



DINAS A SIR CAERDYDD
CITY AND COUNTY OF CARDIFF

COUNCIL SUMMONS

Thursday, 26 February 2015

GWYS Y CYNGOR

Dydd Iau, 26 Chwefror 2015,

You are summoned to attend a meeting of the **COUNTY COUNCIL OF THE CITY AND COUNTY OF CARDIFF** which will be held at Council Chamber - City Hall on Thursday, 26 February 2015 at 4.30 pm to transact the business set out in the agenda attached.

MARIE ROSENTHAL
County Clerk & Monitoring Officer

County Hall
Cardiff
CF10 4UW

20 February 2015

Promotion of equality and respect for others | Objectivity and propriety | Selflessness and stewardship
Integrity | Duty to uphold the law | Accountability and openness

<i>Item</i>		<i>Approx Time</i>	<i>Max Time Allotted</i>
1	Apologies for Absence To receive apologies for absence.		
2	Minutes To approve as a correct record the minutes of the previous meeting.	4.30 pm	5 mins
3	Declarations of Interest To receive declarations of interest (such declarations to be made in accordance with the Members Code of Conduct).	4.35 pm	5 mins
4	Announcements To receive announcements from the Chair.	4.40 pm	5 mins
5	Petitions To receive petitions from Elected Members to Council.	4.45 pm	5 mins
6	Rhiwbina Community Poll <i>(Pages 1 - 6)</i> Report of the Chief Executive	4.50 pm	15 mins
7	Budget Proposals 2015/16 <i>(Pages 7 - 334)</i> To receive the Cabinet Budget Report.	5.05 pm	180 mins
8	Senior Management Review <i>(Pages 335 - 338)</i> Report of the Chief Executive	8.05 pm	20 mins
9	Urgent Business	8.25 pm	5 mins

Unopposed Council Business			
10	<p>Decisions Taken Under Scrutiny Procedure rule 13(a) in relation to Eastern High School <i>(Pages 339 - 348)</i></p> <p>Decisions taken by the Chief Executive and Director of Education under Scrutiny Procedure Rule 13(a) of the Cardiff Constitution are attached for Information.</p> <p>Report of the County Clerk and Monitoring Officer.</p>	8.30 pm	5 mins

Written Questions – In accordance with Council Procedure Rules Written Questions received for consideration and response will be published on the Council Website in advance of the meeting and will be included as a record in the minutes of the meeting

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CABINET PROPOSAL

AGENDA ITEM: 6

RHIWBINA COMMUNITY POLL

Reason for this Report

1. To allow the Council to consider what action the should be taken in response to the Rhiwbina Community Poll held on 5 February 2015.

Background

2. A Community Poll is a ballot of local government electors in a Community on a question affecting that Community. The provision for Community Polls is made by law and is intended to allow local communities to express their views on a local issue. A Community Poll may be requested by electors at a Community Meeting (or by Community Councillors in an area with a Community Council), and if it is supported by 150 or 10% of the electors for the Community, the Council is legally obliged to comply with the request and hold a Community Poll.
3. At a Rhiwbina Community Meeting held on 8th January 2015, electors called for a Community Poll to be held on the following question:

“Should Cardiff Council continue full funding for Rhiwbina Library?” (‘the Poll Question’).
4. In accordance with its legal obligations, the Council held the Community Poll on 5th February 2015.

Issues

5. The result of the Community Poll is appended as **Appendix A**. Members will note that, in response to the Poll Question (“Should Cardiff Council continue full funding for Rhiwbina Library?”), the majority vote was ‘Yes’.
6. The legislation provides that, where a majority of those voting at the Community Poll were ‘in favour’ of the Poll Question, and the Monitoring Officer has served notice to confirm that the Poll Question relates to the functions of the Council, the Council must respond in one of a specified number of ways.
7. The Monitoring Officer has served notice on the Council to confirm that the Poll Question relates to functions of the City of Cardiff Council, as the library authority for Cardiff, pursuant to the Public Libraries and Museums

Act 1964. The Monitoring Officer's notice was served on 6th February 2015.

8. The response required from the Council is to perform one of the following actions:
 - (a) Exercise the Council's functions so as to comply with the Poll ;
 - (b) Consider, at a meeting of full Council, what action (if any) to take in response to the Poll;
 - (c) Initiate a public consultation exercise about what action (if any) the Council should take in response to the Poll;
 - (d) Hold a public meeting to seek views about what action (if any) the Council should take in response to the Poll;
 - (e) Initiate research to assist the Council to decide what action (if any) it should take in response to the Poll; or
 - (f) Refer the question of what action (if any) the Council should take in response to the Poll to a Scrutiny Committee with a request that the Scrutiny Committee reports back its conclusions to the Council.
9. The action must be taken within 2 months from receiving notice from the Monitoring Officer, that is, by no later than 6th April 2015.
10. After the 2 month period for action has expired, the Council is required to give notice, describing the action it has taken and any further action proposed and to publish this notice on the Council's website for a period of at least 6 months.
11. Members will be aware that the funding of Rhiwbina Library was part of the draft budget proposals 2015/2016, which were issued for public consultation on 21st November 2014. Further, that the Budget Proposals 2015/16 are the subject of a separate report to this Cabinet meeting, and will thereafter be considered by full Council on 26th February 2015.
12. The recommendation of this report is that the Cabinet consider the results of the Community Poll as part of its deliberation on the budget proposals 2015/16; and take option (b) in paragraph 8 above, that is, to refer this matter to full Council, to consider, as part of the budget debate, what action, if any, to take in response to the Community Poll.
13. Members may also wish to note that a Community Meeting in the Community of Fairwater was held on 9th February 2015 to discuss the re-opening of Waungron Road Recycling Centre and a Community Poll on this matter has been demanded. A Community Meeting was held on the 11 February 2015 in the Community of Cyncoed to discuss the future of Rhydypenau Library. The meeting decided not to call a Community Poll at this time.

Legal Implications

14. The law governing Community Polls is set out in the Local Government Act 1972, Schedule 12, Part V (as amended by the Local Government (Wales) Measure 2011) and the Parish and Community Meetings (Polls) Rules 1987). The relevant legal provisions are set out in the body of the report.

Financial Implications

15. There are no direct financial implications arising from the recommendations of this report, but further advice will be provided on any specific action which may be recommended.

CABINET PROPOSAL

Council is recommended to consider the results of the Rhiwbina Community Poll held on 5th February 2015 as part of its deliberation on the budget proposals 2015/16.

THE CABINET

19 February 2015

The following Appendix is attached

Appendix A - Declaration of Result of Poll, Rhiwbina Community Poll, 5th February 2015

The following Background Papers have been taken into account:

Monitoring Officer's Notice of Determination, dated 6th February 2015

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Declaration of Result of Poll

Datganiad Canlyniad y Bleidlais

Rhiwbina Community Poll

Pleidlais Cymuned Rhiwbeina

A Poll of the Local Government Electors of the Community of Rhiwbina was taken on 5 February 2015 on the following question:

Cynhaliwyd Pleidlais ymhlith Etholwyr Llywodraeth Leol Cymuned Rhiwbeina ar 5 Chwefror 2015 ar y cwestiwn canlynol:

Should Cardiff Council continue full funding for Rhiwbina Library?
A ddylai Cyngor Caerdydd ddal ati i ariannu Llyfrgell Rhiwbeina'n gyfan gwbl?

I give notice that the number of votes recorded was as follows:
Hysbysaf bod nifer y pleidleisiau a gofnodwyd fel a ganlyn:

Question/Cwestiwn	Yes Dylai	No Na ddylai
Should Cardiff Council continue full funding for Rhiwbina Library? A ddylai Cyngor Caerdydd ddal ati i ariannu Llyfrgell Rhiwbeina'n gyfan gwbl?	2595	19

The number of ballot papers rejected by me was as follows:
Roedd y nifer o bapurau pleidleisio a wrthodwyd gennyf fel a ganlyn:

Reason/Rheswm	Number/ Nifer
(a) Want of an official mark/Angen marc swyddogol	
(b) Voting both Yes and No/Pleidleisio am Ie a Na	
(c) Writing or mark by which the voter could be identified/Ysgrifen neu farc lle gellir adnabod y pleidleisiwr	2
(d) Unmarked or void for uncertainty/Heb farc neu'n ddi-rym ar gyfer ansicrwydd	3
(e) Rejected in part/Gwrthodwyd yn rhannol	
Total/Cyfanswm	5

I therefore declare that the question is *carried/not carried*
*Rwyf felly yn datgan fod y cwestiwn wedi'i (*gario / heb ei gario*)*

Eligible Electorate Etholwyr Cymwys	Ballot Papers Issued Nifer y Papurau Pleidleisio	Turnout Canran a Bleidleisiodd
9330	2619	28.07%

Christine Salter

Dated 5 February 2015
 Dyddiedig 5 Chwefror 2015

Christine Salter
 Returning Officer/Swyddog Canlyniadau

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CABINET PROPOSAL

AGENDA ITEM: 7

BUDGET PROPOSALS 2015/16

Reason for this Report

To enable the Cabinet to:

- (i) 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.
- (ii) Recommend to Council the strategy and plan for the control of the Authority's borrowing and investments for the year 2015/16 (the Annual Treasury Management Strategy).
- (iii) Recognise the financial challenges facing the Council as set out in the Medium Term Financial Plan, to approve the Libraries Strategy and to note the opportunities for savings over the medium term, both identified separately and as part of themes within this Report.
- (iv) Recommend to Council the Prudential Code, capital expenditure and treasury indicators for 2015/16-2017/18 and the Council's Minimum Revenue Provision Policy for 2015/16.
- (v) Set the rent levels for Housing Revenue Account properties, service charges and management fees for leaseholders for 2015/16.
- (vi) Agree the rates of fees and charges for Council services for 2015/16.

Background

1. 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 in progress.
2. For 2015/16, the Corporate Plan has been reset as a more strategic, outcome focussed document which will be considered by Cabinet and

Council in March 2015. The draft Corporate Plan priorities have been determined as:

- Education and skills for people of all ages
 - Supporting vulnerable people
 - Sustainable economic development
 - Working with people and partners to design, deliver and improve services
3. The Corporate Plan captures the Council's strategic direction while the Directorate Delivery Plans demonstrate how the Corporate Plan will be achieved and also contain details about other significant activities undertaken by the Council. Both plans will need to be resourced where relevant within this budget proposal.
4. The Council recognises that cities are the centre of economic activity and social change. Therefore, whilst working within the severe financial constraints on resources the Council continues to develop new initiatives to develop the City and the region. The Great Western Cities initiative was announced in February 2015 with the cities of Cardiff, Newport and Bristol agreeing to work together in key areas such as connectivity, green energy and inward investment. The Council is also exploring the possibility of entering into a City Deal for the region. These developments align with opportunities that the Council is considering in respect of investing in future energy projects subject to acceptable returns being identified alongside technical and commercial due diligence.
5. Cabinet received a report on Organisation Development in May 2014 which outlined the steps required to respond to the critical financial challenge and increasing demand for services facing the Council. This report outlined the steps needed to implement a new organisational model including:
- Reviewing the shape and scope of the organisation and the way in which services are delivered to meet demand;
 - Widening opportunities for people and communities to shape services around their needs;
 - Identifying delivery models that may be established to meet demand pressures and reflect budgetary realities;
 - Identifying opportunities for further efficiency savings through better internal and external collaboration, integration of service delivery and reducing duplication of effort and resources;
 - Accelerating reviews of operational and non-operational property to ensure best use of our buildings;
 - Significantly strengthening performance management, workforce development and engagement arrangements;
 - Promoting openness through increased citizen engagement and information sharing, enabling transparent decision making and providing clearer opportunities for people to participate in those processes.

6. It was agreed that these steps would be delivered through a three year Organisation Development Programme so that the fundamental changes required would be made to ensure sustainable services for the future. Options for appropriate work streams have been considered and the following programme arrangements are now operational:
 - Organisation Development Board
 - Investment Review Board
 - Enabling Technology & Strategic Commissioning Programme
 - Reshaping Services Programme
7. Cabinet received a Budget Strategy report in July 2014 which advised of the worsening financial position as a result of both expected reductions in Welsh Government (WG) funding and also increasing financial pressures being experienced by the Council. Following approval of the report the Council wrote to the WG and Welsh Local Government Association (WLGA) expressing concern at the worsening funding scenarios emerging from the WG and also that the additional pressures experienced by Cardiff as the capital for Wales did not appear to be fully recognised in its financial settlements.
8. The content of the Medium Term Financial Plan (MTFP) approved as part of the 2014/15 Budget Report has been incrementally updated during the year as further negative announcements were made by both the UK government and the WG. The July Budget Strategy Report detailed changes to the assumed level of Revenue Support Grant (RSG) which increased the anticipated budget gap from £34.2 million as reported in February 2014 to circa £45.5 million in July 2014. The 2015/16 Provisional RSG settlement announced in October 2014 was slightly better than the planning assumption mainly as a result of increases in population. The final RSG settlement in December 2014 was consistent with this position so that overall the Council's cash position is a reduction of £12.516 million against that received in 2014/15 resulting in the second year of an absolute cash reduction.
9. As part of the Budget Strategy Report it was decided that the budget savings proposed for 2015/16 would need to be delivered by following a targeted budget savings approach and that the classification introduced in 2014/15 would be continued. Consequently targets were developed under the headings of:
 - Policy led savings
 - Business Process led corporate efficiency savings
 - Discrete Directorate led savings
10. Given the significant level of savings required in 2015/16 following the unprecedented level required in the current year, it is more important than ever that the proposals identified are robust and deliverable. Following submission, the proposals from directorates have been progressively challenged to give Council confidence that all savings:
 - Included within a directorate 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
11. 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 2014/15 - 2018/19 demonstrated the cumulative need for additional borrowing and general capital receipts of £45.3 million and £5 million respectively but also the significant WG capital funding cuts over the medium term.
12. 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 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.
13. 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 2015/16 to 2019/20 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. The 2014/15 Budget Report included a Section 151 Officer statement that the Capital Programme whilst not considered to be unaffordable would require careful monitoring over the life of the Capital Programme and this should include, wherever possible, considering options to lower borrowing levels as a result of reductions in the Council's asset base.
14. Since that report date 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 cut in the 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.

15. It is clear from the above that as Section 151 officer I consider that further action is required to accelerate a reduction in the Council's asset base within a limited timeframe with demonstrable progress to be evidenced in 2015/16. Unless assurance of progress in this regard can be demonstrated the affordability of the existing Capital Programme will need to be reviewed. Within this financial climate of reducing revenue resources all action necessary must be taken to minimise both initial capital expenditure and the subsequent need to borrow.
16. In addition later sections of this report review the Council's financial position across the life of the Medium Term Financial Plan 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 2019/20 Cabinet should be aware that the later years of the Programme, together with the entering into 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

17. In October 2014, the Cabinet agreed a renewed set of Co-operative Values for the organisation, focusing on fairness, openness and working together. The values mention specifically 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." Greater consultation, engagement and joint working with citizens are at the heart of these values, particularly being an *Open* Council.
18. To this end, the Cardiff Debate was launched in June 2014 with the Public Services Summit in City Hall. The Cardiff Debate is an on-going programme of engagement and collaboration between public, private and third sector organisations and most fundamentally, the citizens and communities of Cardiff. As part of the Cardiff Debate the Council has established an extensive programme of engagement built upon previous engagement work which will provide an ongoing conversation with our citizens, communities and partners. This will ensure that our services are responsive to local need and will encourage innovation and community ownership in shaping services.
19. In consultation with both the public and partners a range of ideas have been explored as to how savings and income can be maximised, however the scale of cuts required means that consideration must be given to the level of services provided and in some instances whether the resources remain to enable them to continue. The reality of this is that to maintain or improve some services, reductions will need to be made in other areas.
20. The consultation on the *Changes for Cardiff* Budget Proposals ran for seven weeks from 21 November 2014 until 12 January 2015. It was the

City of Cardiff Council's most far reaching consultation on budget proposals to date.

21. A number of mechanisms were used to ensure that the public consultation was as accessible as possible:

- **Hard Copy Questionnaire** - 6,500 hard copies of the questionnaire were distributed throughout Cardiff to the City's public buildings including; libraries, hubs, leisure centres and community halls.
- **Electronic Questionnaire** - 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. It was distributed to over 65,000 email addresses, and links were sent out through the Council, Cardiff Debate and partner twitter accounts.
- **Community Engagement Events** – 10 community engagement events were held across the City during the course of the consultation period. These included a session held in each of the six Neighbourhood Partnership Areas, a city centre event and targeted workshops with the Cardiff Youth Council, 50+ Forum and the Cardiff Access Forum. The objectives of the events were to:
 - Provide an opportunity for the public to receive information regarding the current challenges being faced by the City of Cardiff Council.
 - Present findings and feedback from the previous 37 Cardiff Debate neighbourhood/ward events held over the summer of 2014.
 - Provide information surrounding the proposals put forward for the 2015/16 budget.
 - Provide an opportunity for any concerns regarding the impact of the proposed changes to be recorded and ideas for possible solutions to be explored with representatives from the appropriate directorates.
 - Provide information on how local people can become more involved in service delivery.
 - Provide an opportunity to complete the consultation document relating to the draft budget proposals.

22. The consultation received 4,191 completed questionnaire returns, and over 500 people attended the community engagement events. From this, a number of key themes emerged:

- **The financial reality:** An overwhelming 88.7% (3,498) of respondents recognised that a £48.3 million budget gap for 2015/16 meant that difficult budget choices are required.
- **Support for new ways of working:** 75.1% (2,950) support the Council in exploring new ways of working to deliver its services.
- **Quality and cost of service:** Throughout the *Changes for Cardiff* consultation and previously as part of the Cardiff Debate, residents have told the Council that 'quality of service' and 'cost of service' are the most important factors in service delivery. In comparison, 'who' delivers the service is not considered an important factor.

- Community involvement: 33.3% (1,295) of respondents agreed that community groups and the third sector should be asked to run more local services - 33.6% (1,309) said 'No'; 33.1% (1,290) said 'Not sure'.
 - Whilst some practical concerns were expressed about community groups and third sector organisations being asked to run more local services and facilities, there is a clear support (74.6%) for volunteers assisting in a new approach to library services.
 - Valued public services: Overall, the results of the *Changes for Cardiff* consultation emphasises the importance people place on their local public services, but also demonstrate a growing understanding of the tough choices that need to be made. In most instances there is support for the Council's approach to meeting its budget challenge, although it must be stressed that many respondents expressed concern about what this budget shortfall means for their communities and for their services.
23. In addition to the formal responses to the questionnaire, there were also 16 petitions received with over 14,500 signatories and two community polls, one of which is still to be held, in opposition to a number of the proposals that were put forward as part of the *Changes for Cardiff* document.
24. The full findings of the consultation on the City of Cardiff Council's 2015/16 budget proposals can be found in Appendix 1.
25. 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 2015 while some committees also invited stakeholders to discuss particular topics at their January meetings. Responses received to date in respect of the Cabinet's draft proposals are attached within Appendix 1.
 - **Trade Unions** – consultation has taken place with the trade unions and any comments will be considered in advance of the Cabinet meeting. In addition, detailed negotiations in respect of the Budget Strategy planning assumption in relation to reductions in employee costs were completed in January 2015 with the agreement of the Partnership for Change Memorandum of Understanding. This document was considered by Cabinet on 26 January 2015 and will prepare the way for continued negotiations between the Council and trade unions to conclude by 31 July 2015.
 - **Employees** – consultation has taken place both generally through staff meetings and particularly with employees impacted by individual saving proposals.
 - **School Budget Forum** - following a number of briefings over the budget formulation period, the Forum met on 21 January 2015 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 19 January 2015 as part of their scrutiny function. Comments received have been incorporated into the relevant parts of this report.

Issues

26. 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 2015/16 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.
27. Given the challenges ahead the following statement from the Section 151 Officer is of significance:
28. "As set out in the July Budget Strategy Report it is important to reiterate the materiality of the service choices ahead of the Council. In particular, anything other than a radical reduction and reset of the Council's services will over the life of the MTFP term lead to financial resilience issues for the Council. Against this backdrop members will need to consider whether the choices made to date and planned for the future are commensurate with the scale of the financial challenge over the medium term. Cabinet will need to consider these choices again as part of the 2016/17 Budget Strategy Report in July 2015.
29. As well as highlighting the financial challenges in the medium term the role of the Section 151 Officer is to advise members if the Council risks setting an unbalanced budget. I do not consider this to be the case in 2015/16 and the following sections on Financial Standing, Risks and Financial Resilience will set out in more detail the evidence gathered in reaching this opinion. "
30. 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 2015/16.

Budget Update 2014/15

31. The Council's Budget Report for 2014/15 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 processes including updates to the Corporate Risk Register. The topics included:

- Continuing demographic demand for social care services if trendlines vary significantly from the anticipated position.
- The impact of welfare reforms 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 service redesign 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 deliver significant levels of savings during a period of prolonged financial austerity.
- The service impact of the continuing reduction in headcount expected over the medium term.
- 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 impact of the potential adoption of alternative models of service delivery and the requirement to test consequential costs and benefits of the change.
- 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.
- The ongoing uncertainty in respect of the establishment of a permanent CTRS scheme.
- The impact of functions delivered as part of collaborative arrangements should the planned benefits not be as predicted.
- Financial exposure should the Council breach its partial exemption calculation in respect of Value Added Tax (VAT).
- The impact of the WG's intention to move forward and replace the existing Housing Revenue Account (HRA) Subsidy System from April 2015.

32. The Council's Month 9 revenue budget monitoring position shows a balanced position. This includes an exceptional level of Non Domestic Rates (NDR) refunds that are non recurring together with savings on capital financing, additional funding from the Outcome Agreement Grant and a surplus on Council Tax collection. However, the directorate position is somewhat different with a significant overspend position of

£8.797 million projected. Within this figure financial pressures continue to be evident in a number of areas and particularly within the Health & Social Care, Children's Services, Education & Lifelong Learning, Sport, Leisure & Culture and Environment Directorates. The position includes the effect of a potential shortfall of £7.175 million against the 2014/15 budget savings of £43.833 million.

33. It is vital that expenditure is restricted as much as possible during the final quarter of the year in order that the Council achieve a balanced position and consequently further control measures have been introduced in all directorates to support this position.
34. The Month 9 Budget Monitoring Report also includes an update in respect of the Capital Programme. This shows a projected outturn for 2014/15 of £87.9 million resulting in a total variance of £54.4 million. Within this the General Fund projected variance of £54.1 million and is due to a net underspend against capital schemes of £1.8 million and capital slippage of £52.3 million. The most significant area of slippage was £27.8 million in the Education and Lifelong Learning Directorate with the Schools Organisation Planning Programme the major factor. The Directorate have accepted a number of recommendations made following a lessons learned review which should improve the position in future. Across the Council all officers responsible for managing capital schemes are regularly reminded of the importance of effective profiling and reporting against schemes.

Revenue

The 2015/16 Settlement

35. The Final Local Government Revenue and Capital Settlement for 2015/16 was announced by the Minister for Public Services in December 2014. This followed the publication of the Provisional Settlement in October 2014 and took into account responses that had been received during the consultation period. The main points to note from the Settlement at an all Wales level are:
 - A range of change in Aggregate External Finance (AEF) comprising a decrease in RSG and NDR of between minus 2.4% and minus 4.5% with an average of minus 3.4%.
 - Restatement of the requirement for local authorities to protect the budget for schools by 1% more than the overall change in the WG budget for 2015/16.
 - The impact of a damping mechanism to ensure that overall no authority will have a reduction in their year on year funding of more than minus 4.5%.
 - The amalgamation with a reduced quantum of a number of Education specific grants.

- No indication of future year settlement figures.
36. Responding to the Final Settlement, the WLGA spokesman for Finance said:
- “Local Government is no stranger to austerity, with some local services already experiencing budget cuts of more than 30%, but the further £200 million that will be cut from council budgets next year will return core funding for some service areas to levels last seen in the early years of devolution. The scale of these continued cuts means local councils have no option but to look seriously at generating income in different ways and charging for some services” ... “we will still have to make difficult decisions about withdrawing from some services in a way that does least harm to the well-being of our citizens.”
37. The position for Cardiff within the range of change in AEF set out above, shows a funding decrease of 2.9% and a cash decrease of £12.516 million in comparison with 2014/15 which includes the impact of the damping mechanism of £371,000. However, the actual decrease in spending power for Cardiff will be £12.968 million 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.
38. In addition, as part of the overall settlement for Wales, information on specific grants amounting to £787.519 million was published although this is not a final list and details are still indicative in some areas. 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.
39. Once known these specific grants will be available to the particular directorate as additional resources subject to the relevant terms and conditions. As a significant number of grant allocations have yet to be declared by WG there is a risk of further announcements resulting in a lower level of funding.

Resources Available

40. The unhypothecated resources available from the WG through the Final Settlement are set out in the following table:

Resources	£000
AEF (RSG & NDR)	424,104
Outcome Agreement Grant	2,482
Unhypothecated resources from WG	426,586

41. The arrangements for the Outcome Agreement Grant (OAG) were changed for the activities undertaken during 2014/15 to become more outcome focussed, the results of which will be seen in the level of grant to be received in 2015/16. Within the Settlement communication, the Minister for Public Services stated that:

“ ... the Outcome Agreement Grant funding has been distributed on the same basis as in previous years. I want to emphasise, however, that the funding individual Authorities will receive is subject to the satisfactory delivery of the agreed outcomes, improvement and corporate health measures.”

42. The grant terms include the following scale of grant award:

Points Matched To Outcomes Achieved	% Grant
25-30	100
20-24	75
15-19	50
0-14	0

43. As maximum grant will only be awarded in accordance with the above criteria, the budget continues to include a prudent approach and assumes that 75% of the grant will be achieved in respect of 2015/16. This repeats the assumption included in the 2014/15 budget. Any material variance in the outcomes achieved will result in either additional or reduced grant being received during 2015/16.
44. The report to Cabinet in December 2014 in respect of the Council Tax Base implied a marginal increase in the number of band D equivalent properties expected by the end of March 2016. As part of that report, the ultimate Council Tax collection rate was increased to 98.3% in recognition of the sustained improvement in collection statistics as evidenced over recent years. 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 scheme in the increase of Council Tax of 5% not does it take account the increase in the number of claimants. In both cases these will need to be managed during 2015/16 by the Council.
45. 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	426,586
Council Tax (at nil increase)	135,841
Use of reserves to support budget	1,000
Total resources available	563,427

46. The Budget Strategy report included the assumption that £1 million would be achieved through a review of the Balance Sheet. The review resulted in a resetting of the provision for Council Tax bad debts partly due to the recognition of the success of increased recovery activity over recent years. This has enabled £595,000 to be released to support the budget. The review of earmarked reserves together with an exercise to confirm their purpose undertaken as part of budget preparation has enabled the release of £405,000 to support the budget. Both of these

elements are included in the above table. Further information in respect of earmarked reserves can be found in the section on Financial Standing, Risks and Financial Resilience.

Resources Required

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

Total Resources Required	£000
2014/15 adjusted base budget (after transfers)	573,877
Employees (increments, pay award etc)	7,124
Directorate expenditure and income realignment	7,667
Demographic pressures	5,100
Special inflation	1,660
Commitments	1,293
School growth (net)	3,573
Total resources required	600,294

48. An expanded breakdown of the above including the total amount of savings 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	600,294
Resources available	563,427
Shortfall before savings and new pressures	36,867

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 also been instrumental in informing Cabinet's views on the final shape of the budget. Consequently, the Cabinet together with officers have considered carefully the need to provide for new financial pressures alongside savings options proposed by directorates. This work concluded that for 2015/16 the financial challenge was such that only minimal additional directorate pressures could be supported and that others would need to be managed within base budgets or accommodated through alternative sources of funding. A list of pressures including comments in respect of those not supported is set out in Appendix 4.
51. Total savings included within this budget proposal amount to a significant total of £35.780 million which, equates to 15.2% of the Council's overall

controllable budget. The position in respect of schools is set out later in this report. The detailed savings schedule is attached as Appendix 5.

52. The following table concludes that the amount to be raised from additional Council Tax in 2015/16 is £5.37 million after allowing for the adjustment in respect of CTRS amounting to £1.422 million. This will result in a Council Tax increase of 5%.

Budget Shortfall	£000
Shortfall before directorate pressures & savings	36,867
New directorate pressures	4,283
Sub Total	41,150
Less	
Total Savings	33,280
Use of capitalisation	2,500
Net amount to be raised from additional Council Tax	5,370

53. Further details in respect of the savings included in the above table are set out later in the report within the section on Service Implications of the Revenue Budget.
54. In November 2014 Cabinet approved the release of savings for consultation as part of the 2015/16 budget proposals.
55. The report in November identified a figure of £48.294 million in respect of savings proposals and budget strategy assumptions. This figure related to savings of £35.232 million and budget strategy assumptions, which had yet to be approved, of £13.062 million.
56. The budget shortfall of £41.15 million identified within this report reflects the updated figures in relation to the final settlement and confirmation of the council tax base. It also reflects the outcome of the ongoing technical review of budget pressures and the impact of the final decisions taken in relation to the Budget Strategy Assumptions.
57. The table below sets out the sums identified in each of these categories.

	£000
2015/16 Budget as per consultation	
Savings proposals	35,232
Budget strategy assumptions	13,062
Savings proposals and budget strategy assumptions	48,294
Changes:	
Updated final settlement and council tax base	(1,123)
Outcome of technical review	(2,003)
Confirmation of budget strategy assumptions	(4,018)
2015/16 Budget Shortfall	41,150

58. The outcome of the technical review included adjustments in relation to capital financing, insurance, carbon reduction commitment and pay awards.
59. The confirmation of budget strategy assumptions included the impact of changes approved in relation to the Council's voluntary severance scheme of £2 million, the decision to reduce the level of commitments provided to schools by 30% of £1.018 million and the identification of savings from reserves of £1 million.
60. The remaining budget strategy assumptions are reflected in the outcome of the Partnership for Change Memorandum of Understanding and the proposed council tax increase that supports this budget.

Financial Standing, Risks and Financial Resilience

61. 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 £41.150 million this year on top of the £91.345 million in the last three years is such that the significance of reviewing the financial standing, risks and financial resilience of the Council can not be understated.
62. 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.
63. 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.
64. 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.
65. The paragraphs below set out the Council's financial position at present and that contained within the 2015/16 budget. It will 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.

