain and increase the meals on wheels cost by £1 was positively received with 86.5% of those giving a preference agreeing with the proposal. Another key change was in relation to Luncheon Clubs and 58.4% of respondents to this question agreed with the proposal. There was also key support in relation to expanding volunteering with 82.8% supporting the proposal and 95.4% in favour of maintaining current funding to the community transport.

A key message arising from the consultation was from service users at Oldwell Court and their concern at no longer being able to access the Day Centre. In response to this and through productive discussion's with Alzheimer's this strategy has changed to include:

- The Council will continue to fund places for those people who currently receive a service funded by the council at Oldwell Court.
- The Council will continue funding for these individuals until such time as the arrangements are no longer required.
- The Council will support the Alzheimer's Society to help them secure their current accommodation into the future.



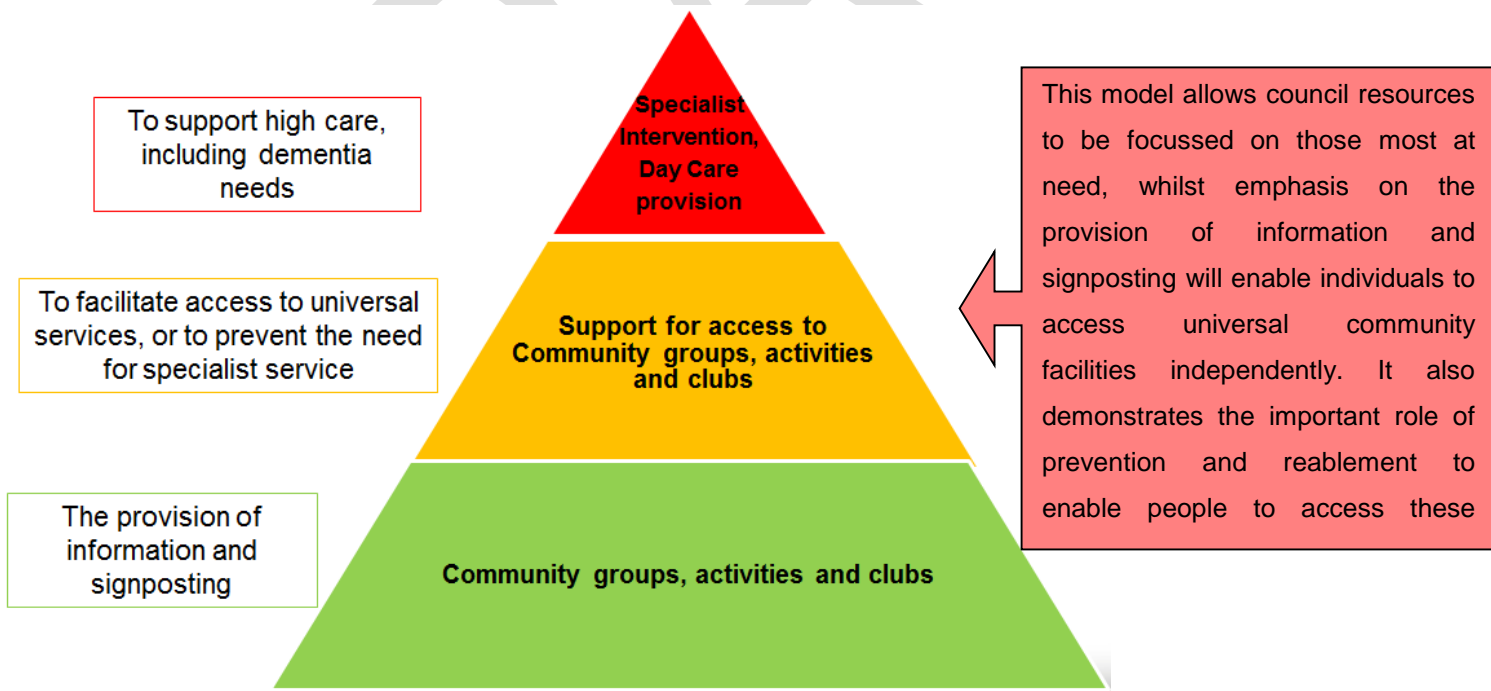
Vision for Day Opportunities in Cardiff

After considering the strategic context and building on the authority's key commitment to "Supporting People in Vulnerable Situations", and the goal that "People in Cardiff are Supported to Live Independently" as per the Council Corporate Plan 2015-2017, it is proposed that the Day Opportunities Strategy will aim to prevent social isolation by enabling older people to achieve their chosen outcome by:

- Providing information, advice and assistance to encourage independent access to social activities and engagement opportunities
- Providing assistance to those who need it to access community services and activity through targeted intervention and support
- Supporting the most vulnerable through high quality specialist day services

3 Tiered Day Opportunities Model

The delivery of this vision is based on the following proposed model in Cardiff. The purpose of this three tiered model is to differentiate between types of day services based on the needs of the service user.



Community groups, activities
and clubs

Tier 3: Access to Universal Services

Tier 3 covers all of the older population with no or low level care and / or support needs. It incorporates the universal services that are available in Cardiff, such as the community groups, activities and clubs that either are designed for or are accessible to older people. This can include mainstream services such as libraries, hubs and leisure centres, or groups and activities such as luncheon clubs, arts and crafts, knitting groups, local history groups, or sports clubs.

To encourage take up of these activities, it is recommended that people who would benefit from joining or attending these events are provided with information and, where possible, signposted to existing community facilities. Through the **One Point of Contact** people who feel lonely or isolated, or have low level needs, can ring and be provided with information and signposted to services in their community. If there is an indication that there are low level needs which may require targeted intervention or support, individuals will be referred through to the appropriate service that will assess their needs and aim to find solutions to support them.

In order to capture valuable community knowledge, it is important that a directory of all services is created. This will ensure the One Point of Contact has the required information to provide to individuals. It is also proposed that this is made accessible online.

CASE STUDIES

Mr X who lives alone, socially isolated and living away from family. He has long term poor physical health and suffering depression. He also has great difficulty doing his shopping, collecting prescriptions and meeting people. Following a call to the One Point of Contact Mr X was:

- Informed of his housing options
- Referred to the befriending society
- Identified as a former service man with the Welsh Guard and arranged for them to visit
- Evaluated for his personal care needs
- Identified as being entitled to Attendance Allowance



Tier 2: Targeted Interventions and Support

Targeted Intervention and Support

At the Tier 2 level are those people who require low level support to access day opportunities. The aim at this level is to remove the barriers which may prevent individuals from accessing community groups, activities and clubs, and to prevent people from requiring specialist support.

To deliver this aim, the council is proposing to create a Day Opportunities Team (DOT) that will help people to live within their community. To do this, individuals will be helped to access activities that either support their needs or hobbies and interests ideally through short term intervention

There will be individuals who require a small amount of low level support to enable them to access universal services within their community. The team will provide a targeted period of assessment and goal setting intervention, lasting for approximately 6 weeks and focusing on activities such as confidence building and using public transport, which for many people will enable them to be independent thereafter in accessing community-based universal activities. The DOT team will assess and identify the type and amount of support necessary for individuals to access these services as independently as possible within their range of functional ability. If they need ongoing support this could be met by the use of a volunteer or the provision of a small care package to fulfil the personal care or support needs of individuals.



It is recognised that ensuring the necessary facilities are available at community venues is half of the challenge, while the other is having people at these venues who can either help individuals to access services, or provide low level care. To address this, it is proposed that a Neighbourhood Care Team is created. Working across neighbourhoods, this team will actively encourage the take up of day activities in their area. This could include:

- Scheduled attendance at a hub, library or leisure centre to allow individuals to access these facilities with the reassurance that there will be on-hand support for their care needs.
- Help to arrange transportation of individuals to access day opportunities in their local area.
- Assistance with attendance at luncheon clubs, to enable some luncheon clubs to accept individuals that require additional support.

CASE STUDIES

Mr M 87 years of age – was referred to the service to help him to find and access social opportunities in the community. He has limited mobility and communication difficulties arising from a stroke. Mr M was assessed to determine his capabilities, strengths and difficulties and to identify his likes and dislikes. He was accompanied by the Day Service Support Officer to a range of facilities and was encouraged to engage in conversation with other people throughout these visits. Over a period of 6 weeks, Mr M grew in confidence when conversing in social situations, and also in going out and walking around public areas. Mr M has now used the contacts he has made and has a full itinerary of events and groups to start attending in September. He has made his own transport arrangements; including sharing a lift with a member of one of the groups he will be attending.