66. A key contextual factor is the Corporate Assessment Report published by the Wales Audit Office (WAO) in September 2014 following a corporate assessment in March 2014. The Report made one proposal for improvement which was that the “Council ensures that the implementation of its Organisational Development Plan resolves a range of issues identified within the assessment”. The WAO will conduct a further inspection in the Summer of 2015 to assess progress. The Organisation Development Plan will be key in supporting the Council to realign its services to a lower, financially sustainable base.
67. In addition an issue identified in the Report was the Auditor’s concern in respect of the uncertain prospect for achieving proposed savings from 2014/15 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 budget, undertake an additional due diligence exercise on the 2015/16 proposed savings and establish a thematic presentation for savings over 2016/17 and 2017/18 alongside specific savings for these later years which link to savings proposals contained in the 2015/16 budget.
68. The Month 9 Budget Monitoring Report identifies a projected directorate overspend at outturn of £8.797 million albeit within an overall balanced Council position. This reflects the use of the £4 million General Contingency which was established when the 2014/15 Budget was set together with other positive corporate variances. Within the directorate overspend position there are projected shortfalls of £7.175 million against the £43.833 million savings included in the 2014/15 budget. Of this in-year shortfall it is anticipated that £5.3 million will be achieved in 2015/16 with a further £1.8 million of the 2014/15 shortfall having been identified as an area of concern. This will be closely monitored as part of the 2015/16 budget monitoring process. In addition following a review an amount of £217,000 has been written back into the budget as being technically unachievable in 2015/16.
69. The 2015/16 budget process has been undertaken in accordance with the high level principles set out in the July 2014 Budget Strategy Report. The budget process has been rigorous and robust and has utilised the expertise of officers in directorates across the Council.
70. In particular an additional due diligence exercise has been undertaken as part of the Council’s developing approach to the management of budget risk. This resulted in the savings released for consultation in November 2014 being subsequently reduced by a net figure of £2.228 million following reductions to or removal of savings in directorates and a limited number of additional savings being added.
71. The following provides a detailed list identifying the processes to manage risk that have been undertaken as part of setting the 2015/16 Budget:
- A Budget Strategy Report was presented to members in July 2014 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.
- A due diligence review was undertaken, which resulted in the directorate savings being reduced by a net figure of £2.228 million.
- The General Contingency amount of £4 million which was established as part of the 2014/15 budget setting process has been maintained.
- The 2015/16 budget has continued to include an Issue Specific Contingency allocation of £3.815 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 Environment Directorate. An amount of £2.515 million is also included in the allocation to recognise the difficulty of predicting waste disposal tonnages in the Environment Directorate.
- A detailed MTFP has been developed to identify the emerging pressures that the Council will face in future years.
- The budget process has been informed by the development of a number of themes which have been used to develop the areas from which savings in later years will be identified. This has enabled savings in later years relating to 2015/16 savings to be matched to the themes as the basis for ongoing work.
- Cabinet Members have been briefed on the emerging issues contained within both the Provisional and Final Settlement along with briefings for all members on the shape of the budget and the budget process.
- Scrutiny Committees have been given the opportunity to review and scrutinise the budget proposals along with budgetary analysis sheets for all directorates. In addition further training and development opportunities on the Council finances including how to scrutinise budgets have been facilitated.
- 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 January 2015 in accordance with their formal scrutiny role in relation to treasury matters.

- Draft budget proposals were released for consultation at the end of November 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.

72. 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.

73. 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	Achievability
	£000	£000
Red	4,773	2,628
Red Amber	7,715	7,752
Amber Green	13,037	16,733
Green	7,755	6,167

74. As initiated last year a Planning Status category has been included in the budget savings set out in Appendix 5. This identifies that savings of £1.691 million have already been realised, £25.735 million are in the detailed planning stage and £5.854 million have a higher degree of risk as only general planning has been undertaken to date. This general planning category accounts for 18% of the total savings proposed of £33.28 million and is broadly equivalent to last year's percentage of 19.8% albeit the quantum of savings this year is lower.

75. 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. A review of the planning status and risk position has been undertaken to consider the amount that should be included in the 2015/16 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 2015/16 that are projected not to be achieved in 2014/15. On the basis of this information the General Contingency sum of £4 million has been maintained within the 2015/16 Budget.

76. 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 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 make tangible progress on the Partnership for Change by the 31 July 2015 as outlined in the Reform Agenda – Memorandum of Understanding.

77. 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 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 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 not reach 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 as detailed later in this report.
- 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 potential for the Council to receive less than the budgeted sum in respect of Outcome Agreement Grant either due to performance shortfalls or statutory interventions.
- 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 impact of the outcome of the joint review between the Council and the WG in respect of the next three year funding provision for the Harbour Authority.
- The risk associated with the final settlement sum in respect of all remaining landlord councils exiting the existing HRA subsidy system from April 2015 as set out later in this report.
- The impact of the ongoing uncertainty in respect of the outcome of local government reorganisation.

78. 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.

79. 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).
80. Over recent years the Council's partial exemption calculation has been either at or 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.
81. 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. Discussions are ongoing to find the most effective structure to both deliver and operate the facility. Future challenges are likely to arise with risks to manage and mitigate in respect of the development of alternative delivery models.

Council Reserves

82. The Council 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 2013/14 financial year was £11.413 million.
83. The Council also holds earmarked reserves to meet known or predicted requirements. These earmarked reserves are held for specific purposes including amounts set aside to help fund future capital developments, for example the SOP Reserve, Insurance Reserves to meet the self insurance responsibilities of the Council, HRA and Schools Balances. The Council's General Fund earmarked reserves, which excludes the HRA and Schools Balances, stood at £31.243 million at the end of 31 March 2014 and this figure is projected to be £23.208 million as at 31 March 2015.
84. In October 2014 the Minister for Public Services wrote to all councils requesting a full breakdown of all earmarked reserves, details of the strategy for holding and utilising reserves as well as highlighting the need for engagement with members on the holding of reserves. This was in part to highlight the need for all councils to consider all options open to them, including utilising reserves appropriately, when refining their budget plans for 2015/16.

85. The Council responded that it was already taking a proactive role in relation to the use of its reserves and had in July 2014, as part of its 2015/16 Budget Strategy, identified that a figure of £1 million would be considered for release subject to the outcome of a balance sheet review. The Council has been able to identify this sum for release as set out below. As members are aware there is no set statutory minimum level of reserves and decisions made should reflect the individual position of each council.
86. Research undertaken by the WLGA showed that as at 31 March 2014 Cardiff had the lowest level of general reserves as a percentage of gross revenue expenditure across all councils in Wales (1.4% against an all Wales average of 2.7%) and earmarked reserves as a percentage of gross revenue expenditure of 6.5% against an all Wales average of 19.2% at that date.
87. 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 to retain the Council's General Reserve at its 31 March 2014 level.
88. The Council has completed its Balance Sheet review and has identified that £595,000 is likely to be able to be released at the end of the current financial year from the council tax provision for bad debts. The Council Tax Bad Debt Provision is required to provide for the expected amount of Council Tax that will not be recovered in the future. The continued improvements in collection rates has allowed the current method to be reviewed and £595,000 released as it is evident that debts continue to be recovered beyond the current collectable years cut off. In addition a review of earmarked reserves has identified £405,000 that can be released from the Major Projects earmarked reserve as there are no identified commitments against it. These sums have been used to support the 2015/16 budget.
89. The Council instigated a practice of borrowing against earmarked reserves to fund the substantial costs of voluntary severance in 2014/15. These amounts have been re-profiled as part of this year's budget to take account of the reduction in the discretionary element of the voluntary severance costs as a result of changes to the scheme and the potential to capitalise the statutory element of these costs as a result of an in principle capitalisation direction for 2015/16. To minimise the impact of these costs on budgets the Council will continue to borrow cash from the Council's Earmarked Reserves to cover the initial cash payments required and then replenish these reserves in time for their planned original use. The planned profile for this borrowing from earmarked reserves is set out in Appendix 7.
90. General Fund Earmarked Reserves are shown in Appendix 8(a) and the projected balance as at 31 March 2016 is £24.404 million. This includes the impact of the movements stated above as well as the contributions to and from other earmarked reserves in line with the purposes set against

each reserve. The balances in respect of the HRA and Schools reserves are set out in Appendix 8(b) and 8(c) respectively.

91. School balances 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 of the Council. Whilst schools do have delegated responsibilities and budgets these are subject to the Council's scheme of financing and the Financial Procedure Rules being adhered to.
92. School balances are highlighted as projecting a significant negative balance of circa £4 million as of 31 March 2015 with balances reducing further over the next five years. This is primarily a result of significant deficits being carried by a minority of secondary schools but it also shows the considerable movement in reserves held by primary schools over the last two financial years.
93. The negative balance sheet for schools is also a result of £1.5 million of residual severance costs incurred by schools in 2014/15 which will be charged to delegated school budgets over the next five years. This decision was made in order to spread the costs of a significant severance cost incurred in 2014/15 of in excess of £3.1 million. The alternative would have been for individual school budgets to have absorbed the £1.5 million cost which would have increased the number of schools in deficit. This approach of spreading severance costs over five years is similar to the approach taken for severances incurred within the General Fund.
94. Work will continue to be carried out with those schools causing significant financial concern with a view to reducing those deficits over the next few years. As detailed later in the report, delegated school budgets will increase by 3.2% in 2015/16 which is a reflection of both the increasing inflationary and demographic pressures facing schools both individually and collectively. All schools will need to ensure that spending plans are in alignment with their budget and wherever possible deficit balances are avoided or reduced.
95. Where the Council's Section 151 Officer determines that the provisions contained within the schemes or procedure rules have been substantially or persistently breached or a budget share has not been satisfactorily managed then intervention powers can be taken by the Council to suspend delegations for that school.
96. The judgement of the Council's Section 151 Officer, taking into account the budget monitoring forecast at Month 9, 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 2016 as set out in Appendix 8(a) is adequate when considering the 2015/16 Budget. The position therefore allows for the drawdown from reserves to fund the budget of £1 million and also allows for the ongoing use of earmarked reserves to meet the updated profile of planned borrowing and repayments to meet the costs of voluntary

severance as set out in Appendix 7. It should however be noted that the one off release of £1 million from the Balance Sheet increases the Budget Reduction Requirement by an equivalent sum in 2016/17. In relation to voluntary severance costs the actual amount and profiling will dictate the timing of the use of and repayment to these earmarked reserves and that the impact of timing of these costs as a result of changes in the voluntary severance scheme is unclear at present.

97. The financial challenges ahead are such that the Section 151 Officer will further highlight the financial standing of the Council on a regular basis as part of members overall awareness of financial matters. As such officers are developing snapshots of financial health that can 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 continuing to deliver services in an environment of reduced public resources.
98. 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.

Partnership for Change – Reform Agenda

99. The planning assumptions set out in the Budget Strategy Report in July 2014 included a review of employment costs to deliver savings at an assumed level of £5.75 million in 2015/16. This was reiterated in the November 2014 report which set out the 2015/16 budget proposals for consultation. This followed the agreements made in relation to the previous financial year as part of the Workforce Package with the following commitments given by Cabinet at its meeting on 16 January 2014, namely:
- Protect the current corporate Voluntary Severance Scheme until 31 March 2015
 - Continue to work with the Trade Unions to avoid compulsory redundancies where possible
 - Protect Single Status Green Book Terms & Conditions for overtime, night working, shift allowances to remain as per 2012 Single Status Collective Agreement until 31 March 2015
 - Retain national terms & conditions for sick pay for 2014/15
 - Guarantee payment of any national pay award agreed for 2014/15 for the staff groups impacted

- Undertake a review of the Corporate Voluntary Severance scheme and to implement from April 2015
 - Agree to further detailed talks to consider additional savings options for 2015/16 and to present these to Cabinet in September 2014.
100. Whilst the current Workforce Package will remain in place until 31 March 2015, more recent discussions with the Trade Unions have concluded that a longer term, sustainable approach needs to be in place in relation to any savings related to the Council's workforce. Although the Council put a number of confidential options to the Trade Unions for consideration, the Trade Unions reinforced their position that they are not prepared to negotiate detrimental changes to terms and conditions of employment for their members. Further discussions with the Trade Unions have however resulted in a better, shared understanding of the current financial position and a willingness and commitment by both sides to work in partnership in order to achieve any future changes required. This approach was set out in the recent report which was considered by Cabinet on 26 January 2015. This set out the commitments of the Council and Trade Unions to work collaboratively to address a programme of reform. This will include the cost and management of current working arrangements to ensure that in future they are fit for purpose for the management of a modern workforce.
101. The Partnership for Change document which was signed by all parties on the 15 January 2015 and appended to the Cabinet report on the 26 January outlines the challenges faced by the Council, public perception and scrutiny regarding expenditure, acknowledges the headcount reductions already achieved over the last 2 years, highlights the changes that the Council will necessarily need to go through as its role continues to evolve and change, and acknowledges that staff are an integral part of how those changes will be achieved. It also sets out a series of Council commitments which have emerged from discussions and include the reinstatement of working hours and the equivalent 2.7% pay contribution from 1 April 2015, continued support for the Living Wage, protection of jobs where possible, adherence to national pay awards, protection of incremental progression, reduction in layers of management, etc.
102. Additionally, the Council also committed to extending new ways of working, retaining enhanced in-house service delivery where possible in terms of there being a business case to do so, establishing a Joint Partnership Board to support the programme for reform and organisational change. It was also agreed that the trade unions would join the council in making joint representations to WG to argue the case for sustainable and fully funded public services.
103. In terms of the Partnership for Change, the future direction of the Council is to move towards a Total Reward approach. By focussing on pay, benefits, career development and work environment, the Council will be able to address current employee costs in a more creative and financially manageable way whilst highlighting the wide range of softer benefits available to employees already in place.

104. From 1 March 2015, the existing range of voluntary and flexible working arrangements relating to sabbatical leave, voluntary reduction in hours, flexible retirement and home working will be more widely publicised in order that savings can be achieved from increasing their take up. There will also be a new Purchase of Additional Annual Leave Scheme (where staff can purchase up to 10 days additional annual leave). The current review of the Attendance & Wellbeing Policy will also be concluded and will now include a Health & Wellbeing Strategy to more actively support employees and supporting the achievement of the WG's Gold Corporate Health Standard.
105. As part of the Partnership for Change, it was proposed that the planning assumption of £5.75 million would be found by a combination of measures including:
- Revised Voluntary Severance scheme (approved by Cabinet on 26 January 2015)
 - Reduction in amount of Agency Spend
 - Introduction of Recruitment Freeze
 - Reduction in amount of Discretionary Overtime
 - Management De-layering
 - Promotion of Voluntary schemes
106. The Trade Unions agreed to work with the Council towards the achievement of these savings. The Trade Unions and Council have also committed to embark on discussions and negotiations around a programme for reform. These discussions would be concluded by 31 July 2015 and put to staff for implementation from 1 April 2016.
107. Detailed work was undertaken in relation to the options available for meeting the planning assumption of £5.75 million in 2015/16. This required consideration of options which had significant service implications and a high level of risk in terms of achievement. This changed however following the notification on 30 January 2015 that the Council's request for a capitalisation direction of £4.821 million had been given in principle approval by the Minister for Public Services. Although it should be emphasised that this is an in-principle direction only at this stage it has provided an opportunity to build in to the planning assumption an in-year saving based on the capitalisation of employee costs. There are a number of restrictions and principles that must be adhered to in relation to the capitalisation and these are set out in greater detail further in this report. At this stage however it is considered prudent to build in a level of capitalisation equating to £2.5 million of employee costs in 2015/16 and this has contributed to the overall saving of £5.75 million thereby reducing the potential service implications and level of risk previously associated with this saving. The proposed savings to achieve the £5.75 million planning assumption are set out below:

Proposals to meet £5.75m Planning Assumption	£000
Revision of the voluntary severance scheme	2,000
Reduction in agency spend	200
Reduction in discretionary overtime	150
Management de-layering	200
Voluntary schemes eg purchase of leave	300
Refine pay award calculations	400
One off capitalisation	2,500
Total	5,750

108. The 2015/16 budget and MTFP identifies a combination of base budgets, additional budget allocations and borrowing from earmarked reserves to meet the costs of voluntary severance as the Council's staffing numbers reduce. This model was developed as part of the 2014/15 budget setting process to identify likely severance payment expenditure and funding requirements over the period up to the end of 2017/18. The changes to the Council's Voluntary Severance Scheme approved by Cabinet on 26 January 2015, has reduced the funding requirement within the model enabling budget savings of £2 million to be identified in relation to 2015/16 with a further saving of £1.6 million available to support the budget in 2016/17.
109. Budget savings of £200,000 arising from a reduction in agency spend, £150,000 from a reduction in discretionary overtime and £200,000 from management de-layering are also proposed. These will impact on directorate budgets and will need to be managed, however at the levels now proposed it is considered that these can be achieved without significant risk in terms of service impact and achievability. The proposals also include a saving of £300,000 from voluntary schemes including a new scheme based on purchase of leave. Further promotion will also be undertaken in relation to existing schemes such as sabbatical leave and voluntary reduction in hours. Further refinement of the pay award calculations has also been undertaken utilising updated establishment lists and improved data on funded posts and this has released £400,000 in support of the overall savings required.

Capitalisation

110. The Council submitted a request for a capitalisation direction of £4.821 million to the WG on the 15 December 2014 in relation to both statutory voluntary severance costs and the costs of organisational reform. The WG guidance specifically stated that potential projects to support early voluntary mergers may be favoured. The guidance also stated that the total that could be issued as part of this capitalisation direction across the whole of Wales in 2015/16 was £5.7 million.

111. A capitalisation direction allows revenue expenditure in relation to the categories prescribed in the guidance to be charged to capital rather than revenue. The terms of this specific direction guidance was that expenditure charged to capital could only be funded from additional capital receipts and therefore the value to be capitalised would be restricted by the disposals generated during 2015/16.
112. The Council's submission against the all Wales sum of £5.7 million was £4.821 million and the following table summarises the amounts that were bid for.

Capitalisation Bid for Service Reform Revenue One-off Costs	2015/16 One-off Costs £000
Organisational development costs to deliver service reform	1,194
One-off technology driven project costs	524
Project costs of facilitating office accommodation rationalisation	222
One-off costs of moving to alternative delivery models	163
Council-wide statutory severance costs in respect of service reform	2,718
Total service reform bid	4,821

113. On the 30 January the Council received an in principal capitalisation direction of £4.821 million from the WG. The letter stated that this in principle direction will be the subject of a formal direction once the Council has paid out costs in 2015/16 and then confirmed to the WG the amount to be capitalised. Further guidance will also apply, for example the statutory voluntary severance amount will be subject to an affordability test whereby the statutory costs of redundancy must exceed the costs of both 5% of available reserves and 0.25% of budgetary expenditure.
114. The receipt of the in-principal capitalisation direction is undoubtedly welcome however a prudent approach must be taken to how this sum is considered. The initial consideration is in respect of the amount of additional capital receipts that the Council can expect to receive in 2015/16. A figure of £2.5 million has been included and the realisation of this increased capital receipt figure will be dependent upon the Council achieving these receipts in accordance with its property strategy.
115. The setting of this amount does not preclude the Council from reaching capital receipts of up to £4.821 million which, if matched by appropriate expenditure as detailed in the table above, could be capitalised thereby easing the in year position or reducing the planned use of earmarked reserves.
116. It should be noted as above that the capitalisation direction is in principle and therefore an element of risk will remain until the final direction is issued once the costs have been paid. As the capitalisation direction

approval is for one year only then this will be an additional amount to be found as part of the 2016/17 budget reduction requirement.

Service Implications of The Revenue Budget

117. In compiling the revenue budget for 2015/16 the Cabinet has recognised the continuing challenge for the general public in managing their finances through the extended economic crisis. Consequently the budget includes savings of £35.78 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:

- reducing management costs and back office functions and by working smarter
- 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 with others.

118. For 2015/16, the national pay award for employees other than teachers was agreed as part of the award to cover the period December 2014 to March 2016. 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 teachers included in this budget plan are shown in the following table.

Employee Cost Increases	£000
Pay inflation	1,883
Incremental progression	1,126
Reinstatement of 2014/15 Workforce Package	3,900
Other	215

119. A list of posts deleted or created as part of the budget is shown in Appendix 9. The Appendix shows that there will be a net reduction of 586.48 full-time equivalent (fte) Council posts overall made up of the deletion of 588.48 ftes offset by the creation of 2.0 ftes.

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

Reason	Fte
Voluntary severance	72.90
Vacant posts	75.95
Redeployment	5.00
Potential TUPE transfers	216.23
To be confirmed	219.40
Total number of deleted posts	588.48

121. The extent of the savings required to balance the budget means that further reductions in employees working for the Council is inevitable as shown in the above table. Details of restructures are not yet finalised in

many areas and this has resulted in the currently high number of post reductions to be confirmed. This figure is also impacted by saving proposals involving employees but which still have a general planning status. The figure relating to TUPE transfers is mainly in respect of leisure centres and is a potential impact only at this stage until the outcome of the procurement process is known. The creation of the Joint Regulatory Service is effective from April 2015 and as such the transfer of employees from Cardiff to the Vale of Glamorgan Borough Council as host authority has not been reflected in the above table.

122. In addition to the employee savings reflected in the directorate proposals and those planned in respect of the Partnership for Change agreement the following also impacts on employees:
- Review of the Council's management structure as set out elsewhere on the agenda for this meeting will deliver savings of £650,000.
 - An efficiency saving in respect of external spending on training across all directorates will achieve £150,000.
123. A further Council-wide efficiency exercise on operational expenditure will achieve savings of £358,000 from areas such as printing, telephones and postage.
124. As in recent years, no allowance for general inflation has been allocated to directorates. However, research undertaken has identified budgets that should be increased where there is evidence of particular pressures and so an inflationary allowance for the following items has been included in the budget:
- Health & Social Care fee increases
 - Non-domestic rates
 - Energy and fuel
 - Schools out of county placements
125. The continuation of the Office Rationalisation project, which aims to reduce the amount of Council occupied office space and focus occupancy in the Council's core administrative buildings is expected to deliver revenue savings of £400,000 as well as achieving capital receipts through the disposal of Council interests in buildings that are no longer necessary. Further income achieved following rent reviews of non-operational buildings is expected to achieve £100,000.
126. An allowance of £200,000 has been included in the budget to reflect the NDR increase on council buildings.
127. 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 prices are at a favourable position currently this is not a sustainable planning basis and so a budget increase of £470,000 has been included but will be held centrally until the price levels become clearer during the year.

128. 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 2015/16 is shown in Appendix 10.
129. Contained in Appendix 5 are budget savings proposals that suggest either the ceasing of services or their alternative delivery. At the point that these changes occur then the fees and charges specific to those services are likely to cease to be the responsibility of the Council.
130. Some savings have looked at securing a wider market share such as Alarm Receiving Centre (£250,000). Other areas have looked at achieving additional income such as Highways (£10,000), Cardiff International White Water facility (£30,000) and parking (£85,000). In addition Bereavement & Registration will increase their income by £200,000 as will a review of cleansing collections and enforcement.
131. For 2015/16, the School Catering Unit will increase primary school meals by £0.20 per day thus taking the charge to £11.00 per week. The cost of Secondary School meals will increase by £0.25 per day to £2.65. This will result in an additional income of £300,000 thus reducing the cost of catering to the council.
132. Reviewing rent income (£120,000), fee income from workshop estates and property income from disposals will achieve a further £20,000. The full year impact of the Moving Traffic Offences is expected to generate a further £450,000 income thus allowing transport infrastructure costs to be funded from income in 2015/16.
133. 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 in conjunction with the Section 151 Officer and 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.
134. 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 2015/16 this has required an additional £135,000 although over the medium term based on the current level of capital spending additional budget of £779,000 will be required. The budget for 2015/16 assumes that a dividend payment of £250,000 will be received from Cardiff Bus and this position will need to be kept under review.
135. It is proposed that the approach to Council Tax Reduction Scheme should remain unchanged from 2015. The scheme will continue

to comply with the relevant Welsh Government regulations. In addition the scheme will continue to provide additional help 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.

136. 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 purview of the Cabinet Member for Transport, Planning & Sustainability. Savings in this area of £488,000 have been included in the budget plan and cover:

- Replacement of non-statutory primary school transport with commercial operator led services (£102,000)
- Full year effect of the withdrawal of non-statutory secondary school transport approved as part of the 2014/15 budget (£183,000)
- Full year effect of bus service re-tendering approved as part of the 2014/15 budget (£153,000)
- Optimising the provision of taxis for pupils with special education needs (£100,000)

137. The Equality Act 2010 places a general duty on the Council to eliminate unlawful discrimination and promote equality according to the nine equality characteristics. To comply with this duty, directors have undertaken Equality Impact Assessments for each of their savings and financial pressure submissions. Following moderation by the Council's Equality team these assessments have informed the budget setting process.

138. The following paragraphs provide a commentary on significant areas of change within the budget. The overall changes to directorate budgets between 2014/15 and 2015/16 are shown in Appendix 11. While Appendix 12 shows the 2015/16 Revenue Budget related to Cabinet portfolios.

Amendments Post Consultation

Revenue Budget

139. In response to the consultation exercise, Cabinet have identified the following changes which have been reflected in this report:

- Removal of savings in respect of branch libraries to allow a measured approach to the implementation of the Library Strategy.
- Reduction to the saving in respect of Play Centres by £231,000 to allow for the redeployment of staff and to enable the Council to continue to work closely with interested community groups to work up

robust business and implementation plans, so that they will be able to take over the operation and management of premises. In the first instance this may include an element of pump-priming finance from the Council.

- Reduction to the saving in respect of the Youth Service by £150,000 to enable the completion of the redesign of the Street Based Youth Worker Service and to recognise the potential delay in moving to the new operating model including the impact in the Music Studio at Howardian.
- Reinstatement of a budget of £30,000 to ensure Park Rangers continue their work with Friends Groups while work on a new model of operation is completed.

140. In addition further savings have been introduced which have been added to the savings listing in Appendix 5.

- An increase of £50,000 to the additional income anticipated from Planning Fees (SPH15).
- An increase of £50,000 to the savings to be achieved from the ongoing review of Taxis for pupils with special educational needs (line 209).
- A new saving of £20,000 against the total amount spent by the Council on subscriptions to organisations (line 200).

Creation of Council Community Redesign of Services Resource

141. A further change post consultation was to create a Council Community Redesign of Services Resource in 2015/16 from an earmarked reserve of £474,000. This reserve will provide a resource to create capacity for the Council to support the involving and empowering of the community. In particular it will work with community groups to support them in taking on greater responsibility in their local area as part of the redesign of services. Capacity building support will be provided in line with the requirements set out in the "Stepping-Up Community Support Toolkit" with the objective of assisting groups in effectively responding to the following questions:

- Has your organisation established clear and agreed 'objectives' for your community project?
- Does your organisation have the 'capacity' to see your community project through?
- Has your organisation proved that the proposals for your community project are 'feasible'?
- Does your organisation's 'business case' for your community project stack up?
- Will your proposed community project deliver real benefits to your community?

142. The reserve will provide the Council with temporary resources to ensure that Community Organisations are supported in the processing of applications and queries in relation to the community developing and managing services and assets. For example legal, buildings and HR

advice to provide support for progressing potential community asset transfers or provision of redesigned services may be required.

143. In addition this resource will also be used in 2015/16 to provide capacity building to develop further the volunteer counsellor base relating to the Community Alcohol and Drug Service and to ensure a supervision and support mechanism for volunteer counsellors is in place for sustaining the service in the future.
144. The Capital Programme will include £200,000, (£100,000 in 2015/16 and £100,000 in 2016/17) to pump prime essential capital works for community buildings.

Children's Services

145. The pressures evident in Children's Services in the current financial year have been recognised through the allocation of an additional £2.4 million. This includes funding to meet the increased cost of external placements including both fostering and residential placements. This is partly offset by a transfer of £500,000 to Health & Social Care which reflects the anticipated cost of transitions from Children's Services in 2015/16. Additional budget of £200,000 has also been provided to reflect the growth in the number of special guardianship and residence orders since January 2013. The budget has also been increased by £280,000 to reflect the transfer into the Settlement of the funding for Integrated Family Support which was previously funded through a specific grant. As in the current financial year a specific contingency allocation of £950,000 will also be maintained for 2015/16 in order to fund any additional growth in external placements should this become evident during the year.
146. Savings of £2.695 million representing 6.07% of the net controllable budget are proposed. This includes £674,000 from a new Payment by Results contractual arrangement aimed at providing support to enable children placed in residential care to step down into a family placement thereby providing savings and improving outcomes for this cohort of looked after children. A saving of £200,000 will also be achieved by the implementation of a new methodology based on market and demand management of commissioned residential services with a further saving of £65,000 arising from the block purchasing of residential beds. Other savings of £261,000 are also proposed against commissioned services including £100,000 from a partnership review of spend across the Council in relation to a specific provider. Cost reductions of £120,000 are also anticipated in respect of leaving care support. This will be achieved through a combination of efficiencies, volume discounts and through a joint commissioning approach with the Communities, Housing & Customer Services Directorate.
147. Overall, the proposals include a reduction of £1.285 million to employee budgets. This includes £569,000 from a review of business support costs using lean review techniques to identify efficiencies across a range of operational processes. The proposals also include a saving of £216,000 against training provision across Children's Services and Health & Social

Care, realigning the provision to maximise the use of grant funding. A saving of £100,000 is proposed in relation to a restructure and reduction of posts in the Youth Offending Service with a further £41,000 arising from the transfer of 65% of the senior manager in that Service to utilise grant funding. Other employee savings amounting to £359,000 are also identified across the directorate based on the loss of specific posts. A saving of £86,000 is anticipated from the withdrawal of market supplements for social workers. This proposal will require notice and is therefore based on a six month saving in 2015/16.

148. Amendments have been made to the savings proposals submitted for consultation in November to take into account additional clarity on the level of savings that could be achieved through a review of business processes as set out in proposal CHD 17. A saving of £984,000 was originally identified in the consultation papers however following further detailed work and analysis this was reduced to £327,000. The difference met via a series of additional saving proposals, mainly in relation to proposals CHD19 to CHD24 and these have been reflected in the previous paragraphs.

Communities, Housing & Customer Services

149. The savings proposed within this directorate total £2.031 million representing 16.17% of the net controllable budget. They include £240,000 of additional income based on a review of the Community Alarm Service including an increase of £1 per week for the mobile response service and the sourcing of additional clients. Charges have not increased for a number of years and a benchmarking exercise has been undertaken to compare the charges with those of other local authorities. A further £250,000 of additional income is anticipated through the creation of an Alarm Receiving Centre. A saving of £300,000 is proposed in relation to Neighbourhood Regeneration with the revenue spend being replaced by funding within the Capital Programme. The re-profiling of the Neighbourhood Partnerships Fund will also release a saving of £155,000. This has not been fully utilised in the past and the proposal includes the retention of £55,000 to create a Community Co-ordination function which it is anticipated will enhance the level of support provided to community groups. This support is in addition to the new earmarked reserve created to support the Council Community Redesign of Services Team.
150. A saving of £349,000 is proposed in relation to the development of a city centre superhub based in the Central Library enabling savings to be achieved by bringing services together. In addition, the implementation of the Community Hub Strategies will save £100,000 through co-delivering services and other changes such as mobilisation that reflect demand for services. Savings have been identified across a range of external funding budgets including £93,000 following a review of infrastructure grants given to external agencies, £50,000 through the deletion of the Grants Transition Fund which was only intended as a temporary measure and £50,000 from Community Safety which reflects reductions to budgets that have not been fully spent in the current year. Other savings include

£83,000 through a reduction in the budgeted spend within the Homelessness Service with the anticipation that this will be replaced by additional grant funding in future years and a saving of £5,000 against a contingency budget within the Advice Service. The remaining savings, amounting to £356,000 reflect reductions to employee budgets. This includes £137,000 based on a restructure within the Benefit Service, £110,000 from a restructure of the way the Council manages its partnership working and £55,000 from a review of Supporting People Administration. It also includes £35,000 from a realignment of employee budgets within Into Work Services and £19,000 from a reduction to the staffing budget within Regeneration.

151. The proposed saving of £283,000 from a review of Libraries Services has been withdrawn following consideration by the Cabinet of the outcome of the consultation process.

Corporate Management

152. The savings proposed in Corporate Management amount to £1.028 million and represent 39.6% of the net controllable budget. The proposals include £310,000 from the deletion of the top up from the Council Tax Pensioner Reduction Scheme, £250,000 from the Cardiff Bus Dividend based on the anticipated performance in the 2014/15 accounts and £200,000 from the re-profiling of the capital charges budget based on timing of schemes in relation to the Cardiff Enterprise Zone. A saving of £82,000 is also proposed in relation to Communications & Media based on reductions to the campaigns budget. The balance of the savings within Corporate Management relate to efficiencies and budget reductions in areas such as Corporate IT, audit fees, banking charges and management support budgets.
153. The overall position in Corporate Management also includes a reduction of £349,000 in precepts, levies and contributions. This is based on a target reduction of 2% against budget.

County Clerk & Monitoring Officer

154. Budget savings of £218,000 are proposed representing 12.79% of the net controllable budget. The savings include a £181,000 reduction to employee budgets to be achieved through a restructure within Democratic and Protocol Services. This will reduce the level of administrative, legal and protocol support within the Directorate. This saving was increased by £40,000 to replace the previously identified saving on Members IT which was considered unachievable as a result of the due diligence exercise. A further £37,000 is to be saved by removing Dictabank services and through reductions in training and mayoral expenses.
155. The Budget includes a realignment of £66,000 to reduce the level of unachievable income budgets in Scrutiny Services.

Economic Development

156. Budget savings totalling £881,000 have been proposed, representing 32.57% of the net controllable budget. A total of £87,000 is anticipated to be saved as the result of a restructure within the Economic Development management team. An additional £28,000 has been proposed in relation to a restructure of the Economic Development support service and a further £13,000 is proposed in connection with a slight reduction of hours in the night time economy taxi marshal service. In addition, a total of £259,000 has been put forward as part of a proposal to capitalise the costs of a number of posts within Strategic Estates and Major Projects.
157. A number of savings proposals relate to increased income generation, including £120,000 in connection with future rent reviews within Strategic Estates. Also, within Strategic Estates, there is a proposal to generate £18,000 from increased charges to the Harbour Authority and HRA, as well as £20,000 from increasing professional fee income in relation to property disposals. In addition, there is a proposal to increase the rent received in respect of the workshop estate by £20,000.
158. It is proposed that the implementation of an alternative delivery model in respect of the Tourist Information Centre offer will achieve savings totalling £120,000. Furthermore, a review of the City Centre Mobility delivery model, and removal of the current subsidy, is proposed to achieve a saving of £17,000. In respect of Cardiff Business Council, £160,000 is expected to be achieved as a result of reducing the Council's contribution towards the organisation. In addition, the removal of the Events Park & Ride subsidy is expected to achieve £13,000 and a general reduction in the Strategic Estates operational budget will achieve a saving of £6,000.

Education & Lifelong Learning

159. School protection requirements mean a budget increase of 0.6% which equates to £1.2 million. This budget allocates an additional £3.573 million to delegated school budgets in recognition of inflationary pressures such as pay awards, teachers superannuation, increments and free school meals. The inflationary pressures were identified at £4.591 million but were reduced by 30% of the amount that exceeded the protection level of £1.2 million in accordance with the Budget Strategy Planning assumption.
160. In addition, demographic pressures in relation to pupil numbers (and their associated needs) have required extra resources of £3.5 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.
161. Whilst additional funds have been allocated to delegated school budgets the Education directorate has had to identify budget savings totalling £2.728 million which represent 14.49% of the net controllable budget.

They include £1.1 million saving in respect of remodelling the Youth Service with the aim of moving to a new model of delivery 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 and providing an open access centre in each of the City's six neighbourhood areas. By reviewing new and existing out of county placements the Directorate anticipates delivering £250,000 savings whilst putting in place an infrastructure which will allow further savings to be made in future years. In relation to Education Other Than At School a saving of £150,000 is anticipated by procuring tutors more efficiently through an all Wales framework. The Pupil Referral Unit will deliver a £100,000 saving through a combination of controlling provision and cost sharing with schools.

162. A £390,000 saving is proposed in respect of restructures across the Education Directorate with specific savings further expected within Childcare strategy (£150,000) and Admissions & Education Welfare (£50,000). Additional income will generate £300,000 savings through increasing school meal charges and further efficiencies of £100,000 will be delivered through amalgamating the two cleaning units in the Council. Efficiencies within the area of Wellbeing & Compliance will deliver a £50,000 saving whilst the reduction of WG Grants presents the directorate with the opportunity of reducing proportionate match funding by £88,000.

Environment

163. Additional resources of £1.656 million have been allocated to this Directorate. £500,000 has been allocated to support the waste strategy changes for 2015/16 through strengthening communications, C2C support, on the ground education and enforcement activities. An amount of £891,000 has been allocated to support the processing of non kerbside recyclable materials in order to achieve Statutory Local Authority Recycling Targets of 58% in 2015/16. The Sustainable Waste Grant has been cut and a pressure of £150,000 has been allocated in order to sustain recycling processing and initiatives previously eligible for the grant. In addition, £91,000 has been allocated to waste collections in order to meet the additional costs arising from the increasing number of households in Cardiff.
164. A base budget realignment of £300,000 has been proposed in respect of Licensing in order to ensure that these activities are funded according to the needs of legislation where costs of certain activities can not be recovered from income. Other budget realignments include £270,000 to meet the shortfall of income against budget at the Material Recycling Facility and £354,000 in respect of the Carbon Reduction Commitment. There is also a £46,000 budget realignment in respect of income that had been anticipated from partner authorities in respect of non-Cardiff residents using Cardiff Household Waste Recycling Centres.

165. Budget savings totalling £7.058 million have been proposed representing 43.44% of the net controllable budget, however this includes £3.572 million savings arising from the interim waste disposal contract and Prosiect Gwyrdd. In addition, £557,000 savings are anticipated in respect of collections, cleansing and enforcement which are the full year effect of savings made in 2014/15. Savings of £600,000 have been proposed from Neighbourhood Services and in house improvements which will be realised from a range of Council functions across Council directorates working together through a 'One Council' approach. A further £450,000 saving will be achieved by the redesign of cleansing across Council land on an area delivery basis through the neighbourhood services approach.
166. Through the revised Waste Strategy approach savings of £267,000 will be achieved through restricting black residual waste collection with £300,000 being delivered through increasing the controls on green and food bag distribution. The expansion of wheeled bins being deployed allied with an 'opt in' reusable garden sack collection will deliver a £55,000 saving, alongside domestic recycling and residual waste collection efficiencies delivering a further £160,000 saving. The management of the Waste Disposal post sort function will achieve a £316,000 saving which will be accommodated through the implementation of the waste strategy restricting residual waste in collections. A further £42,000 will be achieved through changing operations of the Household Waste Recycling Centres.
167. The Regulatory Collaboration is expected to achieve £434,000 savings in 2015/16 with £100,000 being achieved through the restructuring of the management and performance function of the directorate. The early termination of the Automated Public Conveniences contract will deliver a part year saving of £30,000 for 2015/16. Income of £85,000 will be achieved through a number of renewable energy schemes becoming operational during 2015/16. In addition, a Council wide focus on controlling energy consumption will deliver £90,000 savings across directorates.

Health & Social Care

168. Significant demographic pressures have been identified in the current financial year including increased costs in relation to domiciliary care, direct payments, residential and nursing care, college placements for people with learning disabilities and pressures arising from the transfer of former continuing health care placements from Health. This has been recognised through the allocation of an additional £3.2 million which offsets the demographic pressures included in the projected overspend in 2014/15 together with the full year effect of these costs in 2015/16. Additional resources of £1.6 million for new demographic pressures and £625,000 for fee increases in 2015/16 has also been provided together with £380,000 to meet the full year costs of in-year transitions from Children's Services in the current financial year. A budget transfer of £500,000 will also be actioned from Children's Services in order to meet the cost of new transitions occurring during 2015/16. Following a review of the projected savings shortfalls in 2014/15 an amount of £80,000 has

been provided in order to reflect the likelihood of an on-going shortfall in 2015/16 arising from the delayed transfer or closure of the Cathedral View Residential Home with the position still to be finalised in terms of the negotiations with Hafod Care. It is anticipated that all other savings shortfalls in the current financial year will be achieved in 2015/16 although this will need to be carefully monitored. The budget has also been increased by £40,000 to reflect the transfer into the Settlement of the funding for Autism Spectrum Disorder which was previously funded through a specific grant.

169. Funding of £1.54 million has also been allocated in order to meet a number of specific financial pressures in Health & Social Care. This includes £500,000 in order to meet new legal requirements in relation to Deprivation of Liberty Safeguards and the Mental Health Act and Mental Capacity Act. Funding of £500,000 has also been allocated to meet the impact of changes to regulations governing the rates paid to staff covering sleep-in duties. This mainly impacts on the external contracts for supported living arrangements for people with learning disabilities. Additional budget of £190,000 has also been provided to offset the impact of a cut in Supporting People Grant funding, this also affecting supported living arrangements and impacting on both internal and external schemes. Further pressures of £350,000 are also anticipated in relation to continuing health care arising from the transfer of clients previously funded by Health. No allocation was made in respect of the Independent Living Fund as it is understood that any additional responsibilities arising from changes to the funding arrangements will be met by the WG in 2015/16. Overall, including budget realignments, transfers from Children's Services for transitions and specific financial pressures the budget for Health & Social Care has received additional budget of £7.965 million for 2015/16.
170. Savings of £6.215 million are proposed representing 6.57% of the net controllable budget. This includes employee savings of £3.066 million with a number of internal services being restructured or realigned. This includes a saving of £761,000 based on a review of care management across the Directorate. This will involve a review of care management roles and responsibilities and assessment processes in order to support more effective delivery of the service including implementation of mobile working and improvements in the support planning function. A saving of £550,000 is also proposed in relation to re-shaping the Internal Day Opportunity Service for people with learning disabilities. This may involve meeting needs in the community rather than through building based day care provision with savings made from a reduction in agency staffing and a reduction in posts.
171. It is also proposed to re-commission day services for older people with a move away from the current, largely building based day service to developing a model of service provision using existing community resources and the third sector. It is anticipated that this will deliver savings of £400,000 in 2015/16 of which £323,000 relates to a reduction in employee costs. The original £800,000 saving in this area was reduced to £400,000 as part of due diligence enabling the changes to be

implemented with savings required over a longer period and for alternative arrangements to be developed where appropriate. Other savings based around changes to internal service provision include £250,000 from re-shaping the Internal Supported Living Service for people with learning disabilities, £255,000 from service efficiencies and changes to the management structure in the Reablement Service, £75,000 from re-organising the way community meals are delivered and £50,000 from reshaping the Mental Health Day Service. A saving of £218,000 is proposed through changes to the Community Alcohol & Drug Team Counselling Service. Paragraph 143 refers to the temporary funding to develop further the volunteer counsellor base and to ensure a supervision and support mechanism for volunteer counsellors. Further employee savings of £369,000 across the Directorate from have been identified from a variety of management and business support posts.

172. A saving of £1.926 million is proposed in relation to efficiencies from strategic commissioning across all Health & Social Care services. This will be achieved by more efficient commissioning of care, improved understanding of the care provider market and more effective competition as well as the development of preventative options to support people living independently for longer which can reduce demand. Others savings in external spend include £431,000 from a review of External Supported Living Services for people with learning disabilities. This involves a competitive tender process with the existing arrangements to be replaced in July 2015. A saving of £300,000 is also proposed in relation to the 'Closer to Home' Service for people with learning disabilities with service users currently living away from the City, often in high cost residential placements, moving back to the City to supported housing where their needs can continue to be met. Other savings include £200,000 from a review of Mental Health Out of County placements in residential care, £180,000 from a review of Third Sector Commissioned Services and £100,000 from the re-commissioning of Direct Payments Support Provision through a re-tendering process. A saving of £150,000 is also anticipated from increased income following an increase in the maximum charge for non residential care services. This is in line with the WG regulations which determine the maximum amount a service user can be charged for domiciliary care.

Resources

173. Budget savings of £2.037 million are proposed representing 12.27% of the net controllable budget. This includes savings of £1.122 million on employee budgets of which £349,000 relates to Finance with post reductions and other employee savings in Service Accountancy, Exchequer & Development, Audit, Revenues and Project & Technical Accountancy. Other employee savings include £260,000 in Human Resources, £210,000 from a restructure of the service in Commissioning & Procurement, £116,000 though a loss of posts in ICT, £52,000 from the deletion of a vacant post in Enterprise Architecture, £51,000 in Legal Services, £47,000 from a restructure of the Emergency Management Service and £37,000 from a restructure of the Corporate Improvement Team.

174. Savings based on income generation amount to £708,000. This includes £245,000 in ICT based on full recovery of costs from external customers and recovery of costs linked to support for alternative delivery mechanisms across the Council. Income generation savings amounting to £162,000 are also proposed in relation to Revenue Services. This includes measures to pass the cost of paying by credit card onto customers, recharging of costs which support appeals against rateable values on Council properties and also in relation to advice and support for VAT appeals. In both cases this support is essential and can lead to significant savings being achieved on behalf of the Council. The savings proposed by Revenue Services also includes £80,000 to be achieved through the implementation of a corporate debt approach. This will involve a more strategic approach to debt management by moving responsibility for the bailiff collection function for penalty charge notices to Revenues with consideration also being given to the transfer of the accounts receivable function. A saving of £110,000 is also identified in relation to a restructure of the Organisational Development function reducing the overall cost of delivery with support for projects and related investment facilitated through the use of reserves initially. Other savings based on income generation total £191,000 and reflect a range of measures with proposals from Project & Technical Accountancy, Commissioning & Procurement, Legal Services, Human Resources and Performance Management.
175. Savings based on a reduction in external costs total £207,000 and include £129,000 through reviewing the level of spend and re-tendering services in relation to external ICT expenditure. Savings of £53,000 are also proposed through a reduction of vehicles and the replacement of the Council's ageing gritter fleet through the Central Transport Service. Other savings include £14,000 in relation to private bailiff costs, £8,000 against expenditure on the law library budget and £3,000 against budgets held by the Corporate Improvement Team.
176. Additional budget of £70,000 has been provided to meet increased costs in relation to IT licenses which are managed by ICT on behalf of the Council.

Sport, Leisure & Culture

177. The savings proposed within this directorate total £3.302 million representing 27.04% of the net controllable budget. The savings have a significant impact on service delivery with a number of proposals involving ceasing or reducing services or identifying alternative models of service delivery. Savings in this category include £519,000 in relation to a new model for Children's Play. This will entail more targeted provision with play being provided by other organisations on various sites. Disability, Welsh medium and holiday play schemes would all be protected at the current level. The Council has also agreed to progress with a procurement process to determine a new operating model for its leisure centres which will be tested against the current in-house provision. A budget saving of £435,000 is proposed for 2015/16 however

the level of saving will be dependent upon the procurement process that is being run throughout the first half of 2015. A saving of £305,000 is also proposed in relation to an alternative delivery model for the Cardiff International Sports Stadium. Other savings proposals based around ceasing or reducing services or identifying alternative models of service delivery include £159,000 for the cessation of funding for Callenig, St David's Day and Cardiff Country Fair, £80,000 from the planned ending of tapering funding to Sherman Theatre as previously determined by Council, £53,000 from the closure of public conveniences and £26,000 from the cessation of Cardiff in Bloom and provision of Christmas trees unless sponsorship or alternative funding is secured. A saving of £53,000 is also proposed through the identification of a new management operator for Canton Community Centre with a further saving of £50,000 linked to the transfer of the Cardiff Story Museum to an appropriate body.

178. A number of savings have also been identified in relation to increased income or through a reduction in the proposed level of subsidy for services. This includes £340,000 from a reduced subsidy for leisure centres to be achieved through a combination of expenditure efficiencies and additional income generation. In line with the decision taken as part of the 2014/15 Budget a saving of £50,000 is also proposed from the removal of the Bowls subsidy. Other proposed reductions in the level of subsidies include £40,000 in relation to the Cardiff Riding School which is now able to operate without subsidy from the Council, a £40,000 reduction in the level of support for Outdoor Sport and a £20,000 reduction in the net budget for Flatholm Island. A reduced subsidy of £8,000 is proposed in relation to allotments. This will be achieved through increased fees and charges and increased occupancy as part of the ongoing Council Strategy to make the allotment service self sufficient. A saving of £200,000 is proposed from an increase in Bereavement and Registration fees including burial and cremation fees. Other proposals based on income generation include £40,000 in relation to the Bute Park Horticultural Nursery by selling hardy stock and bedding plants throughout the City, £30,000 from increased income at the Cardiff International White Water facility, £28,000 from an increase in car park charges at Heath Park and £5,000 from increased income at the Sailing Centre.
179. In addition to any impact on employee budgets arising from the changes to service and alternative delivery models noted above, a saving of £329,000 is proposed from the deletion of posts in Parks and Leisure. Other proposed savings include £220,000 in relation to the remodelling of the Park Ranger Service resulting in reduced staffing and expenditure on supplies and services and £72,000 from a restructure of the Parks Apprenticeship Scheme. A saving of £200,000 is also identified in relation to the temporary closure of Eastern Leisure Centre throughout 2015/16 in order to enable refurbishment works to be undertaken.
180. The proposed saving relating to the new model for Children's Play was reduced by £231,000 following consideration by the Cabinet of the outcome of the consultation process. A reduction to allow for the redeployment of staff and to enable the Council to continue to work

closely with interested community groups to work up robust business and implementation plans, so that they will be able to take over the operation and management of premises. In the first instance this may include an element of temporary pump priming finance from the Council. A reduction of £30,000 was also made to the savings proposal in relation to the remodelling of the Park Ranger Service to maintain the outreach work with Friends Groups. The revised figures are reflected in the narrative above.

Strategic Planning, Highways, Traffic & Transport

181. Additional resources of £887,000 have been allocated to this directorate. £231,000 has been allocated in respect of school transport for those pupils living more than three miles from school with a further £160,000 provided for those that live more than two miles from their school. An increase in the number of pupils with SEN has resulted in the need for an additional resource of £370,000 whilst the reduction in the WG fee for administering the concessionary fare process has required £126,000 to ensure the current process remains adequately funded. A base budget realignment of £25,000 is required in respect of the costs of real time information in bus shelters.
182. Budget savings totalling £1.672 million have been proposed representing 33.45% of the net controllable budget.
183. Additional income is anticipated in respect of £450,000 for Moving Traffic Offences and £85,000 in respect of parking which will secure alternative funding for existing costs to the transport infrastructure. Further income will also be generated through Planning Development fees of £100,000, highways charges for land searches of £50,000 and other Highways income of £10,000. A commercialisation focus across the Directorate will deliver £30,000, replacing main road lighting with LED will deliver a saving of £50,000 and £126,000 will be achieved through street light dimming.
184. A reduction in Council supported bus services will achieve a saving of £236,000 whilst reducing the level of security at the Central Bus Station will enable a saving of £54,000. Charging staff time to the bus shelter advertising contract will deliver a £40,000 saving whilst the completion of the Transport Strategy will allow a saving of £37,000 to be realised.
185. A realignment of the school crossing patrol budget will enable a saving of £45,000 and road safety educational literature will no longer be funded by the Council with a saving of £7,000. A review of additional staff payments will generate a £48,000 saving and a change in the operation of the County Hall Park & Ride will enable an £11,000 saving on casual staff. Improved working practices will deliver a £48,000 saving in the design team and a further restructure in the directorate will deliver a saving of £50,000.
186. The directorate has proposed efficiency savings which total £215,000. Efficiencies will be delivered in several areas such as £18,000 in respect

of private circuits, £12,000 in advertising and publicity and a £10,000 reduction in training and subscriptions. Efficiencies will also be delivered in respect of a £37,000 saving on storage of telematic equipment, reviewing tunnel costs in order to achieve £72,000 saving and a £8,000 reduction in the Riverwalk bridge maintenance budget.

Protection For Schools

187. For 2015/16, the WG has continued to protect schools funding by 1% above the Revenue Block Grant received by the WG from the UK Government. As in previous years, each council is required to demonstrate for 2015/16 that Individual Schools' Budgets (ISB) were adjusted in accordance with the indicative target set for each year.
188. The Revenue Block Grant fell by 0.4%, thus 1% protection for schools in 2015/16 is £1.2 million which amounts to a 0.6% increase.
189. Whilst elements of Pupil Deprivation Grant were able to be used to demonstrate the protection for 2014/15 this is not the case for 2015/16. Therefore, the mechanism for 2015/16 is identical to that used for the period 2011/12 to 2013/14.
190. However, it is the case that pressures such as pay award, teachers superannuation increase and increments were such that these totalled £4.591 million. As reported in the July Budget Strategy, the decision was that whilst protection will be supported the amount in excess of the protection will be reduced by 30%. Thus school budgets were to be increased by the value of protection (£1.2 million), inflationary pressures of £3.391 million and then reduced by £1.018 million (30% of the £3.391 million) to give an increase of £3.573 million.
191. The current proposal shows that the estimated schools budget will be in excess of the target for protection by £2.369 million. The table below shows the make up of the school budget and the demonstration of protection.

Estimated Schools Budget figure for 2015/16	£000
Comparative Base Figure for 2014/15	200,631
Inflationary figures (less 30%)	3,573
Pupil Number Demographics	3,000
2015/16 Budget	207,204
2015/16 target for protection	204,835

192. The demonstration of the protection of the ISB does not include any growth as a result of increasing pupil numbers. Cardiff has allocated a further £3 million to the ISB in respect of a net increase of pupil numbers (including free school meals, breakfasts and complex needs). Therefore, school budgets will increase by £6.573 million in order to meet additional demographic and inflationary pressures.
193. Whilst the increase is significant, it must be noted that individual schools are not guaranteed an element of protection as the key factors driving funding will be pupil numbers as well as deprivation factors such as free school meals.
194. WG have also as part of the 2015/16 Budget, created the Education Improvement Grant which is a consolidation of eleven previous education grants including Foundation Phase, School Effectiveness Grant and Minority Ethnic Achievement Grant amongst others. The WG have determined that this grant will be allocated to each regional consortium rather than the individual local authority. In addition WG have announced that the Pupil Deprivation Grant will increase from £918 per free school meal pupil to £1,050 per free school meal pupil for 2015/16.
195. At this point, initial allocations have been given to each consortium with a need to provide a business plan to WG by mid February. Current indications are that the Grant will be 8.7% lower than the total amount for each grant before consolidation. The impact on this grant on each school and each local authority is yet to be determined.

Medium Term Financial Plan and Financial Strategy

Medium Term Financial Plan – Overview

196. This section sets out, as far as possible through the use of available information the financial challenges facing the Council for the three year period between 2016/17 and 2018/19. As set out in the table below, a budgetary gap of £119 million is estimated over the three year period. An extended version of the table below is set out in Appendix 13(a).

Budget Element	2015/16 £000	Medium Term Financial Plan		
		2016/17 £000	2017/18 £000	2018/19 £000
Adjusted Base Budget B/forward	573,877	570,219	556,496	544,344
Pressures				
Employee Costs	7,124	15,453	7,406	7,306
Specific Inflationary Pressures	1,660	1,045	1,040	880
Capital Financing	135	515	1,447	(1,183)
Commitments	2,580	5,193	442	(169)
Demographic Growth	5,100	8,183	8,089	7,572
Directorate Realignments	7,667			
Schools Growth (net)*	3,573			
Financial Pressures (assumed 16/17 onwards)	4,283	6,000	6,000	6,000
Budget Reduction Requirement	(35,780)	(50,112)	(36,576)	(32,009)
Net Expenditure	570,219	556,496	544,344	532,741
Funding Reductions				
Aggregate External Finance	(424,104)	(411,381)	(399,229)	(387,626)
Outcome Agreement Grant	(2,482)	(2,482)	(2,482)	(2,482)
Use of Earmarked Reserves	(1,000)	0	0	0
Council Tax (at 2015/16 Rate)	(142,633)	(142,633)	(142,633)	(142,633)
Total Funding	(570,219)	(556,496)	(544,344)	(532,741)

* realignments are considered as part of each year's budget setting process

* schools growth is shown under the relevant line items for the years 2016/17 - 2018/19

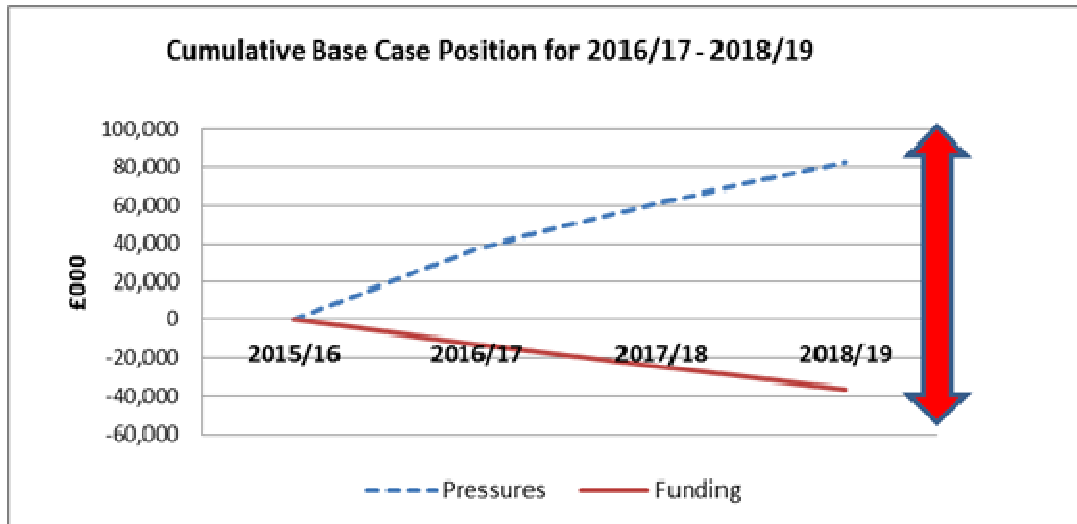
Budget Reduction Requirement	£000
2016/17	50,112
2017/18	36,576
2018/19	32,009
TOTAL	118,697

197. A budget reduction of £119 million over a three year period will clearly be an enormous challenge. This is especially so given that the Council will have made cuts of over £200 million in the ten year period 2005/06 to 2015/16 and is therefore starting from an already extremely challenging position.

198. Until 2013/14, the requirement for annual budget reductions was largely the product of pressures on services. Funding increases were received during this period but did not keep pace with demand, demographic growth and inflation. Consequently, cuts to services were necessary to redirect into new areas of unavoidable pressure in order to "stand still."

During this period however, the Council's bottom line did not actually reduce.

199. Since 2014/15, funding settlements from AEF have reduced in absolute terms with the Council's budget contracting year on year. It should be noted that whilst funding is reducing and significantly so, pressures are escalating more steeply than before. In short, the problem is one of less money and more demand as illustrated below.



200. The budgetary gap will need to be addressed through a fundamental realignment downwards of directorate budgets along with potential Council Tax increases. However, given the enormity of the gap, it is inevitable that in Cardiff, as across Wales, there will be both a reduction in service delivery and a requirement to consider alternative delivery models to enable the organisation to achieve financial stability on a significantly lower resource base.
201. In recognition of the scale of the challenge the Council has established a programme of Organisation Change that will review the shape and scope of the organisation, identify delivery models and opportunities for efficiency savings and strengthen performance management. Further detail on bridging the funding gap over the medium term is at paragraphs 252 to 266.

Controllable Savings Base

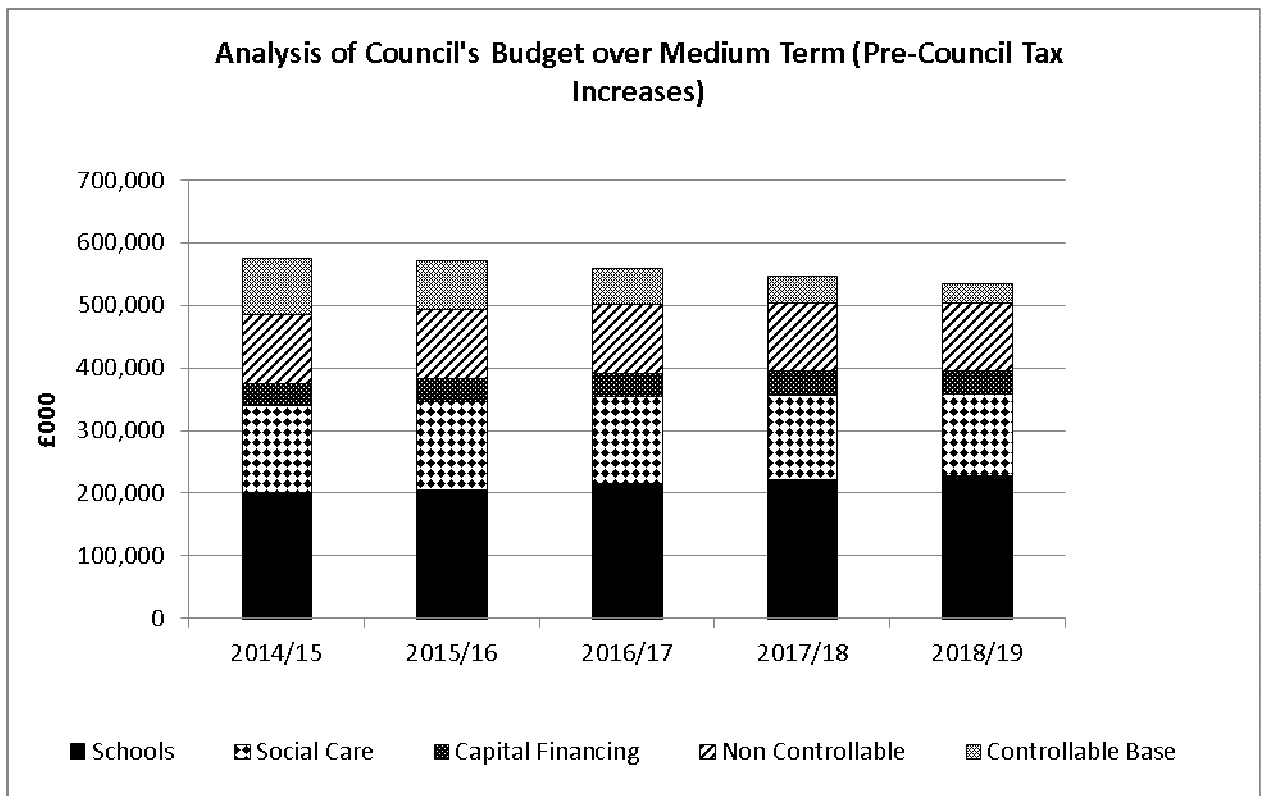
202. As outlined above, since 2014/15, the Council's overall budget has begun to contract year on year. This issue is compounded by the fact that it is not possible to make cuts across the whole of the Council's budget. In 2014/15 out of a £574 million budget, cuts were only able to be directed at budgets totalling £227 million. Examples of substantial budgets where it is currently difficult to make cuts include:-

- £200 million - Schools budget - afforded protection by WG
- £29 million - Council Tax Support budget - required to pay Council Tax Support (formerly known as Council Tax benefit) to eligible recipients

- £17.5 million precept and levies budget – level of contributions is set externally (although the Council is targeting a medium term reduction)
- £36 million capital financing budget – required to support the Council's debt obligations. This budget can be influenced in the longer term by restricting the amount of borrowing within the Capital Programme.