Mr J 73 years of age – was referred to the service to assess his ability to independently access community-based activities. It was hoped that this would provide stimulation and activity for him and would also provide respite care for his carer. Mr J had little confidence in functioning without the support of his carer. Over a period of 6 weeks he has been supported to access various community gardening projects, which are of particular interest to him. He is now regularly attending one of these community gardening projects. Mr J was also interested in being able to go into the city centre. He has been supported to use the shop mobility service and to access the VEST transport service and is now able to use both services independently. The outcome has resulted in Mr J's pleasure from his increased independence, and this time enables his carer to have a period of respite care.

Tier 1 Specialist Intervention

This level of intervention will be targeted at those individuals with the highest and most complex care and support needs, including support for individuals with moderate to severe dementia. It is anticipated that in the future demand for this will be reduced through successful prevention at tiers 3 and 2. To achieve the best outcomes for individuals and to best support respite for carers, it is proposed that services for Tier 1 are provided through specialist day centres:-

1. **A Specialist Dementia Centre** – for those individuals with moderate to severe dementia with an assessed eligible need. Providing this specialist centre will give an opportunity for developing a joined up service with Cardiff & Vale University Health Board and with Third Sector organisations. This service will support carers by providing respite care.
2. **High Needs Day Care Provision** – for those individuals with the highest and/or complex physical care and support needs. This service will support carers by providing respite care.

There are currently 3 day centres in Cardiff located at Minehead Road, Fairwater and Grand Avenue. It is proposed that existing buildings are used in phase 1 and following a review of the sites, it is proposed that Grand Avenue is best suited for the Dementia Centre and Minehead Road and Fairwater for the High/Complex Needs Day Centres.

Phase 2 of this strategy will require further consultation and will assess whether these buildings are capable of managing the long-term needs of service users. It is anticipated that this will require a full review of the service at that time, in partnership with Health to deliver either a fully refurbished day centre or a purpose designed and built building.



Commissioned Day Services

As part of this strategy, it is proposed that the current contract with the Alzheimer's Society remains in place for existing users of Oldwell Court. The council will support the Alzheimer's Society to help them secure their current accommodation into the future. It is recommended that all future council funded dementia day service is delivered from one council run building to enable for the right amount of support for those with the highest need. A more integrated service approach is to be developed in partnership with Cardiff & Vale University Health Board and it is anticipated that there will be other opportunities for joint working with third sector organisations.

Rationale for Tier 1 Proposal

The proposal is to continue investment in day opportunities for those with the highest need through a building-based day centre approach. It would not be appropriate to direct this group of clients to universal services as they would require having their needs met through alternative more costly care. Analysis has shown the building based approach is better value for money whilst achieving better outcomes for individuals.

Individual day care support at home would not provide the opportunities for social interaction or meet the respite needs of carer. The respite that this gives is crucial for helping carers to continue caring.

The cost of providing day care is £40 per session
(max 5 sessions = £200 a week)
versus
If services fail and users need residential care =
up to £1,000

CASE STUDIES

Mr Q, 99 years old, cared for by wife. – Both feel that regular respite by day centre attendance 3 days a week is holding things together and is the only service they wish to receive.

Mr P, 82 years old, care package 7 days a week. – He requires a great deal of reassurance and supervision. Regularity and consistence of day centre attendance 5 days a week helps to sustain his wife's carer role.

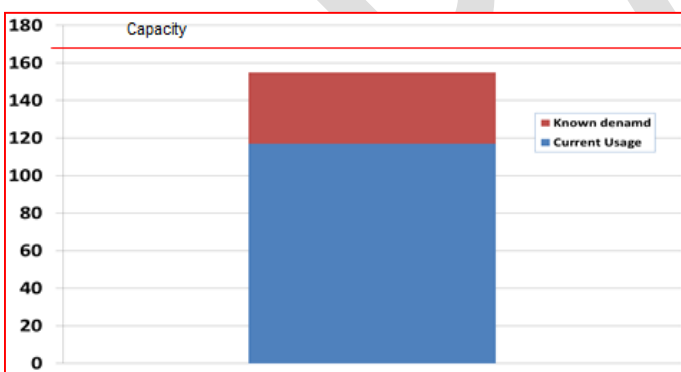
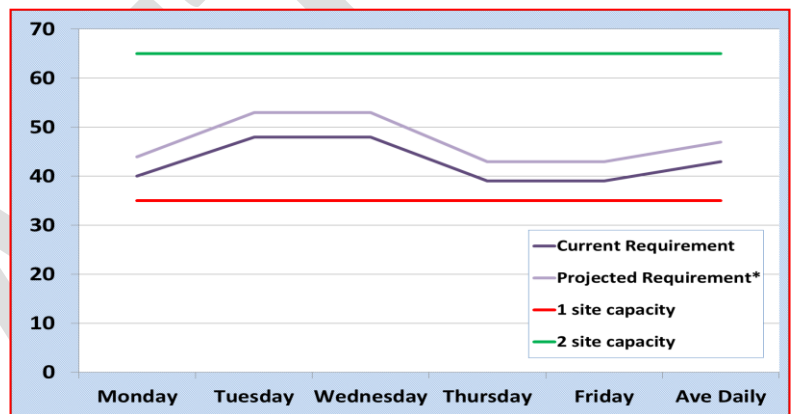
Mr H, 84 years old, attends day centre 1 day a week – This enables his daughter, with whom he lives and who is his main carer, to have a regular break from her carer role and prevents the need for a care package.

Rationale for Tier 1 Proposal

The number of older people who need this level of service has been fully analysed. This analysis looked at current usage and those currently waiting to access day centres, or those who require additional days. Work to capture future demand relating to an appropriate step down from health provision has started and that information has fed into the analysis. Based on this data, it is proposed that 3 day centres will be required.

High Needs Day Care

The graph on the right shows the daily attendance from this client group and the projected requirement over the next 3 years, against the capacity at Minehead Road and Fairwater.



Specialist Dementia Centre

The graph to the left shows the number of sessions required from current usage and the known demand (those requiring additional days or are on the waiting list) against the capacity (sessions per week) at Grand Avenue Day Centre.

This demonstrates that all 3 sites will be needed.



Building Community Capacity

Volunteering and Community Engagement

In Cardiff there is a growing number of people wishing to volunteer, ranging from retired professionals to young people seeking work experience and those wishing to return to work who may want to refresh skills or build up confidence. There are already a number of successful initiatives whereby volunteering is leading to improved outcomes for older people in undertaking activities. These include driving individuals to exercise classes and social opportunities, and also in befriending.

Not only does volunteering provide additional support and assistance to older people, those that volunteer often get as much out of the experience as the people and communities they help by learning new skills, giving something back and meeting new friends.

Time Credits has helped the community to get more involved in developing support for older people. Time Credits are a way of rewarding people by giving volunteers one credit for each hour of time they donate. The Credits have no monetary value, but can be exchanged for a 'spend' opportunity within a wide range of community and national organisations, including leisure activities and community events. Within the new Day Opportunities Strategy, the City of Cardiff Council proposes to support more volunteering and the use of Time Credits.

The volunteer portal will be a single 'gateway' into volunteering in the city, so people can easily search for volunteering opportunities and access the necessary support to guide them in terms of volunteering policies, Disclosure and Barring Service (DBS) and training assistance, etc.



Transport

Transport is crucial to enable access to universal services. The Council currently provides funding to support community transport and this funding is proposed to continue at current levels. The Council will also consider how to work alongside other partners to build greater sustainability into the transport infrastructure so that more of the people who need this service can access it.

Age Connects (HAPS)

The council has commissioned a pilot project from Age Connects (HAPS) to deliver a volunteer-based model of service to address the issue of social isolation and to support older people to be more engaged within their communities. To date, 186 volunteers have successfully been recruited to the project and it is proposed that we build on this. The evaluation of the project will inform the commissioning of a service going forward from April 2016.