203. 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 over the medium term unless policy shifts are made in some of the areas above. It is also worth noting that some of the services included in the £227 million are statutory or the subject of escalating demand, for example, Social Care and Waste Collection Services, further limiting the scope for targeting cuts.

204. The chart below models the potential impact of this issue over the life of the MTFP based on current policy and assumptions. This position is extrapolated to subsequent years later in the report.



Future Outlook and Inherent Uncertainties

205. The MTFP covers the period to 2018/19 during which time there are a number of significant uncertainties both at a UK and more local level that could impact on the plan. These include:-

- A General Election
- Subsequent Spending Reviews and their impact on the Welsh Block Grant

- A new Parliament and associated legislative agenda
 - WG decisions regarding future distribution of the Welsh Block Grant including further potential protection of the NHS resulting in deeper cuts for the rest of the public sector
 - The White Paper (Reforming Local Government: Power to Local People) setting out the future of Local Government in Wales launched by the Minister on 3 February 2015
 - The emerging future shape of the organisation as alternate delivery models are deployed
206. 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 paragraph 244. However, as this analysis is unable to fully address the complexity of the emerging position, the MTFP will continue to be updated over the coming financial year as additional information becomes available.
207. The period beyond the MTFP looks equally bleak with the Chancellor's 2014 Autumn Statement confirming that the austerity period for Local Government looks set to continue to 2020 and beyond. The Institute for Fiscal Studies (IFS) has said that the Autumn Statement plans will result in "massive cuts for public services" and that just £35bn of cuts had already happened with £55bn yet to come. The Head of the IFS stated that voters would be justified in asking whether the Chancellor was planning "a fundamental reimaging of the role of the state warning that" if we move in anything like this direction, whilst continuing to protect health and pensions, the role and shape of the state will have changed beyond recognition." Similarly, the Office for Budget Responsibility has predicted that spending on public services is heading for an 80 year low. The OBR projected that spending on public services would fall from 21.2% of gross domestic product (GDP) in 2009/10 to 12.6% in 2019/20, which as a proportion of GDP, would be the lowest spend on public services since the 1930s.
208. At a Wales level, no indicative AEF figures are available beyond 2015/16. However, a WG letter to Welsh Local Authorities in June 2014 advised that in the context of pressure on the Welsh NHS, Authorities should consider how they would respond to funding reductions of up to 4.5% in 2015/16 and to expect further challenging settlements over the medium term. Whilst the 2015/16 Welsh average reduction came in slightly lower than this at 3.4%, the letter is a clear signal that settlements of this nature are to be anticipated for the foreseeable future.

Future Expenditure

209. The table at paragraph 196 indicates that financial pressures account for £82 million (69%) of the anticipated £118 million budgetary gap. Within the £82 million, a total of £31 million relate to pressures identified in non-controllable or protected areas including Schools.
210. Local Government pay is a matter for collective bargaining between the national employers and trade unions through the National Joint Council.

As it is not possible to pre-empt this process, provision for annual pay awards of 1% have been built into the MTFP in an effort to balance the general theme of restraint regarding public sector pay award with preparedness from a budgetary perspective. In recognition that a fluctuation in rates could cause a significant in-year budgetary issue if award in excess of 1% are agreed, the worst case scenario factors is the possibility that annual pay awards will start to rise to 2% per annum.

211. The MTFP shows a spike in employee costs in 2016/17, with pressures more than double the sums identified in later years. This is due to the changes to National Insurance (NI) contributions that are due to take effect in April 2016. Under current rules, workers in final salary schemes can opt out of the earnings-related State Second Pension, known as S2P and formerly known as SERPS, and pay money into their occupational pension instead. To reflect the fact that they do not get the second state pension, both the “contracted out” worker and their employer pay a lower rate of national insurance. The new single-tier pension will abolish S2P and the contracting out rules, increasing the Council’s Employer’s NI contribution costs. At present, whilst the Council pays NI contributions at a rate of 10.4% (instead of 13.8%) up to the Upper Accrual Point of £40,040, under the new rules the 3.4% rebate will cease and a rate of 13.8% will apply an increase of almost 33% on NI Budgets.
212. The Council’s Pension Fund is subject to an Actuarial Review on a triennial basis. Following the last review, the Council’s Employer’s contribution rate was set at 22.9% for the 3 year period ending 31 March 2017. As part of the valuation process it was agreed with the actuaries that Cardiff’s level of contributions would be monitored and consideration given to making additional lump sum payments into the Pension Fund if the deficit element of the contributions fell significantly below the level assumed in the valuation. Monitoring to date indicates that an additional payment will not be needed in 2014/15 and is unlikely to be needed in 2015/16. When setting the 2016/17 Budget, the 2016 valuation process will be underway and preliminary results will need to be factored into consideration of any extra payments to the Fund. An additional contribution at the end of 2016/17 would only be appropriate if there had been a material shortfall in deficit contributions since 2014/15 and the valuation results showed an increase in the deficit going forward. It is therefore considered that the contribution rate can be regarded as fixed for 2015/16 and 2016/17 and no further sums are included in the MTFP in respect of Employer’s contribution rates for those years.
213. The next valuation will be as at 31 March 2016 and will set rates for 2017/18, 2018/19 and 2019/20. It is impossible to predict what the overall valuation result will be, but it is considered reasonable to work with the existing contribution rate as a base case scenario for 2017/18. In recognition of the difficulty in predicting future rates, the worst case scenario reflects the potential that rates will increase incrementally to 23.9% (from 22.9%) over the years 2017/18 and 2018/19. It should also be noted that other mechanisms exist to manage the impact of any upward pressure on Cardiff’s employer contribution rate following the

next review, including stepped increases and consideration of deficit recovery periods.

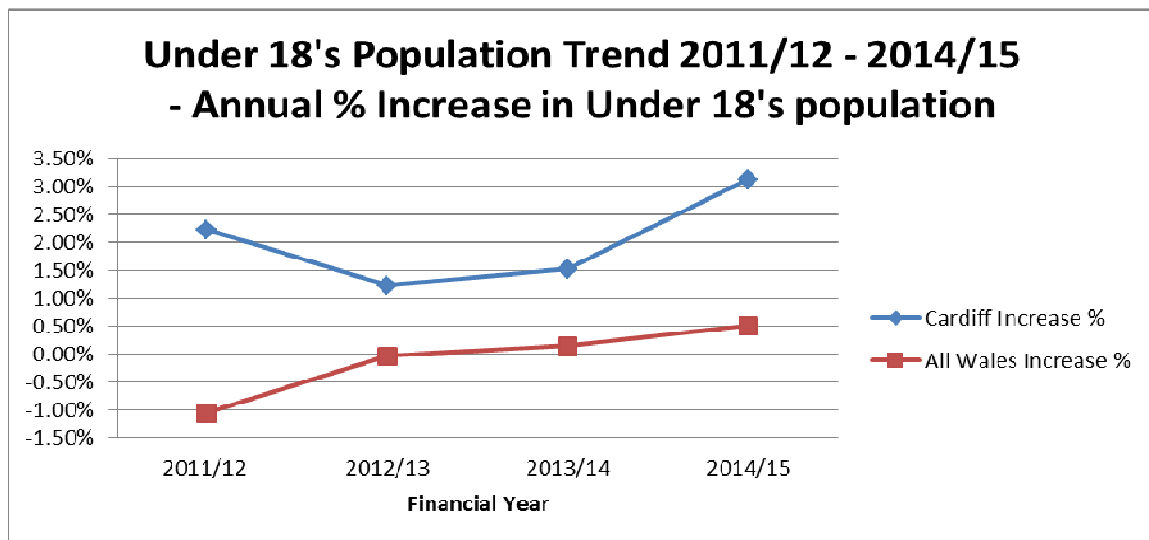
214. In terms of Pensions auto-enrolment, Cardiff's auto enrolment date was 1 February 2013. Cardiff chose the deferral option and all employees qualifying for auto-enrolment as at the start date, were deferred to 1 October 2017. Employees who qualified after that date have to be auto enrolled immediately and re-enrolled every three years. There are therefore two key dates for auto-enrolment within the life of the current MTFP:-
- 1 February 2016 – re-enrolment of any employees who were auto-enrolled after 1/2/13 but who then opted out
 - 1 October 2017 – enrolment of deferred employees who still qualify.
215. It could be considered likely that most employees who are auto enrolled will opt out as they have already 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 and therefore the plan includes provision for approximately 20% of those not currently in the pension scheme to join.
216. A memorandum of understanding has been signed as part of the 2015/16 budget in relation to the Partnership for Change. The outcome of this will need to be taken into account over the Medium Term Plan.
217. Inflation is currently running below the Bank of England's 2% target (Consumer Price Index.) In line with the practice of 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. The plan includes estimated future provision in respect of NDR, energy and Out of County placement costs. The most substantial inflationary impact included within the plan relates to fee increases within Health and Social Care. However, the introduction of a new dynamic purchasing system and transfer of existing packages to new contracts within domiciliary care has reduced the potential impact in this area compared to previous years.
218. The assumptions that underpin the capital financing figures included within the plan are covered in detail elsewhere in the report. However, it should be noted that, the ratio of net capital financing costs to the Council's controllable base budget for 2015/16 is currently at 16.65% and is predicted to increase over the medium term. It is worth noting that even if the Council took on no further additional borrowing, this ratio would continue to increase over the medium term due to the fact that the Council's controllable base budget is contracting at such a significant rate.
219. The largest component of the £5.5 million commitment figure identified over the three years is a £3.643 million pre-commitment figure identified for 2016/17. This reflects the fall away of one off budget savings and the funding of previous decisions. The sum includes:-

- The £2.5 million capitalisation direction granted by WG for 2015/16 which is for one year only. This therefore creates a gap which will need to be addressed when it falls away in 2016/17
 - Reinstatement of the running costs of Eastern Leisure Centre (on a part year basis) once it re-opens during 2016/17
 - £500,000 in respect of Central Enterprise Zone to re-balance the funding profile following one-off savings taken in earlier years
220. Other commitments include the impact of the WG's treatment of both 21st Century Schools and Highways LGBI which has in previous years not correctly taken account of these additional sums.
221. It should be noted that during the life of the plan the arrangements in respect of Cardiff International Pool come to an end. The Council's base budget includes £1 million to pay an annual subsidy to the International Pool. The MTFP contains no assumptions as to the release of this budget due to the fact that future arrangements regarding the pool are as yet unknown. This will therefore be a factor to be considered as the MTFP is refreshed and rolled forward.
222. Commitment figures also include the future modelled impact of severance costs.
223. Of the £82 million financial pressures identified over the next three years, almost 30% is attributable to pressure on services as a result of demographic growth. Between 2002 and 2013, Cardiff's population grew by 13%; a bigger percentage increase in population than London or any of the English core cities. This growth trend is set to continue with projected growth of 26% between 2013 and 2034 – an additional 91,500 people.
224. The table below indicates that there is substantial growth in age groups in which demand for services can be more costly. A key factor being an increase in the 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 care budgets as people become more likely to need services to help them continue to lead independent lives.
225. This school age population growth places further pressures on the capital as well as the revenue budget. The SOP Programme section of this report has already set 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.

Age-band	Numerical Change	%
0 - 4	2,236	9.5
5 to 15	10,369	24.8
16 - 17	850	11.0
65 plus	10,843	22.3
85 plus	2,039	28.1
90 plus	1,252	45.5

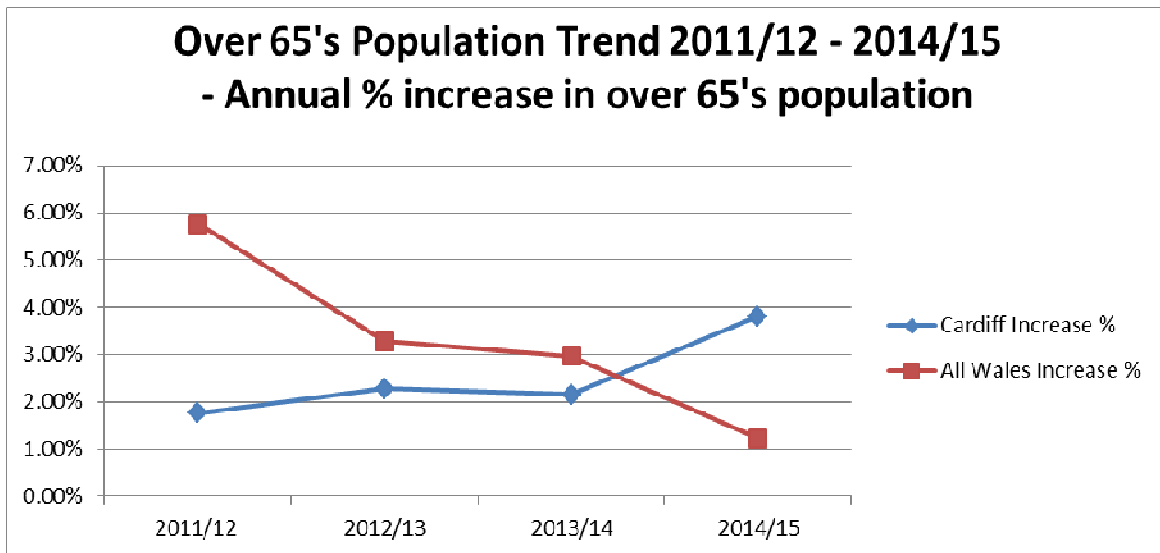
Cardiff Principal Projection: Change from 2014 – 2024 (Source: Welsh Government Statistical Directorate 2011 Local Authority Projections)

226. These demographic trends have been reflected in the Council's financial position for a number of years and are also 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. Demographic growth is therefore a key reason why Cardiff has received below average funding decreases over the past few years. However even though the city's demographic growth is recognised within this calculation, it merely protects the Council's share of an increasingly diminishing fund. It does not begin to address the escalating cost pressures associated with this demographic profile.



Figures Sourced from Welsh Government's Annual Green Book Publication

227. The graph above shows that although there is an annual increase in the level of the Under 18's population across the whole of Wales, this annual increase is outstripped by the level of increase in the Under 18's population of Cardiff over the same period.



Figures Sourced from Welsh Government's Annual Green Book Publication

228. The graph above shows that although there is an annual increase in the level of the Over 65's population across Wales, by 2014/15 this rate of increase has been overtaken by the annual increase in the Over 65's population of Cardiff.

Demographic increases	Predicted Three Year Pressure £m
Health & Social Care	6.8
Children's Services	4.5
Schools	12.1
Total	23.44

229. 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 contained £950,000 as a service specific contingency.

230. It is also worth noting that the significant demographic growth set out above, relates to budgets that already account for 60% of the Council's overall cash limit, and which are either subject to WG protection (i.e. schools) or are more difficult to cut due to the nature of the service and escalating demand. While this remains the case, then subject to policy decisions to the contrary, the Council's other controllable services will need to continue to contract sharply, in order to accommodate falling funding levels on one hand and growth into these areas on the other.

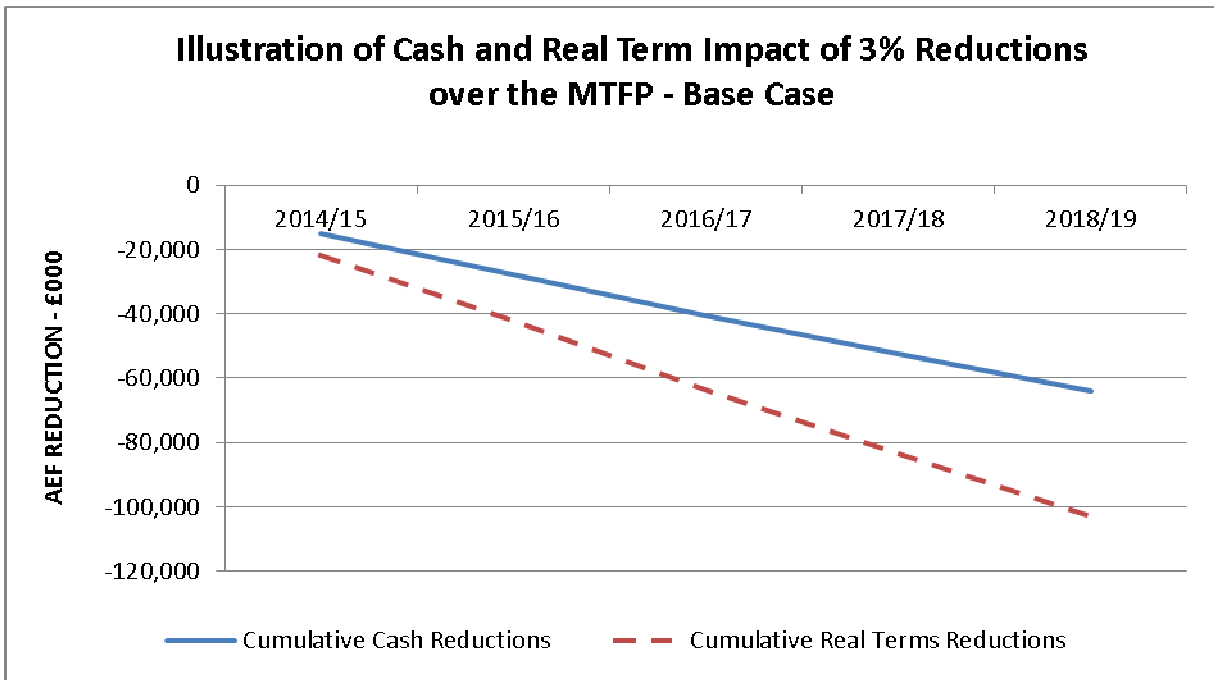
231. The MTFP includes a sum of £6 million per annum to address emerging financial pressures. As noted above, there are a number of areas of significant uncertainty within the life of the plan. This sum, which represents just over 1% of the Council's cash limit, has been included in recognition that it is impossible to foresee all issues and that in reality additional burdens may arise due to issues including legislative and

policy change, specific grant fall out, an issue which is covered in further detail in the funding section below.

Future Funding

Aggregate External Finance

232. In the absence of any indicative funding figures for 2016/17 onwards, the level of AEF reductions within the MTFP have had to be estimated. It is widely accepted that the current austerity period for Welsh Local Government is likely to extend beyond the time-frame covered by the current MTFP. The base MTFP for the financial years 2016/17 – 2018/19 therefore assumes an AEF reduction of 3% per annum, which is comparable to the funding reduction experienced by Cardiff in 2015/16.
233. Funding levels are difficult to predict as they involve a number of unknown variables including a forthcoming General Election and subsequent Spending Review which in turn will affect future levels of Welsh Block Grant. Welsh Local Authority funding will also be impacted by WG's distribution of the Welsh Block Grant, including the potential for further funding protection of the Welsh NHS resulting in deeper cuts for the rest of the public sector.
234. A 1% funding reduction for Cardiff Council equates to a £4.4 million cash reduction. Clearly therefore, the absence of indicative funding figures represents a significant risk to the Council and for this reason funding reductions in excess of 3% have been modelled within the sensitivity analysis.
235. Funding reductions of 3% building on the funding reductions experienced to date will clearly have a severe impact on the Council. The graph below models the impact of AEF funding reductions within the base case MTFP, in both cash and real terms (i.e. taking account of inflationary effect) since the Council began to receive negative settlements in 2014/15. The graph shows that if funding reductions of 3% come to fruition, in real terms the Council will have experienced a reduction in general grant funding of over £100 million for the five year period depicted.
236. However in reality the divergence between cash and the real terms impact is wider. The real terms adjustment removes the impact of general price inflation, in this case the Consumer Price Index, from the cash reduction figures. However the reality for local government is that sector specific pay and price inflation are higher than these general price indices whilst demographic growth and demand pressures increases this gap further.



Specific Grant Funding

237. 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 together.
238. Future changes to specific grants, either by way of transfer or reduction are arguably even harder to predict than AEF levels. 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. Uncertainty around grant amounts can also be compounded by unconfirmed changes to grant arrangements.
239. The Council has an existing base budget of £250,000 to deal with specific grant funding issues that occur during the course of a financial year. There are no specific sums included over and above this within the MTFP. The assumption within the plan is therefore that any future specific grant reductions would be dealt with by either reviewing the grant funded activity (these are areas which are not routinely subject to cuts) or addressing the issue through the sum set aside for emergent financial pressures.

Reserves

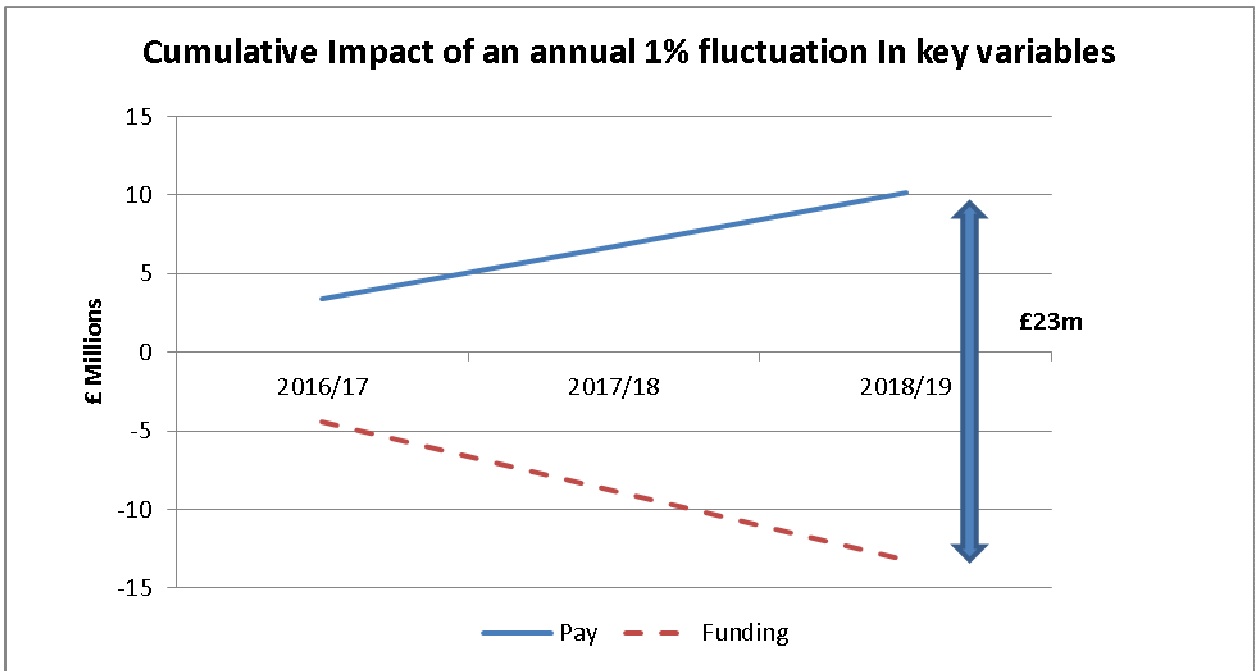
240. Due to their finite nature, use of reserves to support the budget creates a resource gap which must be filled in the following year. General practice is therefore to avoid the substantial use of reserves as budget funding. Even setting the above issue aside, the scope for use of reserves as

budget funding is considered more limited in the current climate. Notwithstanding that earmarked reserves are set aside for a specific purpose which would be compromised if routinely utilised for general budget funding, the existence of reserves improves the Council's financial resilience in a period of extreme financial challenge.

241. 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 funding should be used on services in times of financial pressure. The levels of reserves held by Welsh Local Authorities have been subject to recent scrutiny by the WG for this reason.
242. Welsh Local Government has experienced a prolonged and worsening period of significant budget cuts combined with demographic pressures in demand led services. While prudent, the level of reserves in Cardiff could be considered to be at just an adequate level for an Authority of this size. Recent figures produced by WG showed that as at 31 March 2014, expressed as a percentage of gross revenue expenditure, Cardiff had the lowest level of both general and useable reserves across Wales.
243. It should also be noted 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 internally borrowed Authority, cash reserves help the Council avoid the need to undertake short term borrowing and its associated costs. As noted elsewhere in the report, in order to manage the impact of severance costs, the Council has employed a strategy of borrowing from earmarked reserves in order to cover initial cash payments in respect of voluntary severance. Reserves are then replenished in time for their original planned use from a base budget for severance costs. This strategy strikes a balance between conserving financial resilience over the longer term and ensuring the initial purpose of reserves is upheld whilst making use of available cash balances.

Sensitivity Analysis

244. 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 two key variables – level of pay award and funding reductions. The graph shows how just a 1% fluctuation in two key variables can have the effect of increasing the funding gap by £23 million over the MTFP period.



245. In previous years, the sensitivity analysis around the MTFP has included a best case scenario which flexed key variables to the most optimistic level considered to be within the realms of reasonable possibility; in other words to the best of the likely scenarios. However, given that perhaps the most critical unknown variable within the plan is level of AEF funding, it is considered that it would be overly optimistic at this stage to assume AEF reductions of less than 3%, given the warnings from WG referred to previously.

Worse Case Scenario

246. The following table reflects the potential worst case scenario. This reflects:-

- a 2% pay award over the life of the plan compared to the 1% within the base case
- annual funding reductions of 4.5% over the life of the plan compared to 3% within the base case
- a less optimistic outcome of the next actuarial review

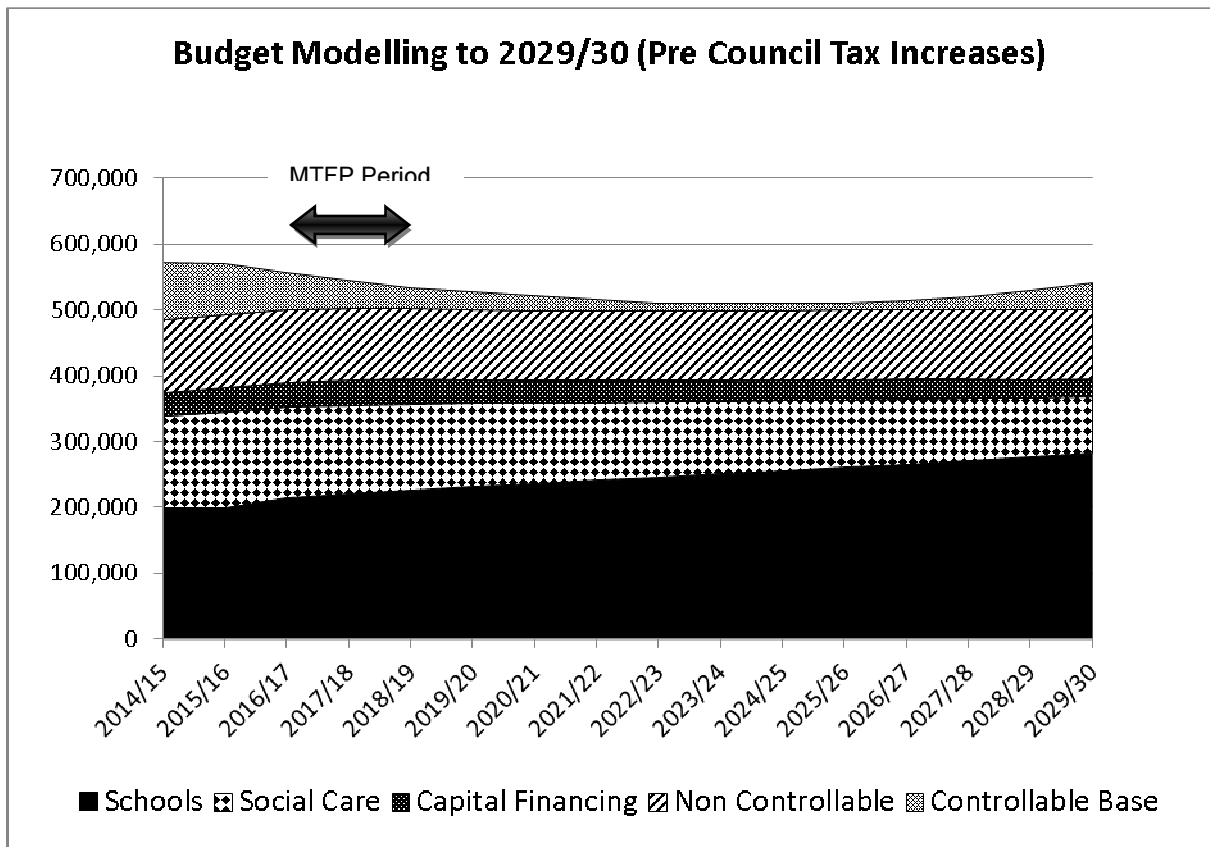
Worse Case Scenario	2016/17 £000	2017/18 £000	2018/19 £000	TOTAL £000
Base MTFP position	50,112	36,577	32,009	118,697
Changes:				
AEF	6,362	6,075	5,802	18,239
Pay Award	2,656	3,326	3,278	9,260
Actuarial Review	0	647	647	1,294
Revised MTFP shortfall	59,129	46,625	41,736	147,489

247. Clearly the changes in assumptions around AEF levels have the biggest impact on this scenario. Funding reductions of 4.5% are considered a

real possibility following a letter that was received by Welsh Local Authorities from the Minister for Local Government and Government Business on 24 June 2014. The letter warned that in the context of pressure on the Welsh NHS, Authorities should consider how they would respond to funding reductions of up to 4.5% in 2015/16 and to expect further challenging settlements over the medium term. Whilst the Welsh average reduction in 2015/16 came in lower than this at 3.4%, reductions of 4.5% are clearly something that WG considered a possibility.

Future Years Outlook

248. 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.



249. Notwithstanding the difficulty and uncertainty of predicting this far forward, the severity of the financial climate in Welsh Local Government has now reached a position where it will no longer be feasible to focus on a three year forward period without considering the likely impacts beyond that timeframe. This is because the cumulative impact of decisions taken now can have a significant impact on the shape of the Council's budget in later years and it may be that current policies are considered unaffordable when viewed over an extended time-frame.
250. Moving forward, the Council will need to extend the period over which it considers financial planning scenarios in order to inform Budget Strategy assumptions and policies at an early enough stage to have the most impact. Key areas for consideration would include, future council tax increases, the level of growth afforded to schools, the affordability of the capital programme and strategy for social care budgets.
251. In short, as identified above, over the longer term, cutting the Council's controllable savings base will not be a sufficient antidote to the problem and solutions outside this will need to be sought. Formulation of the Council's Budget Strategy Report for July will therefore be critical in re-setting the model identified above and priority based service and budget assumptions will need to be developed as expanded on below.

Council Response to the Medium Term Financial Plan

252. The realignment of the Council's services to continue to meet our corporate objectives but on a lower, financially sustainable level require a complex, fundamental reshape of how the Council's services are provided. This process has been initiated at a Council wide level with the Organisation Development Programme providing the required governance. At a service level the process is also ongoing and the consultation exercise referred to a number of strategies around the delivery of services that have been developed for the future provision.
253. As part of this process a full review of Cardiff's Libraries service has been undertaken in response to the financial reduction required to meet MTFP projections, the changing demand for library services and the success of the integrated approach to local service delivery as evidenced through the Council's Hub Programme.
254. The review covered all aspects of the library provision and following initial evidence gathering a Strategy for the future provision of library services has been developed (see Appendix 13(b)).
255. The Strategy for reshaping library services is based around 6 key themes; integration; mobilisation; community involvement; alternative delivery; better use of technology and commercialisation. The application of these themes has led to the development of a comprehensive range of proposals for library provision in Cardiff.
256. The detailed proposals were consulted on as part of the wide ranging "Changes for Cardiff" consultation process and every library card user

was e-mailed the link to the consultation process. Of the respondents 80.8% reported that they were library card holders and detailed comments were received on the proposals. In addition 11 written and on-line petitions were received in relation to specific branch library proposals with 10,605 signatories in total.

257. As a result of the consultation responses amendments have been made to the Libraries Strategy. A key area of concern centred on the proposals for the current stand alone branch libraries. There was significant support for the integrated approach to service provision through the on-going delivery of hubs in line with the formal Hub Strategy. However the lack of Council funding to extend this approach to all branch libraries and the potential loss of well used and well loved facilities was a major issue. The recommendations for each branch library have therefore been amended so that where a public service hub is not a viable option, community support will be sought to continue a library service alongside either community or commercial led activity in a community hub. These hubs will receive continued Council funded support to meet the cost of the supply of books, ICT equipment (including self service kiosks) training and professional librarian support from the Neighbourhood Development Librarian.
258. The presumption in the amended Strategy is that the neighbourhood based library service will still be delivered from existing stand alone library buildings, supported by community or commercial involvement, except in those circumstances where condition or accessibility of that building makes this objective unachievable. In these circumstances alternative venues will be identified as a base for a similar range of community, commercial and library provision. The individual library proposals in the Strategy document have been amended accordingly.
259. The recommendations to this report include the approval of the Library Strategy and the implementation of the Strategy will be subject to a specific Cabinet report outlining the business case for change proposal in respect of each Library building.
260. The previous section set out the challenges within and beyond the life of the MTFP. The Plan sets out the financial pressures the Council is facing over the medium term alongside the estimated funding available. In doing so it identifies the Budget Reduction Requirement over the medium term which is the gap that needs to be filled from a combination of savings and potential Council Tax increases and if appropriate use of reserves. The July 2014 Budget Strategy Report outlined the Council's application of savings drivers to develop a medium term response to where savings might be identified from to help meet this gap.
261. Work has continued since July in respect of the Council's response to the financial challenges across the medium term. Therefore, whilst recognising that the MTFP is a dynamic model which is updated throughout the year, potential opportunities to make savings across the medium term have been developed further against a number of themes

in relation to the delivery of services. The themes identified were also referenced in the budget consultation document and are as follows:

- **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 building 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** – the consideration of 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.
- **Involving and empowering the community** – this is based on a more focused approach to cooperation and collaboration to ensure that we work with residents to design new ways of doing things to give local people more opportunity to get involved and supporting communities to take greater responsibility within their local area in redesigned services.
- **Reflecting changes in society** – this theme considers the Council's role given changes in wider society. For example the way individuals access services is changing due to the use of digital technology and social media.
- **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.

262. The outcome of this work is summarised in Appendix 13(c) which sets out for both 2016/17 and 2017/18 the quantum of opportunities for future years savings proposals by directorate clusters across the themes identified above. The directorate clusters are set out below and align with the proposed directorate restructure which is part of the 2015/16 savings proposals. It should be noted that the figures total £29.621 million for 2016/17 and £21.06 million for 2017/18 and as such do not identify a full solution to the Budget Reduction Requirement. In addition they are in respect of opportunity proposals identified at a point in time and as such highlight on overall direction of travel in respect of themes identified rather than a fixed solution.

- Communities and Wellbeing cluster – Children’s Services, Health and Social Care, Education & Lifelong Learning and Communities, Housing and Customer Services
- Place cluster - Strategic Planning, Highways and Transport, Environment, Economic Development and Sports, Leisure and Culture
- Corporate cluster – County Clerk and Monitoring Officer, Resources and Corporate Management

263. In addition, Appendix 13(d) identifies a subset of these future years opportunities where they relate to a progression of themes identified in 2015/16. This identification could be the follow through of savings proposals included in 2015/16 for example a continuation of an income opportunity such as further income from projected dividend payments from Cardiff Bus. It could be a later year saving proposal linked to the consideration of a strategy which is being set as part of the Budget Report, for example the Libraries Strategy. Lastly it could be an opportunity for savings linked to ongoing work that has already been initiated but has as yet not led to a realisable saving. An example of this would be the work in respect of the consideration of infrastructure delivery models on which Cabinet has previously received reports and for which a suite of outline business cases are expected for consideration in June 2015.

264. The WAO Corporate Assessment report referred to the Auditor’s concern in respect of the uncertain prospect of achieving savings in 2014/15 and responding to future funding levels. The above work therefore provides evidence of continuous improvement in that opportunities for savings within these themes have been identified and that certain proposals within these themes have been identified separately. However the quantum of savings is materially short of the updated gap identified in the MTFP and the July 2015 Budget Strategy Report will need to respond further not only in relation to opportunities identified but also how this shortfall might be met. Consideration will undoubtedly need to be given to updating the budget planning assumptions of schools protection, employee contributions and Council Tax levels as utilised in 2015/16.

265. The Financial Standing, Risk and Financial Resilience section has already reminded members of the financial challenge ahead and the increasing importance of both considering and responding to the matters in respect of the Council’s financial resilience. The Organisation Development Programme plays a key role and in particular the Reshaping Services and Enabling Technology and Strategic Commissioning boards which have been established to meet these challenges. An iterative process is ongoing with Cabinet and directors to understand these challenges and consider how the Council can be realigned at a lower, financially sustainable base.

266. The realignment of services will require the Council to use all relevant budgeting tools that are available, such as demand management and in particular outcomes based budgeting. Outcomes based budgeting involves scoring elements of service against their contribution to desired

strategic outcomes. This is in recognition of the Council's requirement to identify a more planned approach to ensure that funds are allocated to deliver agreed prioritised service outcomes. A priority based budget approach may therefore be adopted to determine future service and cost commitments and to bridge the funding gap. The July Budget Strategy Report will provide further detail in respect of this approach and the progress being made.

Joint Committees and relevant Body

267. Cardiff is currently the lead Authority for Glamorgan Archives, Prosiect Gwyrdd and the Welsh Purchasing Consortium; it is also a member of the Central South Consortium Joint Education 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	2014/15 * Revenue Contribution £	2015/16 Revenue Contribution £
Joint Committee		
Glamorgan Archives	218,141	218,141
Prosiect Gwyrdd	36,000	58,800
Welsh Purchasing Consortium	12,150	**0
CSC Joint Education Service	1,534,379	1,534,379
Joint Body		
South Wales Fire & Rescue Service	16,649,714	16,507,721
Caldicot & Wentloog Drainage Board	171,292	140,688
Cardiff Port Health Authority	158,235	143,629
Newport Port Health Authority	4,456	4,681

* Figure shown for comparative purposes only

** Subject to confirmation by Joint Committee

268. In addition the councils of Bridgend, Cardiff and the Vale of Glamorgan have agreed to work together to create a regional regulatory service. This service will be managed by a Joint Committee with the Vale of Glamorgan in the role of Lead Authority. The full details of the Joint Working Agreement between the three authorities is currently being drafted. Based on the projections presented to Council in October 2014 the contribution paid by Cardiff in 2015/16 will be £3.579 million.

Housing Revenue Account and Rent Setting 2015/16

269. The 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).

270. 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.
271. The major income streams include Council house rents and income from service charges.
272. Cardiff, along with the other ten Welsh landlord authorities, currently operates within a centralised HRA Subsidy system in which a negative subsidy amount is paid over to the UK Treasury each year. The amount to be paid over is based on a complex calculation using guideline rent levels and other factors set annually by the WG. Cardiff's share of this for 2014/15 is estimated at £14.6 million based on the second interim claim form submitted to WG.
273. As reported to Cabinet in July 2014 and to Council in November 2014 and following the arrangement in England in 2012, the UK Treasury and WG have been working together to reach an agreement that will allow the remaining eleven landlord Councils in Wales to leave the HRA Subsidy system through a one off loan settlement payment to HM Treasury.
274. The overriding principle of the HRA Subsidy reform is that no Welsh Authority will be worse off under the new Self Financing arrangements. The proposed new arrangements will mean that from April 2015, the City of Cardiff Council will no longer have to pay a negative subsidy. Instead it will make a single one off settlement payment as a "buy out" to the UK Treasury on 2 April 2015. It is anticipated that the final outcome of the negotiations will be known in the next few weeks which may impact on some of the assumptions within the budget, particularly in relation to the level of capital financing costs and the settlement payment.
275. The move to self financing will offer the opportunity for authorities to use their role as a landlord to help achieve their wider priorities and ambitions within the context of the ring-fenced HRA. These could include economic regeneration, improving health and well being, improving community safety and helping vulnerable people to live independently in the community. It will mean councils will retain all revenue and capital income and become responsible for financing their landlord services and housing investment from their income.
276. Rent levels have previously been set annually by the WG through the Final Determination which provided detail on the guideline rent levels for each authority. Following the Essex Review of affordable housing, a new national rent policy was introduced for housing associations in April 2014 and this will also apply to Local Authorities from April 2015.

277. While the responsibility for setting the rents for individual dwellings rests with the individual landlords, the new rent policy sets a Target Rent Band for each landlord which is based on a range of low end, mid point and high end rents. Landlords will be required to operate within average weekly rent levels that fall within its Target Rent Band and the WG will set a minimum rent increase each year.
278. It is proposed that from April 2015 rents for the majority of tenants will increase in Cardiff by 2.7% 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 £3.83 per week.
279. Consultation about the proposed increase in Council rents took place between 12 January 2015 and 23 January 2015. Consultation forms were sent to all Tenants and Residents Associations, Tenants Special Interest Groups and to 1300 randomly selected individual tenants. The consultation was also advertised on the Cardiff Tenants website. Forty-nine responses were received of which ten were negative about the increase (20%). 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 that on average rents charged by private landlords are about 50% higher than council rents.
280. Tenants were also asked how they would like the Council to use their rent payments with most opting for “improving existing council housing and neighbourhoods”, closely followed by “investing in new build council housing”.
281. Other factors which make up the HRA budget proposal include the following main items:
- Provision is made for the approved 2015/16 pay award, employee increments and energy inflation.
 - Provision is also made for the re-instatement of the hour reduction in the 2014/15 Workforce Package.
 - A £14 million budget has been set for housing repairs in 2015/16 reflecting the estimated requirements for both planned and responsive maintenance.
 - The direct revenue financing budget for capital expenditure assumes a contribution of £5 million in 2015/16.
 - 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.
282. The changes to the HRA charges can be found in Appendix 10(b). Various increases to service charges for Council tenants which are in line

with inflationary cost increases, others have been set at a higher level for full cost recovery while some standstill charges where cost recovery is being achieved.

283. For future years 2016/17 to 2018/19, the budget proposals are in line with the HRA Business Plan as reported to Cabinet in December 2014 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.

284. The proposed HRA budget for the financial years 2015/16 to 2018/19 is shown in Appendix 14.

School Organisation Plan and 21st Century Schools Initiative

285. 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.

286. As part of the 21st Century Schools programme the Council submitted a Band A funding bid to the WG in November 2011. An indicative Capital Investment Programme of £137.3 million received in-principle approval, subject to the successful submission of detailed business cases. An exercise of reviewing the 21st Century Schools Programme is currently ongoing and any proposed changes will be reported at a future Cabinet meeting.

287. 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.

288. The SOP Consolidated Financial Model brings together Council and WG supported 21st Century Schools Band A projects. The Model includes an updated projection for both capital expenditure and capital funding over the life of the plan, and subject to the ongoing Programme review and 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		224.6
Capital Receipts	34.2	
Capital Grants	95.6	
Section 106 Contributions	0.7	
Capital Programme Allocations	14.7	
Welsh Government LGBl	17.3	
Additional Borrowing	62.1	
Total	224.6	224.6

289. The capital investment programme within the model during the period 2011/12 to 2019/20 (the life of the 21st Century Schools Programme) totals £224.6 million. Within this, the 21st Century Schools expenditure is £162.3 million.
290. 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.
291. Of the £162.3 million 21st Century Schools programme, 47.0% (£76.2 million) would be grant funded by the WG. This includes £58.9 million of capital grant. WG will additionally provide revenue grant over 32 years, to support capital borrowing for the remaining £17.3 million. The £58.9 million capital element is included within the £95.6 million grant figure above. The grant provision is still subject to full approval by WG. The Council's match funding element is included within the other resources listed.
292. 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. 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.
293. Funding for the model comes from a number of sources. Where proposals include the disposal of school land, the capital receipt is reinvested into the SOP. The model relies upon £34.2 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 SBIG 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.

294. 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 borrowing of £62.1 million, over and above the WG supported LGBTI borrowing. The capital charges arising from this borrowing are funded from revenue release savings as described below.
295. In addition the SOP includes revenue expenditure. For the period 2014/15-2019/20 this totals £17.1 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.
296. A significant source of funding for capital and revenue expenditure is from revenue release savings. These include savings from facilities management budgets as well as efficiency savings and historical adjustments to delegated schools budgets.
297. The overall Consolidated 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 sale.
 - 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.
298. A further challenge of 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 SOP, and the balance on this reserve is shown in Appendix 15. 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.
299. 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 if appropriate seek approval in accordance with the Council's Financial and Contract Procedure Rules.

- 300. A Programme Panel meets monthly to consider significant matters arising in relation to the SOP / 21st Century Schools Programme, providing robust advice to and governance of the Programme.
- 301. A comprehensive SOP revenue budget for 2015/16 has been submitted to and approved by the Programme Panel for member consideration as part of this budget, to be funded from the SOP Reserve. A summary table of the revenue budget is shown below:

SOP Revenue Budget 2015/16	£000
Project Team Costs	1,247
Specific Scheme Costs	989
Pump-Priming of newly established schools	570
Ongoing Commitments	314
Contingency	250
Total	3,370

- 302. The SOP Manager has delegated authority to vire between these budgets in line with the scheme of delegations. The only exception being the contingency provision which will be managed by the Programme Panel.
- 303. Any overspend to 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

- 304. 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.
- 305. The advantage to the Council of operating enforcement powers since 2010 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.

306. CPE is a ring fenced account and any income generated from car parking fines and fees are used to fund related operational costs and the enforcement service. Any surplus or deficit generated by the account is transferred to the Parking Reserve and can only be used for specific purposes such as supporting transportation services and parking and highway services in accordance with Section 55 of the Road Traffic Regulations Act 1984.
307. The anticipated operating surplus for 2014/15 is £3.959 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 2015 is estimated at £154,000.
308. For 2015/16, income from car parking fees, residents' permits, penalty charge notices and moving traffic offences is forecast to be £9.422 million. This represents a net increase of £1.471 million compared to the forecast position in 2014/15 mainly due to increased income from on street parking fees and the anticipated full year income stream in relation to the Moving Traffic Offences scheme.
309. The increased income targets include additional income arising from increased tariffs for on-street parking. The Council's parking strategy is currently under review and this involves an assessment of existing and new sites for best practice and rationalisation of charges as appropriate across the City. These matters form part of the budget savings proposals anticipated to generate an additional £85,000 to be made available to the service area for investment in and support of other transportation services and schemes.
310. Income of £1.824 million is assumed in relation to the Moving Traffic Offences scheme. This is estimated to be offset by enforcement costs of £1,009 million leaving a net income of £815,000. £365,000 of this income was built into the 2014/15 budget with the additional £450,000 assumed as part of the 2015/16 savings proposals.
311. Other income targets have been realigned to reflect the full year impacts of increases implemented in 2014/15 including at Canton and Butetown. The revised targets also reflect the decision not to proceed with the removal of the first free hour of parking at Butetown.
312. Operating costs, which include employees and the cost of the enforcement service, are estimated to be £4.870 million and this would provide for a net surplus of £4.552 million in 2015/16.
313. Eligible expenditure commitments supporting overall transportation, parking and highway or road improvement projects total £4.491 million. This includes £535,000 relating to savings proposals within Strategic Planning, Highways and Traffic and Transportation which reflect the impact of the proposals to increase income from on street car parking and Moving Traffic Offences as set out above. A further £30,000 has also been identified in order to fund work in relation to disabled parking

bays. It is estimated that the balance in the reserve at 31 March 2016 will be £215,000. On the basis of known levels of operating expenditure and other commitments, the future balance in the reserve is estimated at £276,000 by the end of March 2017, £337,000 by the end of March 2018 and £398,000 by the end of March 2019. The current and planned position on the reserve is set out in Appendix 16.

314. The margin between the projected annual surplus on the CPE account and the expenditure commitments for 2015/16 is relatively small in comparison with the overall level of income targets. This imposes a significant risk in relation to future maintaining of the reserve and makes it essential that income targets are fully achieved.

Activities inherited from Cardiff Bay Development Corporation including Harbour Authority

315. 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.
316. 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 the period 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.
317. Following a critical examination of the future resource requirements a fixed cost and asset renewal budget was agreed with the WG. This identified a total funding requirement for 2015/16 of £6.253 million.

Harbour Authority Funding Requirement 2014/15 - 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

318. The revised fixed cost budget for 2015/16 is a reduction of £135,000 in addition to the £1.035 million applied in the previous financial year. 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.

319. This reduction will be achieved by increasing the income target by £50,000 to £750,000. Income generation has steadily increased over the years mainly from harbour dues, 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 at the Cardiff International White Water Centre. This will be achievable mainly through the increased income sources at this centre including the recent development of the high ropes attraction. The remaining savings will be made from reducing various operational budgets through improved efficiency.
320. 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.
321. The Asset Renewal budget of £323,000 includes provision for the renewal and replacement of a range of items across all activities and functions. This includes repainting of the Graving Dock's crane and railings, barrage renewals including the replacement of some play equipment in the children's play area, refurbishment of some water bus stops and replacement of equipment at the Cardiff Bay Water Activity Centre.
322. The estimated balance in the Project and Contingency Fund at 31 March 2015, following the funding of the high ropes facility, is £610,000. 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 over the next two years should enable this to be managed.

Capital

323. The Capital Programme for the period 2015/16 to 2019/20 has been prepared having first considered the demands on capital expenditure as well as resources for capital investment available and forecast to be available as set out below.
324. The Prudential Code of Borrowing includes indicators to be used and factors which are to be taken into account by the Council when setting its borrowing limits to ensure capital expenditure plans are affordable, prudent and sustainable. These indicators are set out in paragraphs 364

to 383 inclusive. Members should note that these paragraphs also include local indicators derived by the Council to show the impact of additional borrowing. Due to the HRA Subsidy settlement obligation an estimated £188 million has been identified separately in the HRA additional borrowing figure.

Capital Expenditure Pressures

325. The Council will in 2015/16 receive £13.449 million in grant and borrowing approval from the WG in order to determine its own spending priorities for capital items. This is a slight increase of 0.28% from 2014/15 but a significant reduction of circa 35% decrease compared with 2010/11. This pressure on capital funding will require directorates to continue to secure better value, better outcomes and only undertake priority schemes. Despite this, the level of support provided by the WG is barely sufficient to meet current annual capital expenditure commitments which have generally remained at previous levels. Careful consideration of continued expenditure above this level using additional borrowing is not sustainable in the long term given WG funding reductions.
326. 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. Expenditure pressures include:
- Ensuring a sustainable property asset base and that property is fit to deliver service improvements, by addressing the maintenance backlog of circa £104.8 million, 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 of circa £300 million to avoid higher costs in future.
 - Meeting the economic development, employment and capital city aspirations of Cardiff and the region.
 - Requirements for capital investment to meet savings targets, to displace expenditure previously funded from revenue budgets, to reshape the way services are delivered and to meet the costs of organisational development.

Capital Resources 2015/16 to 2019/20

327. The resources required for the 2015/16 Capital Programme total £297.3 million, of which £14.2 million relates to schemes deemed to pay for themselves over a period of time and £208.3 million relates to Public Housing schemes. This includes £188 million which is the estimated housing finance reform settlement payment to WG. The resources figure includes General Fund slippage estimated at Month 9 in the current financial year. The final slippage figure which will be known at outturn

and will be updated and reflected in the Month 3 2015/16 budget monitoring report. Over the life of the Capital Programme and particularly beyond 2015/16 the level of external grants included are based on assumptions. This is due to the lack of data being available from grant funding bodies and this clearly causes difficulty in longer term planning which is a necessity when considering capital investment decisions.

328. Resources forecast to be available, including the level of additional borrowing proposed to support investment, are detailed in Appendix 17.
329. Where the Council does not have a specific grant, revenue budget, capital receipt or other cash funding source to pay for capital expenditure, it will have to borrow if it wishes to spend additional amounts. WG provide funding in the RSG to pay for a certain level of Supported Borrowing. Borrowing is repaid by making a prudent provision (MRP) each year for the repayment of debt from the revenue budget or selling assets and using proceeds to set aside further sums for debt repayment instead of spending them.
330. Between 2015/16 and 2019/20, £20.8 million of additional borrowing is required to balance the General Fund Capital Programme for existing commitments. An additional £13.4 million is required for new schemes approved in 2015/16 over the five year period. These figures do not include £82.7 million borrowing proposed for Invest to Save Schemes as these are deemed to pay for themselves over a period of time. Over the five year period, the Public Housing Capital Programme includes £41.0 million of additional borrowing for investment in existing housing stock, estate regeneration and the HPP.
331. In 2012/13 the WG introduced the Local Government Borrowing Initiative (LGBI) to provide additional revenue resources to enable councils to undertake additional borrowing to invest in highway infrastructure, to improve highway asset condition or functionality. The WG have implemented a similar scheme to meet obligations to fund 21st Century School Improvements. Revenue funding will be provided by the WG for the Council to borrow up to £17 million as matchfunding for schemes which were previously intended to be funded outright by cash grant. Whilst welcome, these schemes use local authority borrowing powers and present an ongoing risk in terms of increasing the Council's capital expenditure. In addition this approach introduces the risk of WG funding being subsumed in the RSG and not being specifically allocated separately in terms of additionality.
332. Summarising the above, 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 continuing with commitments included in the budget.

- Undertaking invest to save schemes on the assumption that the borrowing will be repaid from future revenue budgets or in anticipation of capital receipts.
 - WG LGBI for schools on the promise of continued funding being provided by WG as part of the revenue settlement and specific grants.
333. In summary 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. It is accepted that the Council needs to borrow to both meet the objectives of the Corporate Plan and invest in schemes that generate a return for the Council. However in the medium term the Council must decide, following the consideration of advice from the Section 151 Officer the threshold of Council borrowing. The local capital financing prudential indicator shown later in this report highlights that the proportion of the Council's revenue budget that it spends on capital financing over the medium term is increasing as WG funding levels fall. 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.
334. As set out earlier in this Report further action is required to accelerate a reduction in the Council's asset base within a limited timeframe. Unless assurance of progress in this regard can be demonstrated in 2015/16 the affordability of the existing Capital Programme will need to be reviewed. Decisions made on asset divestment will need to consider the yield generated by Council held assets and the impact on the revenue budget of realising these disposals. Within this financial climate of reducing revenue resources all action necessary must be taken to reduce both initial capital expenditure and the subsequent need to borrow.
335. The role of the Asset Management Board is key in ensuring strategic and affordable choices are made over this period. An Investment Review Board has been established and is chaired by the Corporate Resources Director. These Boards will need to 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. In the current environment securing value for money in respect of capital investment and capital disposal is key.
336. As set out earlier in this report the Council's Medium Term Financial Plan covers a period of unprecedented financial austerity and uncertainty. Council-wide solutions across this time frame will need to be holistic and include consideration of both revenue and capital budgets. Therefore whilst approving the Capital Programme for the period up until 2019/20 a further review of the later years of the Programme may be required. The 2016/17 Budget Strategy Report will set the context for this review.
337. Over the five years of the Capital Programme, £6.5 million in non earmarked capital receipts are assumed for the General Fund

Programme. In addition earmarked receipts of £22.6 million have been identified to offset expenditure and minimise levels of borrowing for the SOP and £19.3 million for other schemes including Central Square redevelopment. Until such receipts are actually received this remains a significant risk to the level of additional borrowing. Should there be a delay in realising the receipt or should amounts be lower than anticipated after contracts for expenditure have been let this will create unacceptable financial risks to the Council.

338. Confidence in the property market has improved as the economy has generally picked up. However, disposing of certain types of property remains challenging and remains subject to securing interest from third parties. It is, therefore, important that where a property is identified for disposal it is actually declared surplus and disposed of or demolished promptly, to 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.
339. 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 across the City with other partners. These initiatives include:
- Continuing the rationalisation of office accommodation.
 - Adoption of a new Corporate Property Strategy and the re-establishment of the Asset Management Board to provide corporate awareness of all property related initiatives across the council.
 - Consultations on a review of community buildings across the City under the auspices of the Stepping Up In Cardiff initiative.
 - Concluding a review of the non-operational investment property estate to rationalise the estate, re-investing proceeds in modernising this estate.
 - Taking forward Community Asset Transfer projects.
 - Transferring sites identified as suitable to be included in the HPP for new build housing from the General Fund to the HRA, subject to determining a transparent value.
340. 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 accurately determined. To do otherwise will put additional pressure on the Council's borrowing requirement and future revenue budget pressures. Having taken account of these risks the Capital Programme for 2015/16 includes £2.5 million in respect of additional capital receipts against the £4.821 million in principle capitalisation direction that was received from WG at the end of January and progress realising this sum will be monitored by the Asset Management Board.

Capital Programme 2015/16 – 2019/20

341. 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. The Month 9 Budget Monitoring report identified a significant amount of projected slippage in relation to 2014/15. Whilst acknowledging that some slippage cannot be avoided directorates are regularly 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.
- Notify the finance section of slippage at an early stage.

342. The proposed Capital Programme for 2015/16 and indicative programme for 2016/17 to 2019/20 is summarised in the following table and paragraphs.

Capital Programme	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Annual Sums Expenditure	14,570	13,940	13,500	13,220	13,220
Ongoing schemes	27,969	13,902	16,227	16,597	9,924
New Capital Schemes	8,266	3,960	875	875	875
Schemes Funded by External Grants and Contributions	24,040	35,473	17,359	9,710	44,235
Invest to Save Schemes	14,163	34,748	22,251	6,697	4,867
Total General Fund	89,008	102,023	70,212	47,099	73,121
Public Housing	208,250	25,720	22,600	22,800	24,300
Total capital programme	297,258	127,743	92,812	69,899	97,421

343. Further details of the programme are shown in Appendix 18 and cover the following areas:

344. Provision for Existing Annual Sums including:

- Investment of over £23.0 million in the next five years on Disabled Facilities Grants, maintaining the significant investment that the Council has previously undertaken resulting in reduced waiting times. This is made up of contributions from the General Fund (£14.0 million) and Public Housing (£9.0 million).
- In 2015/16 and 2016/17, the £270,000 has been included for the phased withdrawal of targeted elderly grants towards improvements in their privately owned properties. Subject to agreeing a suitable scheme within set WG parameters, the Council is exploring opportunities to implement a loan scheme from WG utilising Financial

Transaction Funding available to WG of circa £1 million as an alternative source for such improvements. WG are also likely to make a further £1 million available for their existing Houses into Homes scheme. Following further clarification of the scheme and consideration of resources required to implement the scheme such proposals will be added to the Council's Capital Programme if required.

- Environmental, security and sustainability improvements to neighbourhoods of £4 million with schemes involving public realm, regeneration of community shopping centres, alleygating and conservation. 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 £20 million to improve the condition of existing Council buildings to be retained, including schools.
- 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. An additional £250,000 per annum for highways resurfacing.
- Traffic management, junction, pedestrian and cycling improvements of £6.9 million aimed at addressing strategic pressures and utilising available funds to secure external grant match funding.

345. Provision for on going schemes including:

- Existing commitments such as regeneration of the Maelfa Centre and the development of community hubs within neighbourhoods, co-locating services to provide improved service delivery and maximising the use of existing buildings £8.9 million.
- Over £6.3 million for the refurbishment of Eastern Leisure Centre.
- A capital budget of £28.5 million towards completion of land assembly, bus interchange and public realm improvements to create economic regeneration bringing new jobs, growth and other benefits to citizens, business and visitors.
- A budget of £1.6 million for Household Waste Recycling Centres to enable two large sites to be completed and upgraded.
- The Council's contribution towards the SOP and 21st Century Schools financial model of £27.6 million. In addition there are significant assumptions made about capital receipts particularly in relation to potentially surplus school sites, subject to the outcome of consultation. Accordingly they represent an enhanced financial risk to the Council's need to borrow and the affordability of the revenue budget and need to be closely monitored.
- Contribution of £1.3 million to the Vale of Glamorgan Council for the Cardiff Council to gain access to special education needs and respite places at the new Penarth campus.
- Investment of £4.6 million in modernising technology systems to join up and improve business processes and the way services are accessed and delivered.

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

- In 2016/17, an additional allocation of £985,000 has been included to meet known commitments as part of the Hubs Programme.
- Investment of £1.4 million for leisure centres, St David's Hall and New Theatre in 2015/16. Only priority works have been identified, subject to the outcome of the competitive dialogue procurement which is currently ongoing on the future management of these services. Whilst not included in the Capital Programme at this stage, additional amounts may be required in future years in respect of alternative delivery models e.g. Cardiff International Athletics Stadium.
- Further investment of £2.2 million in Whitchurch High School to allow free movement of pupils with accessibility needs.
- Investment of £2.5 million over five years for suitability and sustainability to make provision for pupils with accessibility needs and to address rising pupil numbers for schools that are not part of the 21st Century Schools programme.
- Investment of £2.4 million in 2015/16 to restrict residual waste by changing from the current 240 litre bins to smaller 140 litre bins.
- A new sum of £375,000 each year to be used as matchfunding for transport grant bids to WG and to be released only on successful matchfunding application.
- A provisional sum in 2015/16 of £2.5 million which relates to a capitalisation direction from WG. This would allow revenue costs in relation to service reform to be treated as capital subject to meeting the terms and conditions to be set out by WG.