I discovered I still had a voice

I feel like a normal person...she's taken me to the museum and out for a cup of tea

It has been very helpful...we go to Roath Park and have a cup of tea and I cannot go out alone

It makes a big difference to me – contact with the younger generation

Keeps me in touch with the community – don't feel left out

It makes a difference – she is the only person I see for any length of time



Luncheon Clubs

It is acknowledged that luncheon clubs have an important role to play in preventing social isolation. Across Cardiff, there are 30 luncheon clubs that the Council is aware of. These lunch clubs bring older people together to enjoy a hot nutritious meal and socialise with others at the same time. The lunch club is a focal point for a lot of older people during their week and the sustainability of these clubs is crucial.

Of the 30 clubs, 3 are run from council owned buildings and only 2 of these receive a council subsidy. The aim is for all luncheon clubs to be self-sustaining therefore, it is proposed that:

- Community groups will be helped to develop a self-sustaining model, and assistance will be provided to currently funded groups to become self-sustaining
- Where possible, existing community buildings and facilities will be used to operate luncheon clubs (Hubs, Churches, Restaurants, Pubs, Sport and Social Clubs etc.)
- Existing funding arrangements will be reduced over a period of time
- Additional support will be offered to these groups from the council 'Stepping Up' Team and C3SC and its national partner, WCVA. Both organisations have grant finding services and access to advice and information on grants currently available.



Meals on Wheels Service

Although a discretionary service, this provides an important service for individuals, as it provides regular hot meals and is an essential social contact for many older people. From previous consultation we know how much individuals and their families value this service. However, currently the service does not cover its costs and meals are therefore provided at a subsidy.

The Current Service

Monday to Friday service, with meals delivered between 11:15 and 2PM

£2.90 for a hot meal and 60p for a dessert

160 clients currently using the service

A fixed monthly menu, with variation for those requiring vegetarian or a soft or diabetic diet
etc

It is proposed that the council will work towards a self-sustaining model for the meals on wheels service including:

- Expansion of the service by increasing uptake through rebranding, greater awareness and marketing.
- Service to be offered on a cost recovery basis modelled on actual cost and predicted increase in service users by increasing the cost of a meal by £1.
- Service to be offered out to luncheon clubs, other community groups and sheltered housing.
- Additional choice, including the provision of an evening cold meal / sandwich for those that would benefit.
- More flexible use of the service, e.g. following hospital discharge or when families members are away.



Summary of proposals

Day Centres

- Continued investment in a building-based approach for those with high needs.
- Phased removal of council funded placements at Oldwell Court to enable continuity of service for existing users there and for Alzheimer's to develop a self-sustainable business model.
- 3 day centres, including a specialist dementia centre and the provision of 2 centres to support individuals with high care and support needs.
- Review of current services for people with dementia provided by third sector organisations
- Phase 1 will involve the use of existing buildings and the location of the Dementia Centre at Grand Avenue. The 2 High/complex needs Centres will be at Minehead Road and Fairwater Day Centre. Phase 2 will incorporate the development of the existing or a new purpose-built facility to meet current and future demand.

Meals on Wheels

- The service is retained and expanded by increasing uptake via rebranding, greater awareness and marketing
- A price of £3.90 for a meal and 60p for a dessert, and to explore the options of providing a cold evening meal or sandwich for those wish to receive this.

Luncheon Clubs

- All community groups to become self-sustaining with available help and for the phased removal of current funding.

Day Opportunities Team

- Day Opportunities Team (DOT) is created that will support individuals in accessing community facilities.

Community Transport

- Current funding levels are maintained and, where possible, the benefits of this funding are accessible to those who need it.

Volunteering

- Creation of a volunteering portal to match volunteers with opportunities of interest to them or in their area
- Build on the Health & Active Partnership (HAPS) pilot project

One Point of Contact

- One Point of Contact providing advice and information tailored to their individual need, including signposting to local social activities and events.
- Directory of community based activities for both council and partners to use – this information to be developed and provided online for citizens to access directly or by telephone.



Medium Term Financial Plan 2017/18 - 2019/20

	Medium Term Financial Plan		
	2017/18 £000	2018/19 £000	2019/20 £000
Adjusted Base Budget Brought Forward	578,161	571,828	567,608
Pay (non Schools)			
Pay Inflation	1,550	1,500	1,458
Increments	1,000	900	800
Other - Living Wage, Actuarial Review, Auto Enrolment	1,135	680	446
Total Pay Inflation	3,685	3,080	2,704
Price Inflation (non Schools)	2,760	2,760	2,760
Schools Growth			
Pay Costs	4,135	3,835	3,535
Price Inflation	40	40	40
Pupil Numbers	2,268	1,952	2,409
Special School Places & Complex Needs Enhancement	1,077	1,027	1,027
Breakfast Initiative & Free School Meals	250	195	175
Total Schools Growth	7,770	7,049	7,186
Capital Financing	(1,258)	242	2,017
Commitments and Realignments			
Precommitments	573	430	0
Realignments	(3,600)	(1,900)	0
New Policy	1,500	50	50
Total Commitments	(1,527)	(1,420)	50
Demographic Growth (non Schools)			
Social Services - Adults	2,000	2,000	2,000
Social Services - (Children's)	1,500	1,500	1,500
Out of County Placements (Education)	250	250	250
Other	150	150	150
Total Demographic Growth	3,900	3,900	3,900
Financial Pressures	3,000	3,000	3,000
Resources Required	596,491	590,439	589,225
Resources Available:-			
Aggregate External Finance	(422,022)	(417,802)	(413,666)
Earmarked Reserves	0	0	0
Council Tax at 2016/17 level	(149,806)	(149,806)	(149,806)
Total Resources Available	(571,828)	(567,608)	(563,472)
BUDGET REDUCTION REQUIREMENT	24,663	22,831	25,753

Appendix 17(b)

Themed Opportunities for Savings in 2017/18 and 2018/19 in Directorate Clusters

Theme	2017/18				2018/19			
	Communities & Wellbeing	Place	Corporate	Total	Communities & Wellbeing	Place	Corporate	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Being a Commercially Minded Council								
- Alternative Delivery Model	0	2,144	247	2,391	0	2,319	153	2,472
- Commissioning & Procurement	2,491	0	0	2,491	2,090	0	0	2,090
- Income	1,341	613	355	2,309	779	492	294	1,565
- Maximising Grants	246	0	0	246	0	0	0	0
- Reshaping Services	350	0	0	350	1,150	0	195	1,345
- Sub-total	4,428	2,757	602	7,787	4,019	2,811	642	7,472
Ensuring Public Services are Accessible								
- Digitalisation	50	50	383	483	225	100	320	645
- Seamless Customer Services	100	0	0	100	0	0	0	0
- Sub-total	150	50	383	583	225	100	320	645
Greater Alignment of Our Services								
- Service Changes and Efficiencies	1,212	978	801	2,991	592	809	1,157	2,558
- Working with other Organisations	260	25	20	305	250	150	240	640
- Sub-total	1,472	1,003	821	3,296	842	959	1,397	3,198
Targeting Services & Early Intervention								
- Preventative Measures	1,128	0	0	1,128	487	0	0	487
- Targeted Review of Service Provision	1,665	0	0	1,665	750	0	0	750
- Sub-total	2,793	0	0	2,793	1,237	0	0	1,237
TOTAL	8,843	3,810	1,806	14,459	6,323	3,870	2,359	12,552

Appendix 18

Housing Revenue Account	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Employees	12,767	12,895	13,024	13,154
Premises - Council House Repairs	18,000	18,720	19,469	20,248
Premises - Other Repairs and Maintenance	1,046	1,100	1,200	1,300
Premises - Other Premises Costs	2,741	2,800	2,900	3,000
Transport	111	130	150	170
Supplies & Services	3,279	3,300	3,350	3,400
Support Services	5,817	5,900	6,000	6,100
Capital Financing	26,412	27,259	27,625	28,296
Contribution to HRA Reserves	0	0	300	500
Gross Expenditure	70,173	72,104	74,018	76,168
Rents	(67,933)	(69,839)	(71,723)	(73,841)
Interest - On Sale of Council Houses	(2)	(2)	(2)	(2)
Interest - On Balances	(50)	(50)	(50)	(50)
Fees & Charges	(439)	(447)	(459)	(473)
Other Income	(1,749)	(1,766)	(1,784)	(1,802)
Total Income	(70,173)	(72,104)	(74,018)	(76,168)
Net Expenditure	0	0	0	0

SCHOOL ORGANISATION PLAN RESERVE					
Estimated Movements	Projected 2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Planned Balance B/Fwd	7,170	8,208	7,550	6,803	3,470
<u>Contributions to Reserve</u>					
Revenue Release Savings:	7,797	8,197	8,197	8,197	8,197
<u>Drawdown From Reserve</u>					
Organisational Restructuring	(2,464)	(3,675)	(3,027)	(5,379)	(2,323)
Capital Financing Requirement *	(4,295)	(5,180)	(5,917)	(6,151)	(6,617)
Total Drawdown from Reserve	(6,759)	(8,855)	(8,944)	(11,530)	(8,940)
Planned Balance C/Fwd	8,208	7,550	6,803	3,470	2,727
Movement on Reserve	1,038	(658)	(747)	(3,333)	(743)
<u>Movements on Reserve in Relation to Voluntary Severance**</u>					
Prior year borrowing Outstanding (2013/14 & 2014/15) ***	(3,164)	(1,051)			
Borrowed from Reserve to fund VS	0	0	0	0	0
Repaid from Revenue to replenish reserve	2,113	1,051	0	0	0
Revised Balance C/Fwd	7,157	7,550	6,803	3,470	2,727

* These amounts are to be used to pay the borrowing costs of the capital schemes as set out in the Capital Programme.

** These amounts reflect sums borrowed and repaid to the Reserve in relation to budget related severance costs.

*** £3.112 million borrowed in 2013/14, and £0.052 million in 2014/15 reducing the 2015/16 opening Reserve Balance.

Previous years appendices have shown current year plus 5 years projections. This years appendix shows current year plus 4 years projections due to the end of Band A of 21st Century Schools Programme in 2019/20. Band B is currently in the planning stage therefore revenue costs from 2020/21 are currently unclear and therefore are not included.

Civil Parking Enforcement Reserve Projections 2016/17 to 2019/20

2015/16 £000s		2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s
(69)	Parking Account Opening Balance	(255)	(688)	(1,402)	(2,113)
	Income				
(4,045)	On-Street Car Parking Fees	(4,242)	(4,242)	(4,242)	(4,242)
(885)	Off Street Car Parks	(969)	(969)	(969)	(969)
(250)	Residents Parking Permits	(270)	(270)	(270)	(270)
(2,135)	Penalty Charge Notices	(2,281)	(2,374)	(2,374)	(2,374)
(2,720)	Moving Traffic Offences	(3,668)	(3,936)	(4,034)	(4,108)
(10,035)	Total Income	(11,430)	(11,791)	(11,889)	(11,963)
	Expenditure				
	<i>Includes staffing, capital financing and other costs of enforcement, administration and permits.</i>				
2,987	Enforcement Service/Traffic Regulation Orders	3,428	3,503	3,579	3,654
1,130	Moving Traffic Offences	1,266	1,418	1,440	1,457
985	Parking & Permits	1,037	1,040	1,043	1,046
5,102	Total Expenditure	5,731	5,961	6,062	6,157
(4,933)	CPE Annual (Surplus) / Deficit	(5,699)	(5,830)	(5,827)	(5,806)
(5,002)	Revised Balance after (Surplus) / Deficit	(5,954)	(6,518)	(7,229)	(7,919)
	Commitments/Eligible Expenditure				
4,747	Contribution to support highway, transport and environmental improvements as per Section 55 of the Transport Regulations Act 1984	5,116	5,116	5,116	5,116
0	Direct revenue financing to fund capital costs of the Waungron Road bus interchange	150	0	0	0
4,747		5,266	5,116	5,116	5,116
(255)	Estimated Closing Balance	(688)	(1,402)	(2,113)	(2,803)

Appendix 21

Capital Programme 2016/17 - 2020/21

General Fund Capital Programme

		<u>2016/17 Including Slippage</u> £000	<u>Indicative</u> <u>2017/18</u> £000	<u>Indicative</u> <u>2018/19</u> £000	<u>Indicative</u> <u>2019/20</u> £000	<u>Indicative</u> <u>2020/21</u> £000	<u>Total</u> £000	
Annual Sums Expenditure								
1	Alleygating	To prevent anti-social behaviour with other benefits such as reduced street cleansing and highway maintenance costs	155	50	50	50	50	355
2	Asset Renewal Facilities Management Fee	Facilities Management additional fee on property asset renewal schemes - funded from revenue	210	210	210	210	210	1,050
3	Bereavement Strategy	Improvement of facilities at Thornhill Crematorium and other bereavement infrastructure funded by reserves	140	140	140	140	140	700
4	Bus Corridor Improvements	Bus corridor improvements with a focus on securing match funding	335	335	335	335	335	1,675
5	Carriageway Investment	Allocation for carriageway resurfacing	1,350	1,350	1,350	1,350	1,350	6,750
6	Community Shopping Centre Regeneration	To implement improvements to local shopping centres and the associated public realm, including accessibility improvements, with the aim of providing an enhanced retail environment and improved business activity	360	360	360	360	360	1,800
7	Disabled Adaptations Grants (see also Public Housing)	To provide adaptations such as showers, stair lifts and internal modifications to allow the recipient to live independently within their own home. £700k brought forward into 2015/16 to reduce waiting times	2,370	2,800	2,800	2,800	2,800	13,570
8	Footway Investment	Allocation for footway resurfacing including addressing the condition of tree roots and tree pits on footways and implementation of dropped kerbs	595	595	595	595	595	2,975
9	Highway Structures including Bridges	The strengthening or replacement of sub standard bridges, culverts and other highways structures as part of the Highway Infrastructure Asset Management Plan	613	750	750	750	750	3,613
10	ICT Refresh	A phased programme to deliver a refresh of IT across the Council. The scope of the IT refresh programme covers the server / storage replacement, Data centre upgrades, resilience, improvements to wireless networking and hardware replacement to ensure compatibility with latest software	400	400	400	400	400	2,000
11	Materials Recycling Facility	To establish a planned regime for upgrades to minimise downtime at the Materials Recycling Facility	66	45	45	45	45	246

Appendix 21

			<u>2016/17</u> <u>Including</u> <u>Slippage</u> <u>£000</u>	<u>Indicative</u> <u>2017/18</u> <u>£000</u>	<u>Indicative</u> <u>2018/19</u> <u>£000</u>	<u>Indicative</u> <u>2019/20</u> <u>£000</u>	<u>Indicative</u> <u>2020/21</u> <u>£000</u>	<u>Total</u> <u>£000</u>
12	Neighbourhood Renewal Schemes	City wide local generation schemes based on ward Member priorities. Schemes to cease in 2017/18	795	280	0	0	0	1,075
13	Non Schools Property Asset Renewal	To address the condition of the non-schools property stock within the Council in accordance with Directorate Asset Management Plans and priority works	1,300	1,300	1,300	1,300	1,300	6,500
14	Owner Occupier Costs - Housing Regeneration and External Cladding	A rolling programme with a coordinated approach to improving the City's oldest and worst condition housing stock focusing on energy efficiency. Also to fund owner occupier costs of improvements to housing and boundary walls	280	280	280	280	280	1,400
15	Parks Infrastructure	To improve existing parks infrastructure (drainage, footpaths etc)	140	140	140	140	140	700
16	Play Equipment	Replacement of existing play equipment in parks	90	90	90	90	90	450
17	Road Safety Schemes	Local network improvements including junction and pedestrian safety improvements, with a focus on securing matchfunding	335	335	335	335	335	1,675
18	Schools Property Asset Renewal	To address the condition of the schools property stock within the Council in accordance with Directorate Asset Management Plans and priority works	2,700	2,700	2,700	2,700	2,700	13,500
19	Strategic Cycle Network Development	Implementation and matchfunding of the cycling strategy	400	400	400	400	400	2,000
20	Street Lighting Renewals	To replace structurally unsound and install new street lighting columns	270	270	270	270	270	1,350
21	Telematics / Butetown Tunnel	To undertake a long term programme of infrastructure including fan replacements required for the ongoing operation of the tunnel and transportation infrastructure	860	50	80	330	330	1,650
22	Transport Grant Matchfunding	Additional matchfunding for Council bids to Welsh Government for transport schemes. Confirmation of grant award required before release of funding.	375	375	375	375	375	1,875
23	Vehicle Replacement	Annual sum towards vehicle replacement	250	250	250	250	250	1,250
TOTAL ANNUAL SUMS			14,389	13,505	13,255	13,505	13,505	68,159