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

- Strategic infrastructure as well as local transport schemes encouraging sustainable travel including improving bus corridors, highway junction improvements and road safety enhancements of £73.2 million.
- Vibrant and Viable Places Grants for the development of the Hub Programme and improvements to community shopping centres in Grangetown.
- Matchfunding for Greener Grangetown Scheme from Dwr Cymru, Natural Resources Wales and Landfill Communities Fund
- WG cash grant towards Band A school investment, subject to submission of detailed proposals and business cases.
- Heritage lottery and WG grant towards the restoration of Insole Court with an expected completion date of October 2015.
- Gypsy and Traveller Sites Grant for new pitches.

348. It should be noted that external grants and other contributions available for financing capital expenditure have been assumed, but are subject to bidding processes for limited funds and may change over time. Such funds are rarely confirmed or predictable in the current or future years. Where such bids for grant funding have revenue budget implications, these will need to be managed within existing revenue resources and

any bids for funding should be realistic and achievable to ensure risks to achievability and loss of grant are minimised.

349. With Council capital resources limited, the Capital Programme provides matchfunding to secure external grants for key schemes which are consistent with the Corporate Plan. It is important the Council, private sector and other public bodies work closely in order to maximise funding and expertise to deliver strategically vital as well as local schemes.

Planning Gain (Section 106) and Other Contributions

350. 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. The profile of spend is set in conjunction with directorates and has been circulated for review by directors. This is in order to ensure that the profile is realistic and achievable.

351. The following table summarises the balances of existing Section 106 and other contributions projected to be held by the Council at 31 March 2015 on a service basis, together with a planned profile of spend over future years. Due to the level of uncertainty future amounts potentially receivable in respect of Section 106 balances have not been included. It should be noted that in previous years the planned use profile of Section 106 spend has not been achieved, particularly in relation to Parks. The Parks Service has seen a reduction in design capacity due to recruitment and retention issues. To alleviate this a design framework agreement continues to be utilised which will further supplement internal capacity in 2015/16.

Services	Projected Balance at March 2015	Planned Use 2015/16	Planned Use 2016/17	Planned Use 2017/18 and beyond
	£000	£000	£000	£000
Traffic & Transportation	1,970	505	729	736
Parks	3,003	1,051	1,115	837
Strategic Planning	224	93	35	95
Schools	270	0	0	270
Libraries	12	12	0	0
Economic Development	908	290	200	418
Neighbourhood Regeneration	640	485	155	0
Other	93	5	88	0
General Fund Total	7,120	2,441	2,322	2,356
Public Housing	2,275	0	2,275	0
Total	9,395	2,441	4,597	2,356

352. 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 (£138,000); Water Play Park at Victoria Park (£308,000); Hendre Lake Park (£277,000); public open space improvements in Penylan (£379,000), Adamsdown (£268,000) and Parc Coed Y Nant (£233,000). 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.
 - Economic Development – Llanrumney Hall dilapidations, Public Realm at International Sports Village and other regeneration Initiatives.
 - Neighbourhood Regeneration – funding for community facilities including the Council’s Hubs Programme e.g. St Mellons and STAR Hubs, environmental improvements and regeneration of community shopping centres.
 - Housing – development of new affordable housing as part of HPP.
353. The Community Infrastructure Levy (CIL) regulations came into force in April 2010. CIL is a new 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 current 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.
354. 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 the 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
355. 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 LDP’s projected level of growth. It also provides an indicative cost and identifies potential funding sources to deliver the required infrastructure.
356. Public consultation on a Preliminary Draft Charging Schedule (PDCS) was undertaken during November and December 2014. This forms the first stage of implementing a Cardiff CIL, which it is anticipated will be submitted for Public Examination during summer 2015 with the intention

to be in a position to implement the CIL in early 2016. Further details can be found at www.cardiff.gov.uk/cil.

Invest to Save Schemes – Additional borrowing to be repaid from specific resources

357. The programme includes significant borrowing commitments of £82.7 million for directorate schemes. These are 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.
358. New capital schemes to be funded in this way include:
- Changing existing street lighting on strategic routes to LED lights. This is subject to business case approval and option appraisal in respect of the preferred technology. There will also be consideration of a phased approach.
 - Council investment in commercial properties in Maelfa Centre which is intended to generate a commercial rate of return.
 - Utilisation of Salix funding available for energy efficiency measures in schools and Council buildings.
359. Expenditure previously approved from additional borrowing intended to be repaid from specific resources include:
- Energy generation and saving initiatives in relation to hydropower at Radyr Weir and retrofit of suitable Council buildings for energy efficiency measures.
 - Completion of a scheme to install dimmer units on residential street lights in order to mitigate against rising energy costs as well as to reduce carbon emissions.
 - A contribution towards economic development initiatives, infrastructure and Cardiff Enterprise Zone to be repaid from sums identified in the MTFP, for which in total £15 million of capital expenditure is currently identified. The Multi-Purpose Arena project is a Council priority and is widely regarded as the next major infrastructure investment required to support Cardiff's development into one of Europe's most 'liveable' capital cities. It is the Council's intention to secure control of its preferred site before starting a procurement process and work is ongoing regarding innovative funding approaches which will minimise any Council investment. Exploring innovative funding approaches will be key to unlocking further infrastructure investment given the Council's financial position as highlighted within the MTFP section of this report.
 - The WG Schools LGBTI and additional borrowing undertaken as part of the SOP model for investment in 21st Century schools. Further details on the SOP/ 21st Century Schools model can be found from paragraphs 285 to 3303.
360. In addition to the above the approval of smaller Invest to Save schemes during the year is delegated to the Section 151 Officer and will be conditional upon a satisfactory business case. Schemes undertaken by

directorates on the basis of Invest to Save will need to repay amounts owed from existing revenue budgets irrespective of whether the level of savings or income initially expected materialise.

Public Housing

361. The proposed 2015/16 Public Housing Programme is £208.3 million. This is significantly higher than 2014/15 as it primarily includes the £188 million estimated housing finance reform settlement payment to WG. The settlement payment is expected to be treated as capital expenditure following the receipt of a capitalisation direction from WG. Other resources include the Major Repair Allowance (MRA) grant of £9.6 million, and £5 million of housing revenue reserves including an in-year revenue contribution.
362. The continuation of the MRA grant from the WG remains essential in order to sustain the improvements made by the Council to its housing stock. The aim of the future five year programme is to focus on:
- Regeneration and area improvement strategies such as environmental improvements across mixed tenure estates, external energy efficiency schemes and estate regeneration. This includes the continuation of schemes at Trowbridge Mawr and Hodges Square and the conversion of 150 Thornhill Road into an older person 'independent living' accommodation.
 - Investment in the stock itself in order to maintain the Welsh Housing Quality Standard (WHQS) and to encourage tenants to accept WHQS improvements where they have not already done so. To meet the need for investment identified in the stock condition data such as roofing, rewiring, windows and doors, disabled adaptations, energy efficiency improvements such as central heating and boiler upgrades, potential cladding of high rise blocks and investment in CCTV to improve housing stock management.
 - Remodelling of existing stock to include sheltered accommodation to ensure they are fit for purpose, flexible living spaces that promote independent living.
 - New build council housing as part of the HPP using additional borrowing and planning contributions.
363. As previously indicated a number of sites will be appropriated from the General Fund into the HRA for the development of new or to improve existing housing in the City. The HPP aims to build at least 1,600 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. Following the outcome of a procurement exercise, the appointment of a development partner is targeted for September 2015.

Capital Prudential Indicators

364. The Council is required to set a number of indicators for the years 2015/16 to 2017/18 to assist in determining whether it establishes a

prudent, affordable and sustainable Capital Programme. In addition the Council has developed a local indicator which is detailed in this report for the period up to 2019/20. Some indicators are included in the Treasury Management section of this budget report, whilst those that relate to the Capital Programme are considered below. Appendix 19(a) gives further background in respect of these Prudential Indicators. It should be noted that the indicators do include the estimated impact of Housing Finance reform, planned for April 2015. As this figure is an approximation as it will be based on the interest rate as at 31 March 2015 and therefore is subject to change.

Capital Expenditure

365. The capital expenditure incurred in 2013/14 and estimates of capital expenditure for the current and future years as set out in the programme are as follows:

Capital Expenditure					
	2013/14 Actual £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m
General Fund	93	70	89	102	70
HRA	13	18	208	26	23
Total	106	88	297	128	93

366. The Capital Financing Requirement (CFR) is the Council's underlying need to borrow for a capital purpose. It represents the amount of capital expenditure the Council has historically spent but not yet paid for through capital receipts, grants and charges to the revenue account via a prudent provision for repayment of debt. Additional borrowing to fund new capital expenditure will increase the CFR, whilst the annual prudent provision for debt repayment will reduce the CFR.

367. It should be noted that in order to comply with the Council's External Auditor 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.

368. The actual CFR as at 31 March 2014 and estimates for current and future years are:

Capital Financing Requirement as at 31 March					
	2014 Actual £m	2015 Estimate £m	2016 Estimate £m	20167 Estimate £m	2018 Estimate £m
General Fund	486	401	432	453	454
Landfill – (Provision)	27	26	25	23	22
HRA	96	97	282	289	302
Total	609	524	739	765	778

369. The CFR for the General Fund will increase over the next three years due to increasing investment in the Capital Programme to be ultimately paid for by borrowing.
370. The CFR for the HRA will increase significantly in 2015/16 due to the estimated housing finance reform settlement payment to WG. Further additional borrowing towards creating new housing is planned in future years. It is important to note that any financial deficit and liabilities of the HRA are ultimately liabilities of the Council.

Incremental Impact of New Capital Investment Decisions

371. It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. This, therefore, means that increases in capital expenditure must be affordable within the projected income of the Council for the foreseeable future. Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from 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.
372. Whilst it is difficult to isolate the financial impact of 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. This is shown in the following table and is based on current gearing levels between central and local taxpayers. The calculation takes into account new schemes proposed in the budget only and excludes borrowing commitments for schemes proposed in previous budgets.
373. For the HRA it is assumed that the costs of any additional borrowing undertaken towards the HPP is offset by additional rental income from new properties.

Incremental Impact of New Capital Investment Decisions			
	2015/16 Estimate £	2016/17 Estimate £	2017/18 Estimate £
For the Band D Council Tax	0.23	1.13	1.78
Average Weekly Housing Rent	0.14	0.81	1.90

Ratio of Financing Costs to Net Revenue Budget Stream

374. An indicator of the affordability of capital investment plans is the ratio of financing costs to net revenue budget stream which identifies the trend in the cost of capital financing (excluding the running costs of schemes). Financing costs includes:

- 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.

375. For the General Fund, the net revenue stream is the amount to be met from non-specific Central Government grants and Council Tax, whilst for the HRA it is the amount to be met from subsidy and rent payers. It should be noted that these figures include a number of assumptions such as 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 from the WG. These variables have long term implications and are extremely uncertain.

Ratio of Financing Costs to Net Revenue Budget Stream						
	2013/14 Actual %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %	2017/18 Estimate %	2018/19 Estimate %
General Fund	5.87	6.10	6.30	6.46	6.77	6.70
HRA	19.26	15.95	35.01	34.42	34.48	34.45

376. The ratio for the General Fund is estimated to increase from an estimated 6.10% in 2014/15 to 6.70% in 2018/19. The HRA ratio was lower in 2014/15 as a result of additional revenue contributions towards repayment of debt. The ratio increases significantly in 2015/16 due to the estimated housing finance reform settlement payment to WG and ending of the housing subsidy system. This remains static in later years but will be dependent on the impact of the final settlement. 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.

377. Whilst the indicator above is a required ratio, it has a number of limitations. The indicator:

- 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 that are undertaken by initial borrowing ultimately to be repaid from within directorate budgets.

378. Although there may be short term implications, approved invest to save schemes such as SOP 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.

379. Accordingly additional local indicators have been developed and are shown in the table below for the period up to 2019/20. These local indicators show the ratio of capital financing costs of the Council expressed as a percentage of its controllable budget and exclude investment income:

Ratio of Capital Financing Costs expressed as percentage of Controllable Budget								
	2011/12 Actual %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %	Difference 11/12-19/20 %
Net	13.47	15.67	16.65	18.41	20.63	21.95	22.61	67.85
Gross	15.17	18.76	20.77	22.94	26.56	28.83	29.54	94.73

380. 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 as a percentage of the total base budget i.e. it represents a worse case scenario.
381. An increasing ratio indicates that a greater percentage 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 ratios are revised taking into account the significant level of savings having to be found in 2015/16 and a prolonged period of austerity thereafter.
382. In previous years this local indicator made assumptions around additional borrowing for new schemes in future years which were not included in the Capital Programme that was being set. However given the financial challenge ahead no assumption of additional borrowing has been included above on the basis of affordability. However the indicator still shows a worsening position and key factors contributing to this increase include assumptions around the level of WG funding, amount of supported schools' growth and rate of council tax increases. These matters will need to be returned to when the Budget Strategy report is considered in July and it should be noted that approval of any additional capital schemes would negatively impact on the indicator.
383. As set out earlier, this report reviews the Council's financial position across the life of the Medium Term Financial Plan 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, therefore

whilst approving the Capital Programme for the period up until 2019/20 Cabinet should be aware that the later years of the Programme, together with the entering into 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

384. 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 plans and for the prudent management of its financial affairs.
385. The Council carries out its treasury management activities in accordance with the revised 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.
386. 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.
387. 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

388. 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.
389. 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. The practices were last updated in April 2014 following a review by Internal Audit and Audit Committee.
390. 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 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. Responsibility for treasury decisions ultimately remains with the Council.

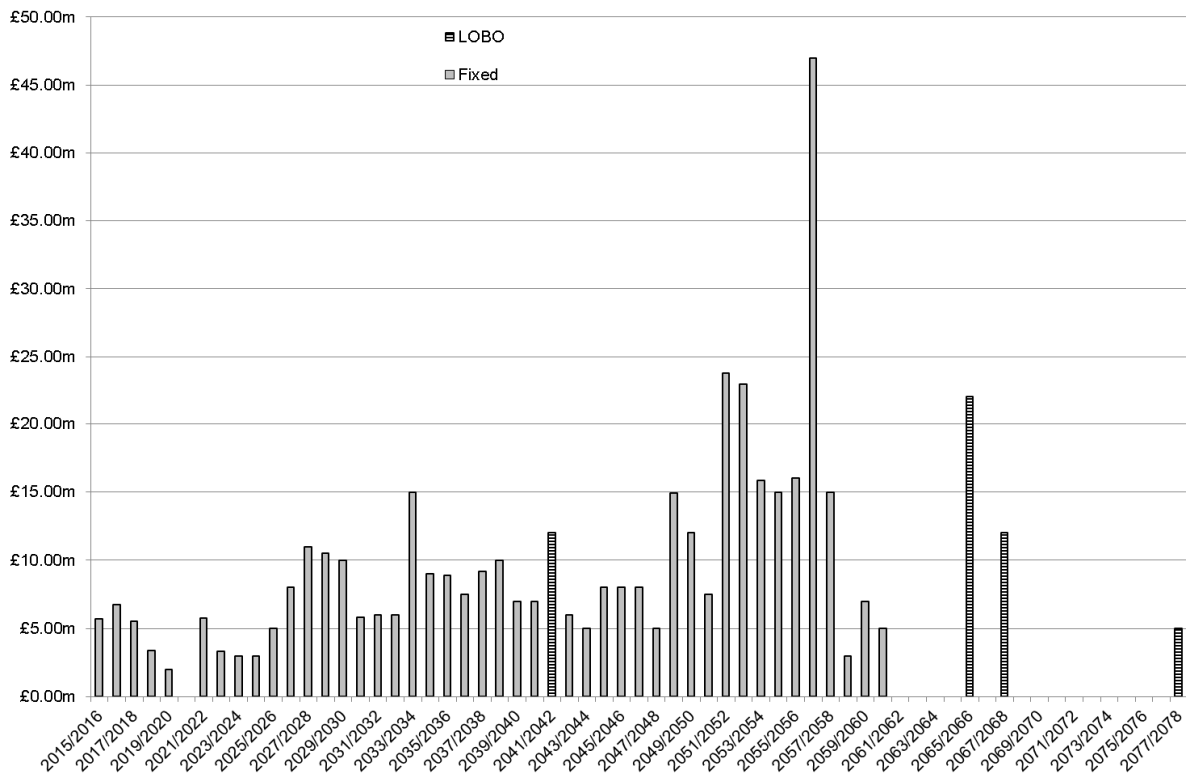
391. The following paragraphs set out the integrated strategy for borrowing and investments for 2015/16. The strategy covers:
- The current treasury position.
 - Economic background and prospects for interest rates.
 - Borrowing, including:-
 - Policy
 - Annual Minimum Revenue Provision (MRP) Policy Statement
 - Housing Finance Reform Settlement Amount (Self Financing Buyout) and Treasury Management Implications
 - Council borrowing requirement and choice between internal and external borrowing and
 - Borrowing Strategy
 - Treasury management indicators and limits for 2015/16 to 2017/18
 - Investment Policy and Strategy, including security and investments approved for use.
 - Training.
392. The proposed strategy is based on information known at the time of writing this report. Significant changes are to occur in 2015/16 in relation to additional borrowing, circa £188 million, required to meet obligations of Housing Finance Reform. Whilst the principle of Housing Finance Reform has been agreed, the settlement value and interest implications are to be confirmed by Welsh Government and the Treasury and subject to interest rates at 31 March 2015. Any changes will be reported in future scheduled reports to Council, Cabinet and Audit Committee on Treasury Management during the course of the year.

The Treasury Position

393. The treasury position as at 31 December 2014 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	423.7	5.35
- Market Loans	52.0	4.10
- Other	0.4	0.00
Total Debt	476.1	5.21
Treasury Investments	70.9	0.66

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



395. It should be noted that £24 million of the Lender Option Borrower Option loans (LOBOs) are currently subject to the lender potentially requesting a change in the rate of interest payable every six months, with a further £22 million having its five year call option which could trigger early repayment and possible need to borrow to refinance in 2015/16.

Lender Option Borrower Option (LOBO) Loans			
Potential Next Repayment Date	Loan Value £m	Option Frequency Every	Full Term Maturity Date
01/03/2015	6	6 months	23/05/2067
21/05/2015	6	6 months	21/11/2041
21/05/2015	6	6 months	21/11/2041
21/05/2015	6	6 months	23/05/2067
21/11/2015	22	5 years	23/11/2065
05/01/2018	5	5 years	17/01/2078

396. 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

397. The following table gives the Council's treasury management advisors 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 is sustained and robust UK growth, employment and inflation expectations.

	January 2015	March 2015	March 2016	March 2017	March 2018
Bank Rate	0.50%	0.50%	0.75%	1.25%	2.00%
5yr PWLB rate	2.00%	2.10%	2.60%	3.10%	3.50%
10yr PWLB rate	2.50%	2.70%	3.30%	3.70%	4.10%
25yr PWLB rate	3.20%	3.30%	3.90%	4.40%	4.70%
50yr PWLB rate	3.20%	3.30%	3.90%	4.40%	4.70%

Forecast at 12 February 2015

398. Whilst sentiment in financial markets improved considerably during 2014, geopolitical events, political changes given the forthcoming UK general election and resurfacing of concerns of EU member states indebtedness are concerns. Growth in the UK economy has strengthened, inflation has fallen and credit conditions remain eased primarily due to the Funding for Lending Scheme. However there are concerns that any recovery based mainly on consumer spending and the housing market may not be sustainable.
399. The bank rate, which is unchanged since March 2009, is currently forecast to rise towards the end of 2015. Future borrowing costs are forecast to rise as a result of higher levels of UK Government borrowing and any reversal in quantitative easing undertaken by the Bank of England in the UK resulting in higher longer term revenue budget costs for the Council.

Borrowing

Policy

400. Borrowing has long-term financial consequences and risks, with decisions taken many years ago impacting currently and in the future. The costs of servicing borrowing is included in the Council's capital financing revenue budgets.
401. Borrowing is 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.
402. The Council's borrowing strategy for 2015/16 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.

- Meeting the Council's commitment to Housing Finance Reform by paying a settlement amount to WG
 - 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 and consistent with the prudent provision for the repayment of any such expenditure paid for by borrowing.
403. 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

404. Capital expenditure is budgeted expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery. Such expenditure is spread over several years so as to try to match the benefits such assets provide over their useful life. The manner of spreading these costs over years is through an annual charge to the Council's revenue account known as MRP. The level of the MRP is determined using WG guidance and the judgement of the Section 151 Officer.
405. The WG requires that: - "A local authority must calculate for the current financial year an amount of MRP which it considers to be prudent." 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.
406. 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. This is in excess of the WG minimum of 4%, and will continue to be reviewed for ongoing affordability.
 - HRA supported borrowing prior to self financing on 1 April 2015 is to be provided for at 2% on a reducing balance basis. MRP on the housing settlement payment to be made in 2015/16 is to be at 2% straight line basis as a minimum.
 - Additional borrowing for a general increase in investment 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, SOP 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 Local Government Borrowing Initiative (LGBI).
- Revenue Provision in excess of minimum requirements can be made subject to affordability and following advice of the S151 officer. Where any additional voluntary revenue provision has been made from 2015/16 onwards, the Council may make an appropriate reduction in later years' levels of MRP after consideration of prudence and affordability.
- 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.

Housing Finance Reform Settlement Amount (Self Financing Buyout)

407. Currently, all eleven Welsh landlord authorities operate within a centralised HRA Subsidy system which is complex, out dated and where a “negative subsidy” is paid to the UK Treasury each year, circa £73.1 million. Cardiff’s share of this is £14.9 million (20.4%) based on 2013/14 audited figures.
408. The UK and WG have reached an agreement that will allow Wales and the 11 Councils to leave the Subsidy system through a one off loan settlement payment to HM Treasury. This is to be based on an agreed interest figure of £40 million using PWLB rates applicable on 31 March 2015.
409. The overriding principle of subsidy reform is that no Welsh Authority will be worse off under the new Self Financing arrangements. The new arrangements will mean that from April 2015, the City of Cardiff Council will no longer have to pay a negative subsidy. Instead it will make a single one off settlement payment as a “buy out” to the UK Treasury on 2 April 2015.
410. Based on the current proposal by Welsh Government and HM Treasury, the all Wales settlement payment could be £919 million with Cardiff’s share of this total settlement figure at 20.4% being circa £188 million and circa £8.15 million in interest, subject to actual interest rates on 31 March 2015 and maturity profile of loans taken.
411. The agreement imposes a limit of indebtedness for each authority on HRA borrowing in accordance with the requirements of HM Treasury. This has been accepted by the Council in accordance with a Voluntary Agreement signed in January 2015.
412. The move to self financing offers the opportunity for authorities to use their role as a landlord to help achieve their wider priorities and ambitions

within the context of the ring-fenced HRA. These could include economic regeneration, improving health and well being, improving community safety and helping vulnerable people to live independently in the community. It will mean councils will retain all revenue and capital income and become responsible for financing their landlord services and housing investment from their income. English Authorities moved to self financing in April 2012.

413. Previous reports to Cabinet and Council during 2014/15 have provided members with information on housing reform including the treasury management implications. Council approved a delegation to officers in consultation with the Cabinet Members for Health, Housing and Wellbeing and for Corporate Services and Performance to conclude the appropriate detail within the voluntary agreement and sign on behalf of the Council.
414. In order to make the proposed settlement payment to HM Treasury, a basket of loans from the PWLB will be required to be undertaken by the Council at various maturities on 2 April 2015. It is proposed that these loans would be a spread of loan maturities, having consideration of existing Council loan maturities, as shown in the previous borrowing maturity chart, to ensure re-financing risk is not increased. This would also allow benefit from reduced interest costs as loans mature.
415. Whilst the settlement payment is fixed, HM Treasury will set the interest rate for the loans which local authorities are required to borrow on the 31 March 2015, to ensure that any settlement is fiscally neutral to the Treasury. Whilst this does currently include an element of risk in relation to fluctuation in interest rates, Welsh Government and HM Treasury are considering options to mitigate such risks at the request of local authorities.
416. The Council has included prudent assumptions for capital financing, to ensure any such changes in settlement amount and costs for HRA recharges of Capital financing costs can be accommodated and are affordable.
417. The estimated financial impact in the initial year of self financing for the HRA is shown in the table below and is deemed affordable. With interest costs reducing over time, the financial benefit will increase.

Estimated net benefit to Housing Revenue Account of proposed settlement	£m
Subsidy no longer paid over to WG (13/14 data)	(14.9)
Maximum interest cost on loans	8.2
Assumed Provision for debt repayment	5.0
Net benefit to Housing Revenue Account	1.7

418. As mentioned earlier in the report, HM Treasury has insisted that the local authorities adhere to a limit to indebtedness i.e. a debt ceiling. This is measured using the Housing Capital Financing Requirement (CFR). The Council will use existing prudential indicators to monitor the limit closely to ensure there is no breach and risk of any penalties from WG of any breach. Based on the estimated settlement amount, the HRA limit to indebtedness is £318 million as shown in the table below:-

HRA Capital Financing Requirement	£m
Estimated 31.03.2015	97
Add estimated settlement amount	188
Add headroom for new build	33
Estimated limit to indebtedness (subject to final settlement amount)	318

419. In determining the approach to managing the Council's debt, consideration has to be 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 integrated single strategy and loans pool. In determining the approach to managing the Council's debt, the Council has also sought advice from its treasury management advisors and considered guidance from CIPFA.
420. Local authorities are required to deliver a solution that is broadly equitable between the HRA and the Council Fund; and future charges to the HRA in relation to borrowing are not influenced by Council Fund decisions, giving a greater degree of independence, certainty and control. However it is a local authority's choice as to how it treats both HRA and General Fund debt.
421. Whilst there are advantages and disadvantages of various options, the initial view of the Section 151 Officer is to maintain a single pool for all Council debt. The reasoning for this includes consideration of the following:-
- One pool is consistent with the pooling of treasury management activities for effective management of risk and control
 - The Council 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 authority in accordance with the Local Government Act 2003.
 - Loans are not taken out for specific purposes in accordance with good treasury management practice.
 - The Section 151 Officer is ultimately responsible for all Council debt, including that funding HRA capital expenditure.
 - 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
 - This 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 are taken with regard to existing debt maturity profile to smooth the historic debt maturity profile to minimise overall re-financing risk to 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 / cost to GF.
- 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 GF. In addition the HRA can secure a long term, stable portfolio.

Council's Borrowing Requirement

422. The following table compares the projected level of external borrowing currently held by the Council, taking into account any scheduled loan repayments and committed new borrowing arising from Housing reform. It compares this to the projected CFR** based on current, known estimates of the Council's capital expenditure plans, subject to approval of the Council's budget in February 2015. The difference between the projected CFR in 2017/18 (£756 million) and the level of external borrowing after any planned repayments and borrowing required to be undertaken for self financing (£640 million) is £116 million, i.e. there will be a requirement for additional borrowing over the medium term.

423. 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 it is not borrowing in advance of need.

Gross Debt compared to Capital Financing Requirement					
	2013/14 Actual £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m
External Borrowing at 1 April	455	473	470	653	646
New borrowing undertaken	20	5			
Housing Settlement commitment			188		
Scheduled repayments	(2)	(8)	(5)	(7)	(6)
External Borrowing at 31 March	473	470	653	646	640
Capital Financing Requirement **	485	498	714	742	756
Under / (Over) borrowing	12	28	61	96	116

** The definition of the CFR in accordance with the current Prudential Code for Capital Finance in local authorities is 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 or charges to the revenue account. 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.

External versus Internal borrowing

424. 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 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.
425. 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 use the Council makes of General and Earmarked Reserves and longer term pressures in the MTFP.

Borrowing Strategy

426. Whilst investment rates remain lower than long term borrowing rates internal borrowing will be used to minimise short-term costs where possible. The forecast level of internal borrowing at 31 March 2015 as a percentage of 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.
427. Any 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.
428. 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 relatively cheap. 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.
429. 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.
430. Borrowing for the payment of the settlement amount for Housing finance reform buy out will be undertaken on 2 April 2015 in accordance with the

agreement with HM Treasury and WG. This will be a basket of loans, with a spread of maturities over time having regard to existing Council debt maturities and resulting in reducing interest cost to the Council over time.

Treasury Management Indicators and limits for 2015/16 – 2017/18

431. The Council is required to set its treasury management indicators for the years 2015/16 - 2017/18. Appendix 19(a) gives further background in respect of the Prudential Indicators While Appendix 19(b) describes general financial terms.
432. The Council must determine 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.
433. 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 2014/15 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

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m
Limit for external borrowing and other long-term liabilities	593	781	781	781

434. These limits are consistent with known commitments, existing plans and proposals contained within the budget for capital expenditure, financing and revised accounting requirements. They include landfill provision and are 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 has been set at a constant level of £781 million for 2015/16 to 2017/18, with the main reason for the increase from 2014/15 being the housing settlement payment required to be paid to the WG.

Operational boundary for external debt

435. The proposed operational boundary for external debt (excluding landfill) is based on the same estimates as the authorised limit, but without the additional headroom for unusual and unexpected cash movements. It is set at the projected level of external debt at the end of the year this being

the level of anticipated CFR. This is clearly subject to the timing of borrowing decisions.

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m
Boundary for external borrowing and other long-term liabilities	470	714	742	756

436. The Council's actual external debt represented by borrowing at 31 March 2014 was £473 million, with no significant other long-term liabilities.

Limits for fixed and variable interest rate exposure

437. 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.

	2014/15 %	2015/16 %	2016/17 %	2017/18 %
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

438. 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 actual maturity profile of existing borrowing is included on the assumption that loans run to their final maturity and a separate column is also included to show the maturity profile should the Council be required to repay its LOBOs early.

Maturity structure of borrowing in 2015/16	Upper limit	Lower limit	Actual to Maturity	Actual if LOBOs Repaid Early
	%	%	%	%
Under 12 months	10	0	0.83	7.47
12 months and within 24 months	10	0	0.97	0.97
24 months and within 5 years	15	0	4.18	4.90
5 years and within 10 years	20	0	7.24	7.24
10 years and within 20 years	30	0	20.41	20.41
20 years and within 30 years	35	0	20.30	18.57
30 years and within 40 years	35	0	23.54	23.54
40 years and within 50 years	35	0	16.90	16.90
50 years and within 60 years	15	0	4.91	0
60 years and within 70 years	5	0	0.72	0

Investments

Policy

439. 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).
440. 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

441. 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.

442. 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

443. 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
Term deposit with Financial institutions in accordance with the Council's Local Authority Mortgage Scheme	Long Term A / Short Term F1	Budget approved limit for scheme	5 years
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

444. 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.