Ongoing Schemes / Amendments to Ongoing Schemes								
24	Cardiff Capital Fund /S4C	Investment in Small Medium Enterprises with match funding from S4C and subject to specific criteria	75	0	0	0	0	75
25	Central Square - Integrated Transport Hub	Delivery of Central Square development including a new integrated transport hub	500	19,500	0	0	0	20,000
26	Central Square - Public Realm	Public realm improvements as part of the Council's Central Square regeneration	2,000	6,620	0	0	0	8,620

Appendix 21

		<u>2016/17</u> <u>Including</u> <u>Slippage</u> <u>£000</u>	<u>Indicative</u> <u>2017/18</u> <u>£000</u>	<u>Indicative</u> <u>2018/19</u> <u>£000</u>	<u>Indicative</u> <u>2019/20</u> <u>£000</u>	<u>Indicative</u> <u>2020/21</u> <u>£000</u>	<u>Total</u> <u>£000</u>	
27	Children's Services Accommodation Strategy	Capital receipt from disposal of 150 Thornhill Road, to be ring fenced for buildings providing services for the direct benefit of children	0	560	0	0	0	560
28	Citizen Hubs	Development of Citizen Hubs approved as part of Hub Strategy	1,803	0	0	0	0	1,803
29	Community Asset Transfer	To pump prime essential capital improvement works to buildings which local community groups are looking to take over from the Council	80	100	0	0	0	180
30	Contingency	To address unforeseen pressures in the capital programme that arise in year. To be reported in budget monitoring reports	250	250	250	250	250	1,250
31	Eastern Leisure Centre	Complete refurbishment of Eastern Leisure Centre	1,500	0	0	0	0	1,500
32	Flood Risk Prevention	A phased programme of works at various locations where water flows from parks and open spaces onto adjacent land causing flooding	247	0	0	0	0	247
33	Greener Grangetown Council Contribution	A partnership project with Dwr Cymru, Natural Resources Wales and Cardiff Council to retrofit sustainable drainage systems in order to reduce the amount of surface water entering the drainage system and to undertake a comprehensive regeneration scheme	735	0	0	0	0	735
34	Lamby Way Household Waste Recycling Centre	Enable Lamby Way Household Recycling Centre to be upgraded	1,407	0	0	0	0	1,407
35	Legionella	Capital works arising from legionnaires surveys	65	0	0	0	0	65
36	Leisure Centres - Priority Works	Initial priority works identified as part of the competitive dialogue procurement process	437	0	0	0	0	437
37	Maelfa Centre	Enabling works for the regeneration of the Maelfa Centre and Council contribution towards the development of a viable local shopping centre scheme	422	1,000	0	0	0	1,422
38	Modernising ICT to Improve Business Processes	Investment in technology projects including : Electronic Document Management System, Customer Relationship Management (CRM) and Mobile Scheduling, Projections for Asset Management and Webcasting Project, allowing the Council to make business process improvements and so improve directorate service delivery	1,902	1,596	569	0	0	4,067
39	New Theatre - Priority Works	Initial priority works identified as part of the competitive dialogue procurement process	95	0	0	0	0	95
40	Parc Cefn Onn	Council matchfunding contribution to Heritage Lottery Fund bid subject to successful award	30	100	0	0	0	130
41	Regionalising Regulatory Services	Contribution towards new regional service ICT platform and mobile and scheduling	62	0	0	0	0	62

Appendix 21

			<u>2016/17</u> <u>Including</u> <u>Slippage</u> <u>£000</u>	<u>Indicative</u> <u>2017/18</u> <u>£000</u>	<u>Indicative</u> <u>2018/19</u> <u>£000</u>	<u>Indicative</u> <u>2019/20</u> <u>£000</u>	<u>Indicative</u> <u>2020/21</u> <u>£000</u>	<u>Total</u> <u>£000</u>
42	Schools Suitability and Sufficiency	To cater for increasing accessibility issues in schools and make provision for pupils with accessibility needs and to address rising pupil numbers and works required to improve facilities in schools that are not part of the 21st Century Schools programme	500	500	500	500	500	2,500
43	Social Innovation Fund	Grants to support social enterprises	30	0	0	0	0	30
44	St David's Hall - Priority Works	Initial priority works identified as part of the competitive dialogue procurement process	267	0	0	0	0	267
45	St Mellons Hub	St Mellons Hub phase 2 subject to level of capital receipts	900	2,420	0	0	0	3,320
46	STAR Hub	Completion of multipurpose hub replacing STAR centre and Pool, providing community services such as housing, advice, leisure and library services, with a further £1.325 million being funded by HRA	2,019	0	0	0	0	2,019
47	Strategic Property Rationalisation	Strategic property and accommodation rationalisation to allow efficient use of properties	810	171	171	87	0	1,239
48	Twenty First Century Schools	This represents the Council's capital programme contribution to the SOP and 21st century schools financial model. It includes capital receipts to support the costs in addition to the contributions from revenue release savings from schools (Invest to Save) and grants which are shown elsewhere in the programme	2,000	14,700	11,520	0	0	28,220
49	Waste Removal	Removal of waste spoil from Council land	600	0	0	0	0	600
50	Water Play Park at Victoria Park	Replacing the existing paddling pool at Victoria Park with an interactive wet play park. Council allocation in addition to S106	185	0	0	0	0	185
51	Whitchuch DDA & Suitability Works	Further phase of accessibility works at Whitchurch High Upper School site	2,000	0	0	0	0	2,000
TOTAL ONGOING SCHEMES			20,921	47,517	13,010	837	750	83,035

Bids for New Capital Schemes/Annual Sums (Excluding Invest to Save)

52	Bryn Deri Nursery (SOP and Catering Reserve)	To ensure suitability and sufficiency of nursery provision and kitchen facilities	410	0	0	0	0	410
53	Cardiff West interchange	A transport interchange hub at Waungron Road linking the South East Wales rail network and major bus corridors to the West and North West of the city, enabling increased travel by sustainable modes	500	0	0	0	0	500
54	CCTV System Upgrade / Replacement	To replace obsolete components of the City's CCTV monitoring system based in County Hall and all remote sites	340	0	0	0	0	340
55	Citizen Hubs	Final allocation of funding to complete Hubs programme in line with approved strategy	619	30	0	0	0	649
56	Day Centre Opportunities Strategy	To improve facilities at buildings to be retained to allow reconfiguration of day services for older people	140	780	0	0	0	920

Appendix 21

			<u>2016/17</u> <u>Including</u> <u>Slippage</u> <u>£000</u>	<u>Indicative</u> <u>2017/18</u> <u>£000</u>	<u>Indicative</u> <u>2018/19</u> <u>£000</u>	<u>Indicative</u> <u>2019/20</u> <u>£000</u>	<u>Indicative</u> <u>2020/21</u> <u>£000</u>	<u>Total</u> <u>£000</u>
57	Disabled Adaptations Grants	Additional allocation to meet increased demand and waiting time target, subject to annual review of allocation and Directorate review of process. (2016/17 to be funded from revenue)	1,900	1,000	1,000	1,000	1,000	5,900
58	Highway Carriageway - Reconstruction	Investment in reconstruction of structurally deteriorated roads deemed a priority	750	0	0	0	0	750
59	Regionalising Regulatory Services	Further allocation towards ICT system costs for this regional collaboration	83	117	0	0	0	200
60	Replacement of Athletics Track - Cardiff International Stadium	To fund the replacement of the track, following transfer of operation to Cardiff and Vale College	0	0	0	0	500	500
61	Schools Suitability and Sufficiency	Further funding for works required to improve facilities and address curriculum and accessibility issues at schools that are not part of the 21st Century Schools programme	500	500	500	500	500	2,500
62	St Mellon's CW Primary (SOP Reserve)	To address a number of accommodation issues highlighted in previous inspection	0	250	0	0	0	250
63	Whitchuch DDA & Suitability Works	£2 million was approved in the 2015/16 capital programme for 2016/17 to allow for further DDA adaptation works to the Upper school to allow for progression of pupils post Sept 2016. Further funding to be allocated to determine longer term Council wide approach to ensuring a permanent solution to accessibility for disabled pupils and condition of facilities.	0	0	1,000	1,000	0	2,000
TOTAL NEW SCHEMES			5,242	2,677	2,500	2,500	2,000	14,919

Schemes funded by Grants and Contributions (subject to approval of bids)

64	Cymru Museum Archives and Libraries (CYMAL)	Bid for improvements to libraries as part of Citizen Hubs programme	80	0	0	0	0	80
65	Greener Grangetown (Dwr Cymru, Landfill Tax & Natural Resources Wales)	Rainwater recycled through new drainage systems, producing environmental and economic benefits	1,600	0	0	0	0	1,600
66	Harbour Authority Grant (Welsh Government)	Approved asset renewal programme	350	350	350	350	350	1,750
67	Metro Phase 1 Funding Welsh Government	The purpose of the funding is to enable the construction of the A469/A470 Bus Corridor Improvement Scheme	1,523	0	0	0	0	1,523
68	Planning Gain (S106) and Other Contributions	Various schemes such as improvements to open space, transportation, public realm and community facilities	3,115	2,553	810	0	0	6,478
69	Twenty First Century Schools (Welsh Government)	Welsh Government Band A grant funding for a variety of schemes to improve school facilities and infrastructure in Cardiff - Subject to approval of individual business cases	20,435	28,255	1,415	0	0	50,105
70	Vibrant and Viable Places (Tackling Poverty) - Grangetown (Welsh Government)	District Centre and Commercial Business Improvements in Grangetown	138	0	0	0	0	138
TOTAL SCHEMES FUNDED BY GRANTS AND CONTRIBUTIONS (SUBJECT TO APPROVAL OF BIDS)			27,241	31,158	2,575	350	350	61,674

Appendix 21

			<u>2016/17</u> <u>Including</u> <u>Slippage</u> £000	<u>Indicative</u> <u>2017/18</u> £000	<u>Indicative</u> <u>2018/19</u> £000	<u>Indicative</u> <u>2019/20</u> £000	<u>Indicative</u> <u>2020/21</u> £000	<u>Total</u> £000
Additional borrowing undertaken by the Council to be repaid from revenue savings/income (Invest to Existing Schemes)								
71	Cardiff Enterprise Zone	A range of economic development schemes aiming to bring growth and new jobs to the City and region as well as other benefits to citizens, business and visitors. Timing subject to approval of detailed proposals	0	7,500	7,500	0	0	15,000
72	Energy Retrofit of Buildings	Retrofit of suitable Council buildings for energy efficiency measures to provide revenue energy reduction savings and carbon reduction savings	400	0	0	0	0	400
73	Invest to Save - Annual Bid Allocation	Capital schemes developed during the year that can pay back the original investment of the scheme either through income generation or savings within a short period of time	500	500	500	500	500	2,500
74	LED Lighting on Principal Roads	Replacement of street lighting on strategic routes to LED lights subject to business case approval, option appraisal in respect of preferred technology and consideration of a phased approach	2,000	6,000	0	0	0	8,000
75	Maelfa Regeneration - Commercial Properties	Council investment in commercial units to achieve a positive commercial rate of return to the Council by investing in a revenue generating asset	0	0	1,000	0	0	1,000
76	Twenty First Century Schools	Strategic investment programme to be paid back from revenue release savings and WG revenue grant	16,481	2,730	7,240	5,200	0	31,651
New Invest to Save Bids								
77	Leisure Centres - Alternative Service Delivery	Commitment to make prudential borrowing available to repaid as part of the procurement exercise for leisure facilities	1,000	2,000	1,000	0	0	4,000
78	Moving Traffic Offences Scheme/Controlled Parking Enforcement	Additional investment in bus lane and junction enforcement and parking meter replacement	750	200	0	0	0	950
TOTAL INVEST TO SAVE			21,131	18,930	17,240	5,700	500	63,501
TOTAL GENERAL FUND			88,924	113,787	48,580	22,892	17,105	291,288

Appendix 21

<u>2016/17</u> <u>Including</u> <u>Slippage</u> <u>£000</u>	<u>Indicative</u> <u>2017/18</u> <u>£000</u>	<u>Indicative</u> <u>2018/19</u> <u>£000</u>	<u>Indicative</u> <u>2019/20</u> <u>£000</u>	<u>Indicative</u> <u>2020/21</u> <u>£000</u>	<u>Total</u> <u>£000</u>
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Public Housing Capital Programme (HRA)

79	Regeneration and Area Improvement Strategies	Environmental works including defensible space, demolition, conversion and road/footpath realignment; Energy efficiency schemes; Improvements to flats, garages, gullies and open spaces	6,000	4,750	3,650	3,400	2,650	20,450
80	External and Internal Improvements to Buildings	Improvements include central heating, fencing, roofing, high rise cladding, door entry systems, kitchens and bathrooms, CCTV and improvements to Sheltered Housing	12,900	13,350	12,650	10,350	10,750	60,000
<i>Housing Partnerships Project (HPP)</i>								
81	New Build Council Housing - HPP 1	Delivery of new build housing as part of the Housing Partnership Project and consideration of options to secure	2,400	7,500	6,000	2,400	2,800	21,100
82	New Build Council Housing - HPP 2		0	0	3,000	3,000	3,000	9,000
83	Hub Developments	Public housing contribution to Hub Schemes including STAR, St Mellons, Llandaff North, Pentwyn and Grangetown	2,055	600	0	0	0	2,655
84	Disabled Facilities Service	To provide adaptations and associated improvements to the homes of disabled persons	1,800	1,800	1,800	1,800	1,800	9,000
85	Modernising ICT to Improve Business Processes	Contribution towards investment in technology to improve business processes	250	250	250	100	100	950
TOTAL PUBLIC HOUSING			25,405	28,250	27,350	21,050	21,100	123,155
TOTAL CAPITAL PROGRAMME EXPENDITURE			114,329	142,037	75,930	43,942	38,205	414,443

Capital Resources 2016/17 - 2020/21

	<u>2016/17</u> £000	Indicative <u>2017/18</u> £000	Indicative <u>2018/19</u> £000	Indicative <u>2019/20</u> £000	Indicative <u>2020/21</u> £000	<u>Total</u> £000
General Fund Resources						
WG Unhypothecated Supported Borrowing	(8,387)	(8,387)	(8,387)	(8,387)	(8,387)	(41,935)
WG General Capital Grant	(5,103)	(5,103)	(5,103)	(5,103)	(5,103)	(25,515)
Additional Borrowing to Cover Estimated Slippage from 2015/16	(3,988)	0	0	0	0	(3,988)
Updated Additional Borrowing to Balance existing Capital Programme	(10,625)	(2,211)	266	585	585	(11,400)
Additional Borrowing for New Capital Schemes	(2,432)	(2,427)	(2,500)	(2,500)	(2,000)	(11,859)
Invest to Save Schemes - Additional borrowing to be repaid from revenue savings/income	(21,131)	(18,930)	(17,240)	(5,700)	(500)	(63,501)
Earmarked Capital Receipts and Contributions for Central Square	(2,500)	(26,120)	0	0	0	(28,620)
21st Century Schools Earmarked Capital Receipts	0	(13,700)	(11,520)	0	0	(25,220)
Other Earmarked Capital Receipts	(2,707)	(3,151)	(171)	(87)	0	(6,116)
Non Earmarked Capital Receipts	(2,000)	(2,000)	(1,000)	(1,000)	(1,000)	(7,000)
Direct Revenue Financing - Facilities Management Support	(210)	(210)	(210)	(210)	(210)	(1,050)
Direct Revenue Financing - Disabled Adaptations Grants	(1,900)	0	0	0	0	(1,900)
Catering and SOP Reserves	(410)	(250)	0	0	0	(660)
Bereavement Reserve	(140)	(140)	(140)	(140)	(140)	(700)
Civil Parking Enforcement Reserve	(150)	0	0	0	0	(150)
External Funding Estimates and Contributions	(27,241)	(31,158)	(2,575)	(350)	(350)	(61,674)
Total General Fund	(88,924)	(113,787)	(48,580)	(22,892)	(17,105)	(291,288)
Public Housing Resources (HRA)						
Major Repairs Allowance Grant	(9,600)	(9,600)	(9,600)	(9,600)	(9,600)	(48,000)
Additional Borrowing - Housing Partnership Project	(2,400)	(5,199)	(8,883)	(5,400)	(5,800)	(27,682)
Additional Borrowing to Balance Programme	(7,005)	(5,710)	(3,269)	(528)	(135)	(16,647)
Direct Revenue Financing / Reserves	(5,400)	(5,440)	(5,481)	(5,522)	(5,565)	(27,408)
External Contributions	0	(2,301)	(117)	0	0	(2,418)
Capital Receipts - Dwelling Sales	(1,000)	0	0	0	0	(1,000)
Total Public Housing	(25,405)	(28,250)	(27,350)	(21,050)	(21,100)	(123,155)
Total Capital Programme Resources Required	(114,329)	(142,037)	(75,930)	(43,942)	(38,205)	(414,443)

Prudential Indicators

The Prudential Code

The current system of capital finance is CIPFA's Prudential Code.