Security

445. 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. Changes in the criteria and decisions with whom to invest are delegated to the Section 151 Officer. Commercial organisations (counterparties) on its approved list (See Appendix 20) 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.

446. 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

447. For internally managed funds the maximum limit for direct investment in any one group of related companies is £15 million.
448. 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.
449. 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.
450. 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

451. 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

452. 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.
453. 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.
454. The investment strategy for 2015/16 will continue to adapt to changing circumstances and market sentiment, with a pragmatic approach taken. Credit criteria changes 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

455. 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.
456. The Council's Audit Committee Members who are responsible for scrutiny of treasury management activities have also been provided with training in order to support their role.

Budgetary Framework

457. 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 below.

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

458. 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.

459. 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

460. To enable the Cabinet to recommend to Council approval of:

- The Revenue and Capital Budget and to set the Council Tax for 2015/16.
- The budget for the Housing Revenue Account.
- The Treasury Management Strategy.
- The Prudential Code for Borrowing indicators for 2015/16 – 2017/18.
- The Capital Programme for 2015/16 and 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 2015/16.

461. To enable the Cabinet to :

- Approve the level of fees and charges for Council goods and services for 2015/16.
- Approve the level of rent and charges for 2015/16 in respect of Council houses, garages and other service charges.
- To note the financial challenges facing the Council as set out in the Medium Term Financial Plan
- To note the opportunities for savings over the medium term, both identified separately and as part of themes within this Report.

- To approve the Libraries Strategy

HR Implications

462. The final proposed budgetary position of the Council as outlined in this report represents a necessary response to the £41.151 million budget deficit. This level of budget deficit will mean that the Council will need to continue to make major cuts each year for the foreseeable future which will inevitably impact of the workforce. Appendix 9 (a) highlights the Employee Implications of the Budget proposals. This shows that there will be a net reduction of 586.48 full time equivalent (fte) posts overall to meet the required level of budgetary saving, via a combination of deletion of vacant posts, redeployment, voluntary severance, potential TUPE transfers and those yet to be determined.
463. Details of restructures are not yet finalised in many areas and this has resulted in 219.40 FTE post reductions yet to be determined at this stage. The figure relating to potential TUPE transfers is mainly in respect of leisure centres and is a potential impact only at this stage until the outcome of the procurement process is known. Additionally, reference is also included to a review of the Council's management structure to deliver savings of £650,000 and an efficiency saving in respect of external spending on training across all directorates to achieve £150,000.
464. The Council has in place a range of mechanisms designed to support the people implications of the Council's budget proposals. In addition to redeployment, other mechanisms include use of flexible working policies e.g. secondment policy, sabbatical leave policy and access to skills realignment through Cardiff Council Academy and Trade Union Learning Representatives (TULR). Access to skills training through the Academy and TULRs will 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.
465. The Council will continue to explore corporate bumping whereby employees on redeployment can be saved from compulsory redundancy by allowing an employee who wishes to take Voluntary Severance to exit - the redeployee would then be redeployed into the resultant vacancy. This process must be redeployee driven. It is recognised that those on redeployment due to budget proposals are a talent pool and are therefore valuable to the organisation and should those staff wish to remain we should do what we can to support this. However, expectations will need to be managed as it will not be possible to apply corporate bumping in all situations.
466. As the level of headcount reduction proposed and predicted for the future continues to be high, the Council will need to accelerate the development of new organisational operating models of delivering key services. Additionally, an increased focus on maximising external income and identifying alternative funding streams, identifying and progressing opportunities to work in collaboration with others and reducing management costs and back office functions and by working smarter will

need to be maintained. It will be important that the implications for staff of future operating models continue to be subject to full consultation with Trade Unions.

467. The Trade Unions have been consulted throughout the budget planning process and their comments have been considered. They will continue to be involved in all the proposals which impact on staff, whether this is Voluntary Severance, deletion of occupied posts, more widescale restructuring and /or exploration of alternative service delivery models.
468. Whilst the current Workforce Package will remain in place until 31 March 2015, more recent discussions with the Trade Unions have concluded that a longer term, sustainable approach needs to be in place in relation to any future savings related to the Council's workforce. Although the Trade Unions reinforced their position that they are not prepared to negotiate detrimental changes to terms and conditions of employment for their members, discussions with the Trade Unions have however resulted in a better, shared understanding of the current financial position and a willingness by both sides to work in partnership in order to achieve any future changes required. This approach was set out in the Partnership for Change report, considered by Cabinet on 26 January 2015 which outlined a collaborative approach to address a programme of reform and will prepare the way for continued negotiations between the Council and trade unions to conclude by 31 July 2015.
469. The same report also confirmed that the planning assumption of £5.75 million would be found by a combination of measures which the Trade Unions agreed to work with the Council towards achieving. These measures included a Revised Voluntary Severance scheme (approved by Cabinet on 26 January 2015), reduction in amount of Agency Spend, Reduction in amount of Discretionary Overtime, Management De-layering and promotion of Voluntary schemes including a new Purchasing of Additional Annual Leave Scheme. Arrangements will need to be put in place to ensure that these mechanisms deliver the required savings and proposals for Purchasing Annual Leave will be brought forward in due course.

Legal Implications

470. The report sets out certain duties and constraints in connection with the subject matter of this report, such as those in relation to setting a balanced budget. 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

471. Under the Local Government Finance Act 1992 (as amended) the Council is required to make certain calculations for its budget requirement for each financial year. The Cabinet has specific responsibility for:

- The preparation for submission to the Council for their consideration estimates of the amounts to be aggregated in making the calculation or of other amounts to be used for the purposes of the calculation.
- The reconsideration of those estimates and amounts in accordance with the Council's requirements.
- The submission for the Council's consideration of revised estimates and amounts.

472. In doing so the Cabinet must have regard to the following statutory framework and guidance:

- The Local Government Finance Act 1992, which requires the Council to calculate (inter alia) the aggregate of:
 - The expenditure which the Authority estimates it will incur in the year in performing its functions and will charge to a revenue account for the year;
 - Such allowances the Authority estimates will be appropriate for contingencies in relation to expenditure to be charged to a revenue account for the year.
 - The financial reserves which the Authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure; and
 - Such financial reserves as are sufficient to meet so much of the amount estimated by the Authority to be a revenue account deficit for earlier financial years as has not already been provided for.
- As the billing authority it is the Council's duty to calculate the Council Tax for each financial year and the Authority is required under section 30(6) of the 1992 Act to make that assessment by 11 March in the financial year preceding that for which the tax is set. A failure to comply with the time limit may leave the Authority open to challenge by way of judicial review.
- The Local Government Act 2003, which 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). Section 25 of the 2003 Act requires the Council's Section 151 Officer to make a report to the Authority when it is considering its budget and Council Tax. The Report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals so that Members will have authoritative advice available to them when they make their decision. Members are required to have regard to the report in making their decisions.

- The Local Government & Housing Act 1989 Part VI. The Authority 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 Authority 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 Authority is able to comply with its duty to prevent a debit balance arising on the HRA.
- The Local Authorities Executive Arrangements (Functions and Responsibilities) (Wales) Regulations 2007. The adoption of a final strategy for the control of the Authority's borrowing or capital expenditure is a matter for the Council and is not a Cabinet function. The Cabinet may make recommendations but the decision is to be made by full Council.

Equality Duty

473. The Council has to satisfy its public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions 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.
474. 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
475. As has been mentioned elsewhere in the report this duty necessarily involves, in relation to many of the savings proposals, the need to undertake Equality Impact Assessments 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.

476. 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 for this report.
477. 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

478. 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 2015/16. 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 2015/16 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.
479. 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

480. 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.
481. 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 (ie the power is limited to cost recovery).
482. In relation to activities which are subject to authorisation (eg licences) then the Provision of Services Regulations prevents recovery of charges in excess of the cost of the procedures and formalities under the scheme of authorisation and must also be reasonable and proportionate.
483. 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". If it is, then it is necessary to identify the powers for doing so as

otherwise it would be necessary to develop a business case and establish an arms' length company to undertake that activity in accordance with section 95 Local Government Act 2003.

Consultation

484. Duties to consult certain stakeholders in respect of proposals may arise from a number of different sources.
485. As set out in the report, the Authority has engaged in consultations as part of the 2015/16 budget process as set out earlier in the report under the heading "Consultation and Engagement".
486. The decision maker 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. The decision maker should therefore consider the results of the consultation as set out in Appendix 1(a).

General

487. All decisions taken by or on behalf of the Authority must:
- Be within the legal powers of the Authority and of the body or person exercising powers on behalf of the Authority.
 - Comply with any procedural requirement imposed by law.
 - Be undertaken in accordance with procedural requirements imposed by the Authority e.g. Authority 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 Authority'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 Authority 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

488. The financial implications are written within the content of this report while the following paragraphs summarise the significant points and related financial matters. The financial outlook over the medium term is a matter of 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.
489. The budget for 2015/16 has been compiled against the backdrop of continued financial restraint with recognition from many expert commentators that the UK's period of austerity is likely to last until the end of the decade. The details included in the Final Local Government

Revenue Settlement announced in December 2014 confirmed that for the second year running Cardiff has suffered an absolute reduction in the level of RSG received. For 2015/16 this amounted to a cash reduction of £12.516 million.

490. The Cabinet in its budget strategy and subsequent budget proposal has been conscious of the impact its proposal is likely to have on the citizens and communities of Cardiff. The specific budget proposals have been subject to an extensive period of public scrutiny lasting for seven 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 priorities in the draft Corporate Plan of:

- Education and skills for people of all ages
- Supporting vulnerable people
- Sustainable economic development
- Working with people and partners to design, deliver and improve services

491. The budget proposals set out in this report will result in significant operational and financial challenges as evidenced by the risk assessment exercise. The progress 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.

492. Particular challenges for 2015/16 and in the medium term were identified through this exercise and are set out in paragraph 76 and 77 in the report with the most significant being:

- Necessity to deliver budgeted savings from service redesign and other change proposals that are not currently defined but also during a period when the Council's headcount is being significantly reduced.
- The need to build capacity within the community to support the empowerment of communities to take greater responsibility for the delivery of services.
- 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 TUPE implications.
- The risk of WG levying fines if the Council fails to realise recycling or landfill diversion rates.
- Continuing demographic demand for social care services if trendlines vary significantly from the anticipated position.
- The level of additional borrowing undertaken in previous years and that proposed will require more revenue resources to be used for capital financing in future years.

493. The budget process has been rigorous and robust and has utilised the expertise of officers in directorates across the Council. In particular an additional due diligence exercise was undertaken as part of the Council's enhanced approach to the management of budget risk.

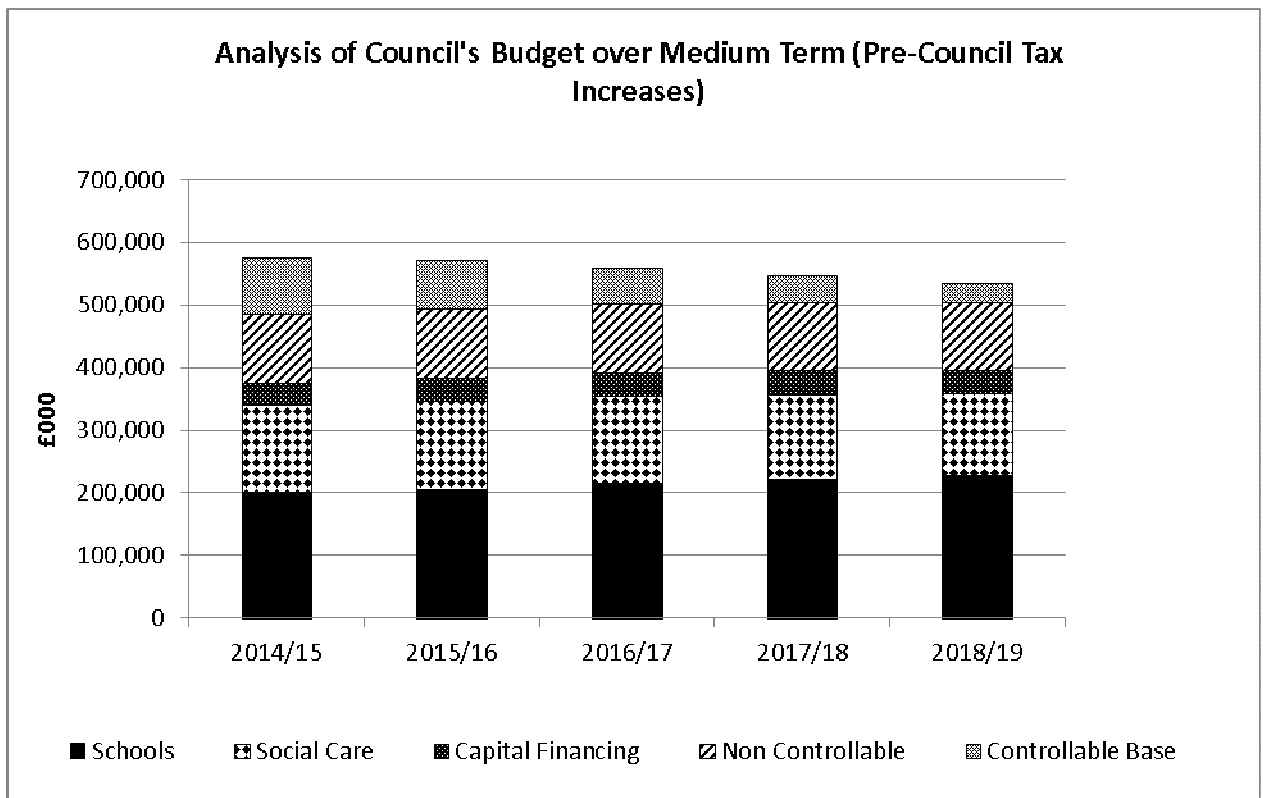
494. In formulating their budget, the Cabinet must come to a balanced judgement between the need to provide for services and the financial impact of the cost of those service needs on Council Tax payers. In coming to this judgement and as a result of the impact of the WG's financial settlements, the Council has reduced its budget by £123 million between 2011/12 and 2015/16.
495. In summary, the revenue budget proposal includes:
- Savings of 29.9 million from directorate proposals, £3.4 million from corporate efficiencies together with £2.5 million from the use of a capitalisation directive. These amount to total savings of £35.8 million.
 - Continuation of the General Contingency of £4 million to mitigate the achievability risks associated with the level of the savings to be delivered.
 - Continuation of the Specific Issue Contingencies of £3.815 million in respect of Children's Services £950,000, the MRF £350,000 and £2.515 million to recognise the difficulty of predicting Waste Disposal tonnages.
 - Increases to the Children's Services, Education & Lifelong Learning and Health & Social Care Directorate budgets are greater than the savings taken from these directorates evidencing the Council's Corporate Plan priorities.
 - The use of £1 million from reserves to support the budget based on a review of the Council's Balance Sheet.
 - Estimated reduction of 588.48 fte posts with the creation of 2.0 fte posts.
 - A Council Tax increase of 5% resulting in a Band D charge of £1022.46.
 - Increase in the Schools Budget amounting to £6.573 million which represents an increase of 3.2% in the funding for schools from the Council's General Fund Resources.
496. Within the budget proposals there are a number of initiatives that require option appraisal, complex procurements 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.
497. The financial challenges ahead are such that regular reports highlighting the financial standing and resilience of the Council will be prepared in order to raise members overall awareness of financial matters. Overall 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 need to be considered.
498. The level of School Balances is a concern with a negative balance of £4 million currently predicted as at 31 March 2015. A number of significant deficits are being carried by a minority of secondary schools and this, in

conjunction with the accelerated use of reserves by primary schools has led to this position. This will require firm action and engagement by Council officers with schools in order to achieve an improved situation. Going forward schools will need to ensure that spending plans are in alignment with their budget and that deficit balances are avoided or reduced.

499. The Medium Term Financial Plan set out in paragraphs 196 to 266 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, use of reserves and increases in the rate of Council Tax. The following table demonstrates the funding gaps forecast to 2018/19 using sensitivity analysis to demonstrate a further potential adverse position.

Medium Term Financial Plan	2016/17	2017/18	2018/19	Total
	£000	£000	£000	£000
Base Case	50,112	36,576	32,009	118,697
Worse Case	59,129	46,625	41,726	147,489

500. Either of the above scenarios will have serious consequences for service delivery and of particular and immediate concern is the Budget Reduction Requirement of circa £118 million over the next three years as set out in the Base Case above. In reality this position is even more complex because of the significant level of protected areas within the Council's budget which results in other areas taking disproportionate cuts. This is shown clearly in the following table and demonstrates that changes to the shape of the Council are now necessary.



501. Notwithstanding the above, the severity of the financial climate in Welsh Local Government has now reached a position where it is no longer feasible to focus on a three year forward period without considering the likely impacts beyond that timeframe. This is because the cumulative impact of decisions taken now 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.
502. Work has continued since the July 2014 Budget Strategy report in respect of the Council's response to the financial challenges across the medium term. Potential opportunities have been developed against a number of themes in relation to the delivery of services and although these identify only a partial solution to the Budget Reduction Requirement they highlight an overall direction of travel for the Council. 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.
503. 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 weekly increase in housing rents of £3.83 (2.7%) is in line with the WG's guideline figure.
504. The report has set out in paragraphs 407 to 421 the details of the Housing Finance Reform Settlement and the overriding principle of the self financing arrangements that no Welsh Authority will be worse off. The estimated net benefit to the Housing Revenue Account of the proposed settlement has been identified, however it should be noted that the final position will be dependent upon interest rates at the end of March 2015. The Public Housing Capital Programme for 2015/16

includes the estimated settlement payment to Welsh Government of £188 million as this is treated as capital expenditure.

505. The Consolidated Financial Model for the SOP brings together the projected capital expenditure and funding schedule over the life of the model. The plan is designed to be self-funding and the projects are included within the Council's Capital Programme but the resultant significant financial exposure for the Council demands that close monitoring of the key risks is continued and issues escalated where required.
506. The inclusion of schemes in the Capital Programme have been profiled in accordance with technical advice relating to regulatory processes, timetables, expectation of receipt of grants and workflow priorities. Historically the Council has experienced significant slippage of capital schemes which has prompted adverse comments from the Council's External Auditor. Capital scheme sponsors have been reminded of the importance of robust profiling in order that capital plans can be achieved as expected. Nevertheless, with such an extensive programme there is a residual risk that expenditure will slip between years and so any consequential impact on the programme will be addressed through the monitoring process during 2015/16.
507. Resources to finance the General Fund Capital Programme between 2015/16 and 2019/20 include non-earmarked capital receipts to be achieved of £6.5 million of which £2.5 million in 2015/16 is in respect of an in-principle approval of a Capitalisation Direction in respect of service reform and statutory redundancy costs. Additional borrowing of £132 million is also required to resource the programme which will need to be closely monitored and is made up of:

Additional borrowing	£m
To support estimated slippage from 2014/15	15.1
Capital Programme 2015/16 approved in February 2014	20.8
Finance for new schemes approved in February 2015	13.4
Invest to save	82.7
Total	132.0

508. Particular attention needs to be given to the medium and long term impact of additional borrowing on the Council's revenue budget. Accordingly, local affordability indicators have been developed to track the impact of decisions in the medium term although this is also affected by reductions in the level of RSG received. It should be noted that whilst approving the Capital Programme for the period up to 2019/20 Cabinet should be aware that the later years of the Programme, together with the entering into of material commitments in respect of these later years, will be subject to an ongoing review of the Council's financial standing and resilience.
509. 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 budget positions. Compliance with financial rules and governance requirements will continue to be monitored and reported regularly as part of performance management arrangements.

510. In concluding the financial implications of this Budget Report and in recognition of the serious financial challenge facing the Council, I would bring the following statement to members' attention.

“As set out in the July Budget Strategy Report it is important to reiterate the materiality of the service choices ahead of the Council. In particular, anything other than a radical reduction and reset of the Council's services will over the life of the MTFP term lead to financial resilience issues for the Council. Against this backdrop members will need to consider whether the choices made to date and planned for the future are commensurate with the scale of the financial challenge over the medium term. Cabinet will need to consider these choices again as part of the 2016/17 Budget Strategy Report in July 2015. As well as highlighting the financial challenges in the medium term, the role of the Section 151 Officer is to advise members if the Council risks setting an unbalanced budget. I do not consider this to be the case in 2015/16”.

Cabinet Consideration

511. The Cabinet considered the budget proposals on 19 February 2015 and 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 resolved that:
- 1.0 the changes to fees and charges as set out in Appendix 10 to this report be approved.
 - 2.0 authority be delegated 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.
 - 3.0 the rents of all Housing Revenue Account dwellings (including hostels and garages) be increased in line with the WG guideline.
 - 4.0 all service charges and the management fee for leaseholders as set out in Appendix 10(b) be approved.
 - 5.0 all Housing Revenue Account rent increases take effect from 6 April 2015.
 - 6.0 the strategy in respect of the future provision of Library Services in Cardiff be agreed.
 - 7.0 the financial challenges facing the Council as set out in the Medium Term Financial Plan be recognised and the opportunities for savings over the

medium term, both identified separately and as part of themes within this Report be noted.

CABINET PROPOSAL

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 5% as set out in this report and that the Council resolve the following terms:

2.0 Note that at its meeting on 11 December 2014 the Council calculated the following amounts for the year 2015/16 in accordance with the regulations made under Section 33(5) of the Local Government Finance Act 1992:-

a) 139,500 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	2,332
Pentyrch	3,140
Radyr	3,635
St. Fagans	1,200
Old St. Mellons	1,257
Tongwynlais	806

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 2015/16 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 £290,300) £1,028,091,300

b) Aggregate of the amounts which the Council estimates for items set out in Section 32(3)(a) and (c) £461,364,000

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. £566,727,300

- 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.

£424,104,261

- 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.

£1,024.54

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

£290,300

- 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.

£1,022.46

- 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	1,037.04
Pentyrch	1,049.53
Radyr	1,052.17
St. Fagans	1,037.46
Old St. Mellons	1,043.38
Tongwynlais	1,046.03

- 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	691.36	806.59	921.81	1,037.04	1,267.49	1,497.95	1,728.40	2,074.08	2,419.76
Pentyrch	699.69	816.30	932.91	1,049.53	1,282.76	1,515.99	1,749.22	2,099.06	2,448.90
Radyr	701.45	818.36	935.26	1,052.17	1,285.98	1,519.81	1,753.62	2,104.34	2,455.07
St. Fagans	691.64	806.92	922.18	1,037.46	1,268.00	1,498.56	1,729.10	2,074.92	2,420.74
Old St.	695.59	811.52	927.45	1,043.38	1,275.24	1,507.11	1,738.97	2,086.77	2,434.56

Mellons									
Tongwynlais	697.36	813.58	929.80	1,046.03	1,278.48	1,510.94	1,743.39	2,092.07	2,440.74
All other parts of the Council's Area	681.64	795.25	908.85	1,022.46	1,249.67	1,476.89	1,704.10	2,044.92	2,385.74

2.2 Note that for the year 2015/16, 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	
£	£	£	£	£	£	£	£	£	£
133.24	155.44	177.65	199.86	244.27	288.68	333.10	399.71	466.33	

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 2015/16 for each of the categories of dwellings shown below:-

Part of Council's Area

VALUATION BANDS

A	B	C	D	E	F	G	H	I	
£	£	£	£	£	£	£	£	£	£
Area									
Lisvane	824.60	962.03	1,099.46	1,236.90	1,511.76	1,786.63	2,061.50	2,473.79	2,886.09
Pentyrch	832.93	971.74	1,110.56	1,249.39	1,527.03	1,804.67	2,082.32	2,498.77	2,915.23
Radyr	834.69	973.80	1,112.91	1,252.03	1,530.25	1,808.49	2,086.72	2,504.05	2,921.40
St. Fagans	824.88	962.36	1,099.83	1,237.32	1,512.27	1,787.24	2,062.20	2,474.63	2,887.07
Old St. Mellons	828.83	966.96	1,105.10	1,243.24	1,519.51	1,795.79	2,072.07	2,486.48	2,900.89
Tongwynlais	830.60	969.02	1,107.45	1,245.89	1,522.75	1,799.62	2,076.49	2,491.78	2,907.07
All other parts of the Council's Area	814.88	950.69	1,086.50	1,222.32	1,493.94	1,765.57	2,037.20	2,444.63	2,852.07

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 2015 to March 2016 in respect of the precept levied by the Police and Crime Commissioner for South Wales in the sum of £27,880,093.

2.5 Agree that the Common Seal be affixed to the said Council Tax.

2.6 Agree the Common Seal be affixed to precepts for Port Health Expenses for the period 1 April 2015 to 31 March 2016 namely

The County Council of the City and County of Cardiff	£ 143,629
The Vale of Glamorgan County Borough Council	16,221

- 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.
- 3.0 Approve the Prudential Indicators for 2015/16, 2016/17 & 2017/18 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 2015/16 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 2015/16.
- 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.

THE CABINET

19 February 2015

The following Appendices are attached:

Appendix 1	Consultation responses
Appendix 2	List of known Specific Grants from Welsh Government at the all Wales level
Appendix 3	Revenue Resources Required 2015/16
Appendix 4	Directorate Financial Pressures 2015/16
Appendix 5	2015/16 Budget Savings (a) Overview 2015/16 Savings (b) Directorate Savings 2015/16
Appendix 6	Risk Assessment Summary of Savings Proposals
Appendix 7	Earmarked reserves used temporarily to fund voluntary severance
Appendix 8	Earmarked Reserves (a) General Fund (b) Housing Revenue Account (c) Schools
Appendix 9	Employees Implications of Budget
Appendix 10	Summary of Fees and Charges 2015/16

	(a) General Fund
	(b) Housing Revenue Account
	(c) Outdoor Activities
Appendix 11	Directorate Revenue Budgets
Appendix 12	Cabinet Portfolio Revenue Budgets
Appendix 13	Medium Term Financial Plan
	(a) MTFP 2016/17 - 2018/19
	(b) Future Provision of Library Services in Cardiff
	(c) Themed Opportunities for savings – 2016/17 and 2017/18 in Directorate clusters.
	(d) Subset of Themed Opportunities for savings in 2016/17 & 2017/18
Appendix 14	Housing Revenue Account
Appendix 15	School Organisation Plan Reserve
Appendix 16	Civil Parking Enforcement Reserve
Appendix 17	Capital Programme Resources
Appendix 18	Capital Programme Expenditure
Appendix 19	Glossary of Terms
	(a) Prudential Indicators
	(b) General
Appendix 20	– Approved list of Counterparties

The following Background Papers have been taken into account:

- Budget Strategy Report (July 2014)
- 2015/16 Budget Proposals – For Consultation (November 2014)
- The WG Final Financial Settlement (December 2014)
- Equality Impact Assessments of Cardiff Council's 2015/16 Budget
- Details of Fees and Charges
- Analysis of Section 106 Balances
- Log of changes to the 2015/16 Budget Proposals for Consultation as a result of due diligence
- Changes for Cardiff Full Report and Appendices

Council Budget Consultation

- 1(a) Changes for Cardiff - Executive Summary.
- 1(b) Budget Scrutiny Letter – Community and Adult Services Scrutiny Committee – 10 February 2015 (Cllr Bale)
- 1(c) Budget Scrutiny Letter – Children and Young People Scrutiny Committee – 6 February 2015 (Cllr Lent)
- 1(d) Budget Scrutiny Letter – Children and Young People Scrutiny Committee – 6 February 2015 (Cllr Magill)
- 1(e) Budget Scrutiny Letter – Children and Young People Scrutiny Committee – 4 February 2015 (Cllr De’Ath)
- 1(f) Budget Scrutiny Letter – Children and Young People Scrutiny Committee – 4 February 2015 (Cllr Hinchey)
- 1(g) Budget Scrutiny Letter – Economy & Culture Scrutiny Committee – 6 February 2015 (Cllr Bradbury)
- 1(h) Budget Scrutiny Letter – Economy & Culture Scrutiny Committee – 6 February 2015 (Cllr Derbyshire)
- 1(i) Budget Scrutiny Letters – Economy & Culture Scrutiny Committee – 6 February 2015 (Cllr Hinchey)
- 1(j) Budget Scrutiny Letters – Economy & Culture Scrutiny Committee – 11 February 2015 (Cllr Bale)
- 1(k) Budget Scrutiny Letters – Environmental Scrutiny Committee – 5 February 2015 (Cllr Derbyshire)
- 1(l) Budget Scrutiny Letters – Environmental Scrutiny Committee – 5 February 2015 (Cllr Hinchey)
- 1(m) Budget Scrutiny Letters – Environmental Scrutiny Committee – 5 February 2015 (Cllr Patel)
- 1(n) Budget Scrutiny Letters – Policy Review & Performance Scrutiny Committee – 11 February 2015 (Cllr Bale)
- 1(o) Budget Scrutiny Letters – School Budget Forum – 29 January 2015 (Cllr Hinchey)

Changes for Cardiff

Executive Summary of the Consultation Results and Feedback Report on the City of Cardiff Council's 2015/16 Budget Proposals



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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. For a full understanding of the responses received as part of the consultation, links to the appropriate sections of the report are provided.

1.1 Background

The consultation on the *Changes for Cardiff* Budget Proposals ran from 21st November 2014 until 12th January 2015. It was the City of Cardiff Council's most far reaching consultation on budget proposals to date. The consultation was communicated and shared through a range of channels, whilst face to face engagement activities 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) – these elements represented **£6.8m** of the total proposed savings.
- **Service-specific consultation** with identified service users/groups or organisations – these elements amounted to **£5.533m** of the total proposed savings.
- **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 – these components represented **£22.899m** of the total proposed savings.