It is a professional Code of practice to support the decisions local authorities have to make to plan for capital investment at a local level. Authorities are required by regulation to have regard to the Prudential Code when carrying out their duties under Part I of the Local Government Act 2003 i.e. compliance with the Code is a statutory requirement.

Objectives of the Code

The key objectives of the Code are:-

- To ensure within a clear framework that capital expenditure plans are affordable, prudent and sustainable
- That Treasury Management decisions are taken in accordance with good professional practice
- That local strategic planning, asset management planning and proper option appraisal are supported
- To provide a clear and transparent framework to ensure accountability

Prudential Indicators

The indicators required are shown below, with further explanation as to their meaning:

1(a). External Debt - Operational Boundary

The most likely, prudent view of the level of gross external indebtedness. External debt includes both borrowing and long term liabilities (e.g. finance leases). It encompasses all borrowing, whether for capital or revenue purposes.

1(b). External Debt - The Authorised Limit

The upper limit on the level of gross external indebtedness, which must not be breached without Council approval. It is the worst-case scenario. It reflects the level of borrowing which, while not desired, could be afforded but may not be sustainable. Any breach must be reported to the executive decision making body, indicating the reason for the breach and the corrective action undertaken or required to be taken.

1(c). External Debt - Actual External Debt

The indicator for actual external debt will not be directly comparable to the operational boundary and authorised limit, since the actual external debt will reflect the actual position at one point in time.

2. Financing cost to Net Revenue Stream

The percentage of revenue budget set aside each year to service debt financing costs

3. Capital Financing Requirement (CFR)

The Capital Financing requirement (CFR) replaced the 'Credit Ceiling' measure of the 1989, Local Government and Housing Act. It measures an authority's underlying need to borrow or use other long-term liabilities, to pay for capital expenditure.

4. Capital Expenditure

The level of capital expenditure incurred and likely to be incurred in future years. This is to be based on an accruals basis and on the definition of capital expenditure.

5. Incremental impact of Capital Investment decisions on Council Tax / Average weekly Housing Rents

This shows the impact of new capital investment decisions included in the budget on the Council Tax and average weekly rent for HRA.

6. Gross External Borrowing and the Capital Financing Requirement

The level of external borrowing is required to be compared to the Capital Financing Requirement which represents the underlying need to borrow. Requires that borrowing in the medium term can only be for capital purposes.

7. Adoption of CIPFA's Treasury Management Code of Practice

CIPFA's Code of Practice for Treasury Management in the Public Services (the CIPFA Code) primary aim is to ensure that public services manage and control the risks attached to its treasury functions in an efficient effective and economic manner.

Accordingly the adoption of the Code has been encapsulated in Local Authorities (Capital Finance and Accounting) Regulations that call for explicit compliance with the CIPFA Code.

8. Interest Rate Exposures

Recognition of the impact on revenue budgets of changes in interest rates as well as the need to ensure that local authorities maintain flexibility in their treasury strategy has resulted in the adoption of an interest rate exposure indicator.

This indicator sets out for the following three years an upper limit for both fixed rate and variable rate exposure.

9. Maturity Structure of Borrowing

Local Authority debt portfolios consist of a number of loans with differing maturities. Setting limits assists in ensuring any new borrowing in particular when combined with existing borrowing does not result in large concentrations of borrowing maturing in a short period of time.

10. Principal sums invested for greater than one year

This indicator measures the exposure of a local authority to investing for periods of greater than one year.

Glossary of Terms - General

Bank Rate

The rate of interest set by the Bank of England as a benchmark rate for British banks.

Bonds

A long-term debt security issued by a company, a financial institution, a local authority, national government or its affiliated agencies. It represents an undertaking to repay the holder the fixed amount of the principal on the maturity date plus a specified rate of interest payable either on a regular basis during the bond's life (coupon) or at maturity.

Borrowing

Loans taken out by the authority to pay for capital expenditure or for the prudent management of the Council's financial affairs, which are repayable with interest.

Capital Expenditure

Capital expenditure pays for improvements to existing and new assets used in the delivery of Council services as well as other items determined by Regulation. Capital resources are scarce, costly and also have long term revenue implications over many years and even generations where capital expenditure is funded by borrowing. Hence the requirement of the Prudential Code to ensure what is charged as capital expenditure is prudent, sustainable and affordable.

The statutory definition of capital expenditure is given in the Local Government Act 2003, the Local Authorities (Capital Finance) Regulations 2003 and 2004 as amended. Statute relies on the accounting measurement of cost in International Accounting Standard (IAS) 16 to determine whether expenditure is eligible to be capitalised or whether it should be treated as revenue expenditure. Key to what is eligible as capital spend are the following words in IAS 16 - 'Costs directly attributable to bringing the specific asset into working condition for its intended use'.

Capital Financing Requirement (CFR) (Real and Notional)

An authority's underlying need to borrow for a capital purpose. It measures capital expenditure incurred but not yet financed by the receipt of grants, contributions and charges to the revenue account. This is termed the Real CFR.

Capital Market

A market for securities (debt or equity), where companies and governments can raise long-term funds (periods greater than one year). The raising of short-term funds takes place on other markets (e.g. the money market).

Capital Programme

The Capital Programme sets out the Council's capital expenditure plans for the forthcoming financial year as well as for the medium term. It is approved annually at Council and identifies the estimated cost of those schemes, their projected phasing over financial years as well as the method of funding such expenditure.

Certificates of Deposits (CDs)

A certificate issued for deposits made at a deposit-taking institution (generally a bank). The bank agrees to pay a fixed interest rate for the specified period of time, and repays the principal at maturity. CDs can be purchased directly from the banking institution or through a securities broker. An active interbank secondary market exists to buy and sell CDs.

Chartered Institute of Public Finance & Accountancy (CIPFA)

CIPFA is the professional body for people in public finance. As a specialised public services body, they provide information, guidance, and determine accounting standards and reporting standards to be followed by Local Government.

Collective Investment Scheme Structures

Schemes whereby monies from a number of investors are pooled and invested as one portfolio in accordance with pre-determined objectives.

Commercial Paper

A relatively low risk, short-term and unsecured promissory note traded on money markets issued by companies or other entities to finance their short-term cash requirements.

Corporate Bonds

Bonds that are issued by a company or other non-government issuers. They represent a form of corporate debt finance and are an alternative means of raising new capital other than equity finance or bank lending.

Counterparty

One of the parties involved in a financial transaction with whom the Council may place investments.

Counterparty / Credit Risk

Risk that a counterparty fails to meet its contractual obligations to the Council to repay sums invested.

Credit Criteria

The parameters used as a starting point in considering with whom the Council may place investments, aimed at ensuring the security of the sums invested.

Credit Default Swaps

A financial transaction which the buyer transfers the credit risk related to a debt security to the seller, who receives a series of fees for assuming this risk. The levels of fees reflect the perceived level of risk.

Credit Rating

A credit rating assesses the credit worthiness of an individual, corporation, or even a country. Credit ratings are calculated from financial history and current assets and liabilities. Typically, a credit rating tells a lender or investor the probability of the subject being able to pay back a loan. Ratings usually consist of a long-term, short-

term, viability and support indicators. The Fitch credit rating of F1 used by the Council is designated as “Highest Credit quality” and indicates the strongest capacity for timely payment of financial commitments.

Debt Management Account Deposit Facility (DMADF)

The Debt Management Office provides this service as part of its cash management operations and of a wider series of measures designed to improve local and central government’s investment framework and cash management. The key objective of the DMADF is to provide users with a flexible and secure facility to supplement their existing range of investment options while saving interest costs for central government.

Debt Restructuring

Debt restructuring is a process that allows an organisation to reduce, renegotiate and undertake replacement debt.

Diversification of Investments

The process of creating a portfolio of different types of financial instruments with regard to type, price, risk issuer, location, maturity, etc. in order to reduce the overall risk of the portfolio as a whole.

Duration (Maturity)

The length of time between the issue of a security and the date on which it becomes payable.

External Borrowing

Money borrowed from outside of the Council.

Financial Instrument

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. Typical financial liabilities are borrowing and financial guarantees. Typical financial assets include bank deposits, amounts owed by customers, loans receivable and investments.

Fitch Credit Ratings

A commercial organisation providing an opinion on the relative ability of an entity to meet financial commitments, such as interest, preferred dividends, repayment of principal, insurance claims or counterparty obligations. The opinion is usually provided in the form of a credit rating.

Fixed Rate

An interest rate that does not change over the life of a loan or other form of credit.

Floating Rate Notes

A money market security paying a floating or variable interest rate, which may incorporate a minimum or floor.

Four Clauses of Treasury Management

In compliance with the First Clause, this Council will create and maintain, as the cornerstones for effective treasury management:

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities.
- Suitable Treasury Management Practices (TMP's), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

In compliance with the Second Clause, this Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy in advance of the year, a mid year review and an annual report after its close, in the form prescribed in its TMP's.

In compliance with the Third Clause, this Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Cabinet, and for the execution and administration of treasury management decisions to the Corporate Director Resources in accordance with existing delegations, who will act in accordance with the organisation's policy statement, TMP's and CIPFA's Standard of Professional Practice on Treasury Management.

In compliance with the Fourth Clause, this Council requires the scrutiny of the accounting, audit and commercial issues of its Treasury management Strategy and Practices to be undertaken by the Council's Audit Committee due to the technical nature of the documents.

Fraud / Error Risk

Risk of losses being incurred as a result of fraud, error or corruption in treasury management and failure to institute adequate systems, procedures and other arrangements to prevent irregularities.

Gearing Ratio

A measure of the level of external long and short term borrowing undertaken by the Council compared to the value of assets held.

Housing Revenue Account (HRA)

The HRA is an account of expenditure and income that every local authority housing department must keep in accordance with the Local Government & Housing Act 1989. The account is kept separate or ring fenced from other Council activities. Income is primarily generated by the rents and service charges paid by tenants, while expenditure is on the management and maintenance of the housing stock, and capital financing charges on the HRA's outstanding loan debt.

Interest Rate Risk

Risk that fluctuations in interest rates could impose extra costs against which the Council has failed to protect itself adequately.

Internal Borrowing

Money borrowed from within the Council, sourced from temporary internal cash balances.

Investments

The purchase of financial assets in order to receive income and/or make capital gain at a future time, however with the prime concern being security of the initial sum invested.

Lender Option Borrower Option Loans (LOBOs)

Loans to the Council where the lender can request a change in the rate of interest payable by the Council at pre-defined dates and intervals. The council at this point has the option to repay the loan.

Liquidity

The ability of the Council to meet its financial obligations as they fall due.

Market Loans

Borrowing that is sourced from the market i.e. organisations other than the Public Works Loan Board or a Public Body.

Minimum Revenue Provision (MRP)

This is the amount which must be charged to the authority's revenue account each year and set aside as provision for repaying external loans and meeting other credit liabilities. The prudent amount is determined having regard to guidance issued by WG. This has the effect of reducing the Capital Financing Requirement (CFR).

Money Market

The market for short-term securities or investments, such as certificates of deposit, commercial paper or treasury bills, with maturities of up to one year.

Money Market Funds

An investment fund which pools the investments of numerous depositors, spreading those investments over a number of different financial instruments and counterparties. Funds with a constant Net Asset Value (NAV) are those where any sum invested is likely to be the same on maturity. Funds with a variable Net Asset Value (NAV) are those where the sum on maturity could be higher or lower due to movements in the value of the underlying investments.

Net Asset Value (NAV)

The market value of an investment fund's portfolio of securities as measured by the price at which an investor will sell a fund's shares or units.

Net Worth

The value of the Council's reserves, measured by deducting total liabilities from total assets.

Pooling

The process whereby investments or loans are held corporately rather than for specific projects or parts of the Council, with recharges to those areas for their share of the of relevant income and expenditure using an agreed methodology, where such a recharge is required to be made.

Prudential Code for Capital Finance

The system introduced on 1 April 2004 by Part 1 of the Local Government Act 2003 which allows local authorities to borrow without Government consent, provided that they can afford to service the debt from their own resources and that any such borrowing is prudent and sustainable. This requires the preparation and approval of various indicators.

Public Works Loans Board (PWLB)

The Public Works Loans Board is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

Refinancing Risk

Risk that maturing borrowing or other financing of capital projects cannot be renewed on terms that reflect existing assumptions and that the Council will suffer extra costs as a result.

Regulatory Risk

Risk that actions by the Council or by any person outside of it are in breach of legal powers or regulatory requirements resulting in losses to the Council, or the imposition of extra costs.

Security

Protecting investments from the risk of significant loss, either from a fall in value or from default of a counterparty.

Sovereign Credit Ratings

The credit rating of a country. It indicates the risk level of the investing environment of a country, taking into account political risk and other factors.

Sterling

The monetary unit of the United Kingdom (the British pound).

Term Deposits

A term deposit is a money deposit at a banking institution that cannot be withdrawn for a certain "term" or period of time.

Treasury Management

Treasury management activities are the management of an organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

Treasury Bills

Debt securities issued by a government with a short-term maturity of up to 6 months.

UK Government Gilts

Fixed-interest debt securities issued or secured by the British Government. Gilts are always denominated in sterling though the Government occasionally also issues instruments in other currencies in the Eurobond market or elsewhere.

Variable Rate

An interest rate that changes in line with market rates.

Working Capital Ratio

A measure of the Council's liquidity and whether current assets are sufficient to cover current liabilities.

Yield

The annual rate of return paid out on an investment, expressed as a percentage of the current market price of the relevant investment.

Approved list of Counterparties (Authorised to accept sterling deposits in the UK) (@ 31/12/15)

	£	Duration
Australia		
Australia and New Zealand Banking Group	12m	2 years
Commonwealth Bank of Australia	12m	2 years
National Australia Bank	12m	2 years
Canada		
Canadian Imperial Bank of Commerce	12m	2 years
Toronto Dominion Bank	12m	2 years
France		
Credit Industriel et Commercial	10m	1 year
Societe Generale	10m	1 year
Germany		
DZ Bank (Deutsche Zentral-Genossenschaftsbank)	12m	2 years
Netherlands		
Cooperatieve Centrale Raiffeisen Boerenleenbank (Rabobank Nederland)	12m	2 years
Singapore		
DBS Bank	12m	2 years
Oversea Chinese Banking Corporation	12m	2 years
United Overseas Bank	12m	2 years
Sweden		
Skandinaviska Enskilda Banken	10m	1 year
Svenska Handelsbanken	12m	2 years
Switzerland		
UBS AG	10m	1 Year
U.K		
Barclays Bank	10m	1 Year
Close Brothers	10m	1 Year
Goldman Sachs International Bank	10m	1 Year
HSBC Bank plc	12m	2 years
Santander UK plc	10m	1 Year
Standard Chartered Bank	10m	1 Year
Bank of Scotland	10m	1 Year
Lloyds Bank	10m	1 Year
Royal Bank of Scotland	15m	2 Years
Coventry BS	10m	1 Year
Nationwide BS	10m	1 Year
Local Authorities	15m	2 Years
Debt Management Agency Deposit Facility	n/a	6 Months
Money Market Funds		
BlackRock ICS Sterling Fund	12m	Instant Access
Deutsche Managed Sterling Fund	12m	Instant Access
Fidelity GBP ICF	12m	Instant Access
Goldman Sachs Sterling Reserves Fund	12m	Instant Access
Insight Sterling Liquidity Fund	12m	Instant Access
LGIM Sterling Liquidity Fund	12m	Instant Access
Northern trust sterling Government Liquidity Fund	12m	Instant Access
Royal Bank of Scotland Global Treasury Fund	12m	Instant Access
SLI Sterling Liquidity	12m	Instant Access