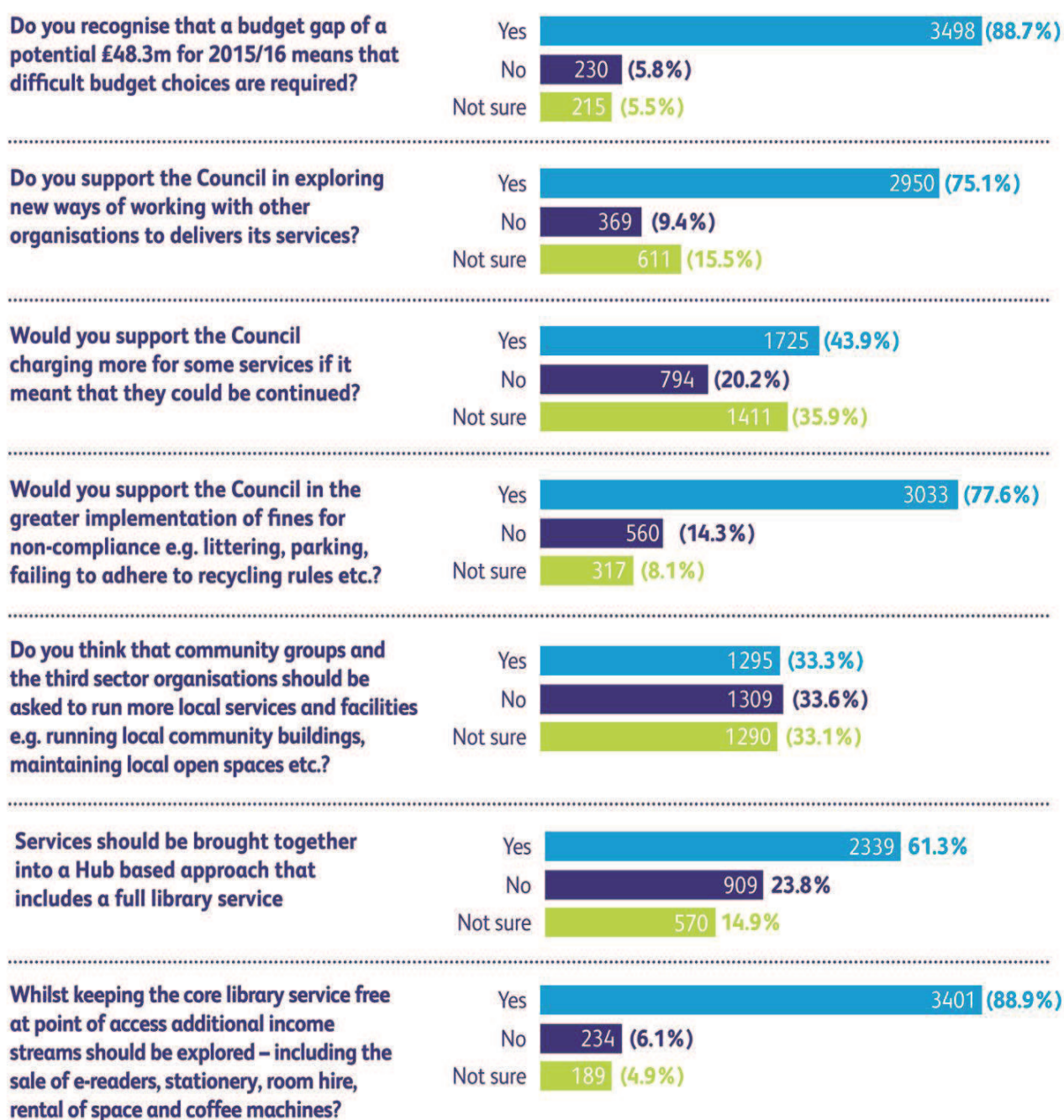
Changes for Cardiff

Results and Feedback Report

1.2 Headline Figures

4,191 people took the time to complete the *Changes for Cardiff* questionnaire, over **five hundred people** attended engagement events and a large number of the public gave views via petitions, calls for community polls and through correspondence.

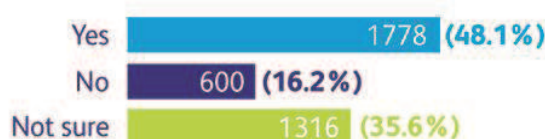
From those completing the survey in response to the 2015/16 budget proposals, the following headline figures can be seen:



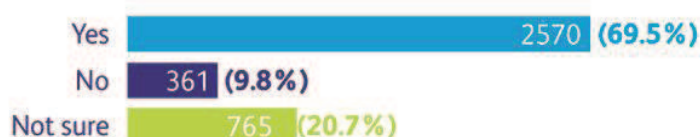
Changes for Cardiff

Results and Feedback Report

Do you agree a phased approach should be taken to disinvest from traditional day centre models of provision to ensure that the Council can re-invest in more community based opportunities?

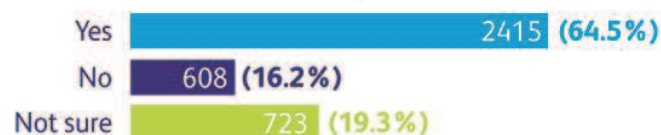


Do you agree the existing community meals service should develop away from solely home delivery provision at set times of day and work to link up service users with a range of luncheon clubs and other resources in their neighbourhood?



Are you in favour of the proposal to cease Council funding for the following:

Calennig



Cardiff in Bloom



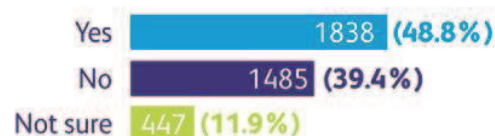
Cardiff Country Fair



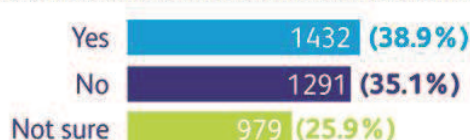
St David's Day Celebrations



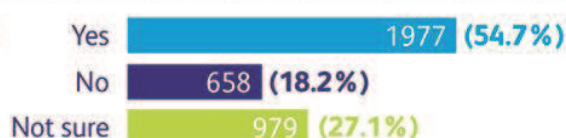
Christmas Tree Provision in the City and Bay



Do you agree with the remodelling of the Park Ranger Service?



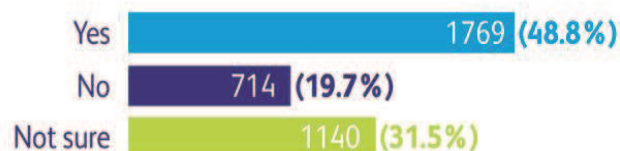
Under the new proposals we plan to focus youth work delivery on six well resourced, high quality Youth Activity Centres delivering activities for young people and access to tailored support. Do you agree with the proposal?



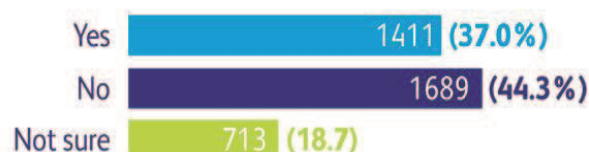
Changes for Cardiff

Results and Feedback Report

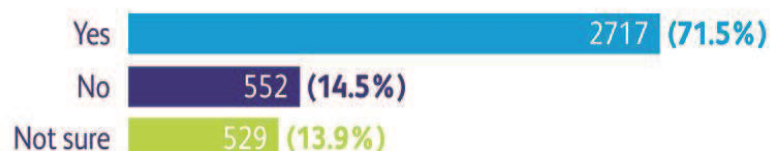
In addition to Youth Activity Centres and community led delivery, young people's access to youth work in their communities should be supported by a mobile provision, specifically a Youth Bus? Do you agree with this proposal?



Do you agree that some funding should be available for Welsh language provision play services?



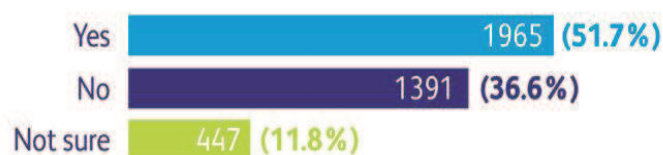
Do you agree that some funding should be available for holiday play provision?



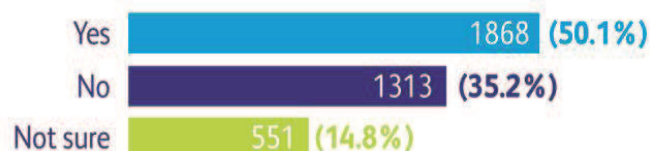
Do you agree that some funding should be available for children with a disability to access play?



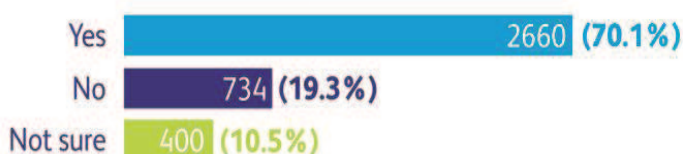
Do you agree to withdraw the free entitlement to bulky item collections?



Do you agree to an increase in existing charges for bulky item collections?



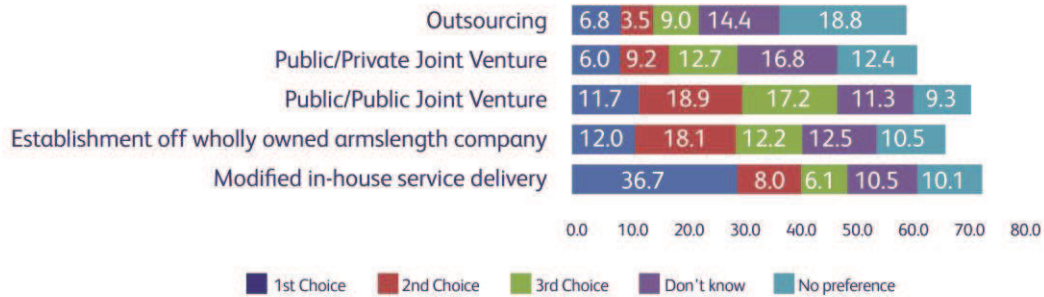
Do you agree that street cleansing services should be based upon the priority needs of the local area rather than based upon a fixed timetable?



Changes for Cardiff

Results and Feedback Report

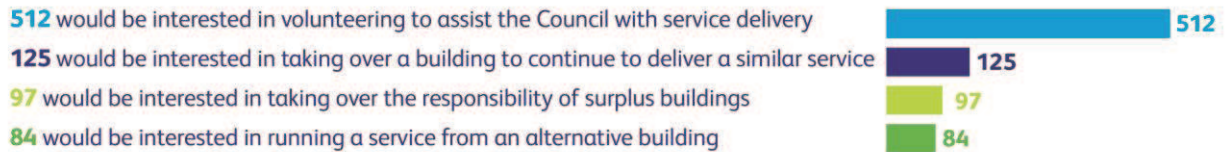
Of the five Infrastructure delivery models shortlisted, do you have a preferred option?



Do you agree with the removal of the Automated Public Conveniences?



654 respondents to the Changes for Cardiff Budget Proposals Consultation would be interested in becoming involved in volunteering to help guide the delivery of services in their neighbourhood. Of these:



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 response to the Council's budget consultation, with broad support for many of the proposals, and notably for the Council to explore new ways of working.

- **The financial reality:** An overwhelming **88.7%** (3,498) of respondents recognised that a £48.3m budget gap for 2015/16 meant that **difficult budget choices** are required.
- **Support for new ways of working:** **75.1%** (2,950) support the Council in **exploring new ways of working** to deliver its services.
- **Greater charging:** There is mixed levels of support for the Council **charging more for some services** if it meant they could be continued with **43.9%** (1,725) supporting the proposal but 35.9% (1,411) 'not sure'.
- **Fines for non-compliance:** Over **3,000** respondents (**77.6%**) supported the Council in the **greater implementation of fines for non-compliance** such as, littering or illegal parking.
- **Quality and cost of service:** Throughout the *Changes for Cardiff* consultation and previously as part of the Cardiff Debate, residents have told the Council that **'quality of service'** and **'cost of service'** are the **most important factors** in service delivery. In comparison, **'who'** delivers the service is not considered an important factor.
- **Community involvement:** **33.3%** (1,295) of respondents agreed that **community groups** and the **3rd sector** should be asked **to run more local services** - 33.6% (1,309) said 'No'; 33.1% (1,290) said 'Not sure'.
- Whilst some practical concerns were expressed about community groups and third sector organisations being asked to run more local services and facilities, there is a **clear support (74.6%)** for **volunteers assisting** in a new approach to **library services**.
- **Community interest:** **654** 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.
- **Use of buildings:** Respondents felt the Council should **encourage alternative uses for buildings** proposed for closure, rather than selling or permanently closing assets, and

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seek to transfer assets to community groups where appropriate. Also, a significant number were interested in taking over the responsibility of surplus facilities (97) or taking over a building to continue to deliver a similar service (125).

- **Local insights:** The nature of the feedback received from area to area 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 1**.
- **Valued public services:** Overall, the results of *Changes for Cardiff* consultation emphasise the importance people place on their local public services, but also demonstrate a growing understanding of the tough choices that need to be made. In most instances there is support for the Council's approach to meeting its budget challenge, although it must be stressed that many respondents expressed concern about what this budget shortfall means for their communities and for their services. For comments given as part of the consultation, please see **Appendix 2** and **3**.

1.4 City-wide Budget Proposals

The section below highlights the main issues arising from the responses received for some of the specific proposals in the *Changes for Cardiff* Consultation Document.

Community Centres

The City of Cardiff Council pledged to continue its commitment to join up local services within Community Hubs, with a focus on meeting local needs, making services more accessible and reducing the overall number of buildings used.

- Approximately **two thirds (64.7% / 2,476)** of respondents were **in favour of the Council working to join up existing services** offered in community centres with the Hub strategy.
- 62.7% (2,367) felt that proposals for **alternative use or building transfer of these facilities should be explored**.

Where respondents had indicated that they were not in favour of proposals they were invited to express their reasoning.

- The most frequently expressed concern related to the **locality of proposed hubs** and the resulting issues that individuals or group may have in accessing the facilities. These concerns were mentioned in 22% of comments.

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- A fifth (20.3%) of comments referenced fears over the **capabilities of volunteer groups** to take over services and the longevity of this approach.

Others concerns related to:

- Service provision being biased towards the more socially deprived areas.
- Transfer of buildings to community groups or private companies having a negative impact on the services provided.

Library Services

Library services have a key role to play in communities but the way in which people use libraries is changing. The 2015/16 Budget Consultation included a range of proposals with the aim of providing more joined up and accessible services with reduced funding.

- **Four in five** (80.8% / 3,157) respondents reported to be **library card holders**.
- **57.9%** (2,237) stated that they visit a Cardiff library facility **at least once month**.
- **Almost ninety percent** (88.9% / 3,401) of those completing the survey were in favour of **additional income streams being explored**.
- **Three quarters** (74.6% / 2,821) wanted to see the City of Cardiff Council **encourage and support volunteers** in the outlined new approach for library services.

The consultation document also outlined the Council's preferred options for individual library sites and asked the public if they agreed with the proposals.

- The **highest level of agreement** was found regarding the Council's proposal to **transform Central Library into a Community Hub** (74.1% / 2,794).
- The public expressed **less agreement** in instances where it was proposed that the Council withdraw funding from specific facilities with high numbers opposing i.e. (i.e *Whitchurch 49.1%, Rhiwbina 49%, Cathays 46.4%, Rhydypennau 44.4%, Roath 44.1%, Radyr 41.8%, Rumney 39.2%*)

Where respondents indicated "no" to any of the proposals outlined by the Council they were provided with an opportunity to express their reasons for this.

- The distribution of the sites proposed for the withdrawal of Council funding was a significant source of comments with many fearing a **'geographical gap'** in service provision in some communities.
- Respondents were keen to see library services explore a wide range of cost savings and **income generation** options, such as; making use of volunteers, changing opening hours, introducing charges where possible, and adding cafés rather than losing the community service.

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Different views emerged from different areas of Cardiff in terms of what local people considered appropriate solutions.

- Opinion was mixed regarding the **introduction of services such as café/coffee shops**, fears were expressed about the possibility of influence from the any 'business' aspect detracting from core services. One particular exception to this however was in the case of **Whitchurch library** whereby a number of comments expressed support for the introduction of such a facility.
- The proposed transfer of the **Local Studies Service** from Central Library to Canton was met with some opposition. Those against the move generally felt that the collection was most suitably located within Central Library where it was more easily accessible.

The recent budget consultation saw a number of individuals and organisations (367) express an interest in becoming involved with library services on a volunteer basis.

- Comments reveal, however, public concerns regarding a move to this means for service delivery. It was feared that an **overreliance on volunteers** and their good will could affect quality of provision and undermine the professional skills demonstrated by existing libraries staff.

Day Services for Older and Disabled People

Social isolation amongst older people is a serious concern and something that the City of Cardiff Council, working with its partners, aims to safeguard against. However expectations of older and disabled people are changing, with people wanting more choice and control over the support they receive.

This demand, coupled with an increasing demand on existing services and a growing emphasis on prevention from Welsh Government, is driving forward a new model of community based services.

- Those responding were largely **in favour of the general principles**, however the proposals to disinvest in traditional day centres and remodel community meals received **lower levels of agreement** (48.1% / 1,778 and 69.5% / 2,570 respectively).
- For those disagreeing, **the main concern was the proposals may result in a decline** in what was otherwise considered to be an essential and vital service providing support for many service users.

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Leisure Centres and Arts Venues

The consultation document explained that the Council is currently exploring the management of leisure centres and arts venues (including St David's Hall, New Theatre and The Cardiff Museum Story) by different organisations. This could enhance the quality of the provision and also make savings.

- Half (**51.9% / 1956**) of those responding were **in** favour of the Council looking at **different management models** for **leisure centres** whilst a slightly higher proportion (**57.4% / 2118**) agreed that this was also appropriate for **arts venues**. The preference was that these should be managed by a **Trust** or **Social Enterprise** as opposed to a commercial management company.
- The **most important** factors in the future management of leisure centres and art venues were: **'the cost to use the service'**, a **'varied programme of activities'** and **'provision for all age groups'**. **'Who'** delivers the service was deemed to be one of the least important factors.

Events and Celebrations

Financial challenges mean that the Council no longer has the resources to support a number of events and celebrations that the Council has traditionally helped to fund.

- Respondents **broadly supported proposals to cease** Council funding for **Calennig** (64.5% / 2415), **Cardiff in Bloom** (59.9%) and **Cardiff Country Fair** (70%).
- There was **less support for ceasing** funding for **St David's Day Celebrations** (48.8%) and **Christmas tree** provision (48.8%).

Park Ranger Service

Budget proposals for 2015/16 identify a continued emphasis to maintain the parks and green spaces, but also suggest a remodelling of the existing Park Ranger service which would reduce the current number of Park Rangers whilst making efforts to ensure that negative impacts are mitigated.

- Opinion was **mixed** as to whether the **proposed remodelling of the Parks Services** was an agreeable option with **less than two fifths (38.9%) in favour of the proposal**
- Concerns from those opposing the proposal were largely in relation to **reduction in quality of parks** and **support to Friends Groups**

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Respondents were also asked to identify which activities of the park ranger service they would like to see **prioritised for continuation** should a reduced service be implemented in the future. The most important were seen to be:

- Tackling of **anti-social behaviour** and **youth annoyance** - **64.6%** (2,355) respondents
- **Enforcement issues** (e.g. dog fouling) - **64.1%** (2,336) ; and
- Maintaining **site presence** at key parks - **54.5%** (1,987)

Youth Services

The Council is proposing to deliver Youth Services from six well-resourced Neighbourhood Youth Activity Centres. Outreach services and mobile provision via a Youth Bus were also proposed as a means of providing additional flexible options for engaging young people. The results show that:

- **Just over half of respondents agreed (54.7% / (1,977))** with the proposal to focus youth work delivery on **six well resourced, high quality Youth Activity Centres**.
- There is support (**70.9% / 2,574**) for the proposal to engage young people, community groups and third sector organisations in **designing and delivering youth services**.
- **Mobile provision**, specifically via a Youth Bus, was **less well supported** with **48.8%** agreeing with this proposal and 19.7% expressing disagreement.
- There was **broad support** (76.4% / 2,761) for the Council's commitment to the active **involvement of young people in shaping youth support provision**.

Children's Play

Under the Council's proposed model for Children's Play it would no longer manage or operate play centres from the beginning of April 2015, instead supporting other organisations to run activities. Key findings on the response to these proposals were:

- **60.8%** (2,328) of respondents agreed that in the future the Council should **support other organisations to run children's play activities** rather than manage them itself.
- There was stronger support for funding being made available for **children with a disability** to access play (**88.5%**) and for **holiday play** provision (71.5%), with less support (37%) for funding being made available for **Welsh language** provision play services.
- Respondents agreed (72.4%) with the proposal for the Council to **encourage proposals from community groups** for alternative uses or building transfer where appropriate.

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Supported School Transport for 16-19 Year Olds

- Over half of respondents (54.6% / 2,033) were **not aware the Council subsidised school transport for 16-19** years and 53.5% felt it **shouldn't be continued** if it impacts on other services (with respect to savings being found elsewhere).
- A small number of respondents (61 comments) did stress that removing this subsidy would put **additional pressure on the financial position of their family**.

Supported Public Transport

- Less than half (46.3% / 1,755) of those responding to the questionnaire were **unaware that the Council subsidises bus services** when passenger numbers are too low to make it commercially viable. Public opinion was however **mixed** as to whether the Council should continue to support these services.
- The 37.2% of respondents who were opposed to the Council ceasing support of these services were asked to outline their reasons and a total of 836 responses were received. More than **one in five comments** (22.4% / 187) were from respondents who were in favour of a **reduction to the Bay car service**.

Parking

Participants in the consultation were asked their opinion regarding proposed increases to the parking charges in the city centre and at Heath Park.

- Three quarters of those responding (75.2% / 2,837) were **in favour of increased charges** at the **Heath Park** site compared to **55.7% (2,118)** regarding changes to **long stay parking** in the **city centre**.
- Where opposition was expressed regarding the proposals, a number of respondents were **concerned that this would deter shoppers and visitors** from coming into the city centre. Many also felt that **public transport needed to improve and become more affordable** before the proposals were introduced.

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LED Lighting

- Residents **strongly support (89.6% / 3,431)** the proposal to deliver **new LED** lighting to our strategic road network.
- Reasons for opposing the proposal were provided by just 72 respondents with the most common reasons found to be **either concern that the cost savings would not be substantial enough** or that the proposed LED lighting would provide an **inferior quality of light** leading to concerns regarding safety.

Neighbourhood Partnership Support

- There is **support (63.1% / 2,355) for the proposal** to create a community co-ordination function within the Council to support community groups, and just 6.9% expressed any opposition to the plans.
- Of the comments opposing this proposal, over a quarter (27.9 or 41 comments) called for the **complete withdrawal of the fund** as opposed to the proposed 're-profiling'.

Waste

Bulky Waste

The *Changes for Cardiff* document outlined the City of Cardiff Council plans to review its approach to bulky waste services. Proposals were put forward for public consultation that outlined plans to a) withdraw the free entitlement to collections and b) increase the existing charges for bulky item collections.

- Approximately **half** of the respondents (50.1%) were **in favour of increasing the charges** for collections whilst **51.7%** of respondents were **in favour of withdrawing the free entitlement**.
- When asked if they were aware of existing alternatives to the bulky collection service seven in eight respondents (86.6% / 2,807) specified **Household Waste Recycling Centres** and 80.2% (2,600) **charities**.

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Green bags & food liners

The consultation also outlined proposals for changing the way in which the Council provides green bags and food liners.

- **Two thirds (67.1% / 2,552) of respondents were in agreement** that the current approach of bag provision was **in need of review**.

Neighbourhood Cleansing

The consultation recognised that different areas of Cardiff have different characteristics and explained plans to pilot a new way of dealing with cleansing at a neighbourhood scale. The new plans involve the pooling of resources and targeting response to the needs of local communities.

- The **new proposals were supported by 70.1% of respondents** whilst one in five (19.3%) were against the changes.

Infrastructure

The Council will be considering the merits of delivering its Infrastructure Services in different ways in the future that would both enhance services and reduce costs. This might involve different private sector, community or public sector organisations delivering services to Cardiff citizens either with, or on behalf of the Council.

- **Two thirds (65.7% / 2,353) of respondents agreed** that the Council should consider **alternative ways of delivering these services**.

Participants in the consultation were provided with a brief description of five potential delivery models.

- Delivery via the model of a **modified in-house service was the most popular of the options** with the public with over a third (36.7% / 1,539) specifying this option as their **first choice**.
- Also notable was that a significant proportion of respondents who either '**did not know**' or had '**no preference**' regarding the adoption of a new model.
- The public were also asked to choose (by picking up to three) factors they believed to be most important in the delivery of service and should be taken into account in choosing a preferred delivery model for the services detailed.
- **Quality of Service** was by far the most important factor (90.3% / 3,105) followed by Cost (49% / 1,685) and **Frequency** (48.2% / 1,657). '**Who**' provides the services was the 5th most important factor with 24.8%.

Changes for Cardiff

Results and Feedback Report

Public Conveniences

- 79.1% (2,968) respondents **agreed** with the proposed **closure** of automated PC's and (68.2% / 2,548) for closure of the non-automated public conveniences
- A total of 432 respondents provided details of their opposition to these proposals, with around one-fifth commenting on the essential nature of these facilities to older people, young children, pregnant women and those with specific medical conditions.

Next Steps

The results of the consultation, along with updated Equality Impact Assessments, will now be considered by the City of Cardiff Council's Scrutiny Committees and Cabinet and be used to inform the final budget proposals for 2015/16. The final budget proposals will be agreed by the Cabinet on Thursday 19th February and at Full Council on Thursday 26th February 2015.

My Ref: Scrutiny/Correspondence/Cllr Groves

10 February 2015

Councillor Phil Bale
Leader
City of Cardiff Council
County Hall
Cardiff
CF10 4UW



Dear Phil

Community & Adult Services Scrutiny Committee Meeting – 4th February 2015

Thank you for attending the above committee. This letter captures the agreed comments and observations of the Committee with regard to the draft Corporate Plan 2015-17 and 2015-16 draft Budget Proposals. The structure of this letter reflects the structure of the meeting, commencing with general comments on the draft Corporate Plan and the overarching budgetary position before moving on to comments and observations for each portfolio, as determined by the terms of reference of this committee.

Draft Corporate Plan 2015-17

Members wish to pass on their thanks to all concerned for ensuring the draft Corporate Plan was available to go out with our committee papers. Members note Councillor Hinchey's point that it seeks to address Wales Audit Office criticisms of previous plans. Members have the following points to make that we hope will help to further refine and improve the Corporate Plan:

- **Lead Member** – Members ask that thought be given to the use of this term as sometimes two Cabinet Members are cited, rather than one. Interestingly, for the commitment on improving transitions between Children's Services and Health and Social Care, page 22, only the Cabinet Member for Children's Services is mentioned, despite acknowledgment at committee that the role of Health and Social Care is critical in ensuring successful transition – perhaps this should be amended to state both relevant Cabinet Members?
- **Priority 2: Supporting Vulnerable People** – Members recommend that clarity is provided as to what is meant by 'vulnerable people'. The text of the Corporate Plan states 'most vulnerable'. At our committee meeting, some witnesses seemed to think 'vulnerable people' equated only to those who are statutorily eligible for receiving social services. This led witnesses to state that savings proposals that cut services to those not statutorily eligible were still in keeping with the Corporate Plan, even though Members would argue that vulnerable

people were losing services. An example of this would be HSC15 – closure of the Community Alcohol and Drug Team Counselling Service.

- **Use of Language** – linked to the above point – Members feel that the language used in the draft Corporate Plan does not reflect the language used by the Welsh Government in the recent Social Services and Wellbeing Act or in the consultation on the Future Generations Bill, both of which stress the need for local authorities to promote wellbeing.
- **Terminology** – Members point out that in the Priority Two section, the term ‘outcome’ is used to describe what Members believe should be termed ‘improvement objectives’.

Members sought to understand how delivery of the Corporate Plan will be monitored and were pleased to hear from officers that the performance measures in the Corporate Plan reflect the areas of most importance. Monitoring these will therefore give a sense of direction - albeit that there are underpinning measures that are monitored as well. Members therefore expect to see the relevant Corporate Plan measures in our quarterly performance reports, as well as the measures that underpin these, and ask that officers ensure performance reports are amended accordingly. Members will also be looking for the linkages between the Corporate Plan and Directorate Delivery Plans when we scrutinise these; I ask that officers advise scrutiny services when the Plans will be available so that we can schedule scrutiny accordingly.

Overarching budgetary position

Members thank Councillor Hinchey and Christine Salter for providing information on the overarching budgetary position. Members note the Council faces severe financial pressures and continuing austerity for the foreseeable future. Members also note that officers are seeking to address the Wales Audit Office comments on medium term planning by amending the budget report to include specific budget lines re specific medium term pressures.

With regard to the Capital programme, Members note Christine’s comments that there has been a 35% reduction overall in the last five years on monies from the Welsh Government re capital and that therefore the Council is having to find other sources of monies to fund the capital programme (and that as a result officers need to keep a close eye on unsupported borrowing).

Members welcome the news that there is in principle support from the Welsh Government for capitalisation and that officers believe that £2.5m capitalisation is realistic, prudent and achievable in terms of realising capital receipts in year.

Members note Christine’s points re the overall budget savings, in that 40% are red/red-amber for residual risk, 35% are red/red-amber for achievability, 73% have detailed planning status and 22% have general planning status, and that therefore it

is proposed to have a £4M corporate contingency fund to meet any under-deliverability of savings, as happened this year.

Members note Christine's point that Directors set the RAG status for budget lines and her team's role is to moderate and look at risks overall and carry out due diligence checks.

Members note that officers are anticipating that Month 9 will show a worsening position and that this has been reflected in the budgetary proposals being prepared for Cabinet consideration.

With regard to the alignment of the budgetary proposals with the Corporate Plan, Members asked several witnesses how they felt the budgetary proposals squared the circle of needing to make cuts due to austerity and wishing to protect vulnerable people. Members note Councillor Bradbury's point that it is not easy but that the proposals in his portfolio aim to target resources to areas scoring highly in the Welsh Index of Multiple Deprivation, so that universal services are easily accessible by the most deprived citizens of Cardiff. Members recognise that finding savings that do not fall on the most vulnerable is hard given that the nature of the Council's services are that they are focused on those who are most vulnerable. Members recognise the work that has gone into preparing the budget proposals early and consulting on these. However, overall, Members feel that many of the savings proposed are counter intuitive and high risk e.g. the cuts proposed in the Health and Social Care Directorate amount to 18% of the overall savings, which, although Members note Christine's point that this amount is 6.6% of the Directorate's controllable budget, seems high and to go against the aim of supporting vulnerable people.

Members are also concerned about the achievability of savings, given recent experiences, demographic pressures and legislative changes. Members intend to recommend to a future committee that they include close monitoring of the financial position of Health and Social Care and delivery of all savings within their terms of reference on their work programme. I would welcome the opportunity to discuss how best to achieve effective monitoring of savings and ask that you task relevant officers to liaise with Scrutiny Services to set up a meeting to this end.

Economic Development and Partnerships

Members expressed their concerns about the impact of proposal CMT8 on those pensioners affected by this saving and are pleased to note that there will be an information campaign to ensure that pensioners affected are encouraged to maximise their income, for example by ensuring they claim all relevant benefits.

Community Development, Co-operatives and Social Enterprise

Members thank Councillor Bradbury, Neil Hanratty and Sarah McGill for being available to answer questions on the budgetary proposals for this portfolio.

With regards to the savings for this portfolio from the Economic Development Directorate, Members have the following points to make:

- ECD10 – mobility buggies - pleased to hear that sponsorship for £15k has been achieved and that officers are confident that they will get sponsorship for remaining £2k to make the £17k saving. Note that sponsorship is for one year only and that officers will use this time to review approaches taken by other cities before determining a way forward. CASSC would like to receive a briefing on the review findings.
- ECD11 – taxi marshals – note that there will be the same level of cover provided but for a reduced period of time, in order to achieve the level of saving required. Members are aware of approaches used in other cities and recommend that officers review the approaches taken by other cities to determine a sustainable way forward that promotes community safety in the night time economy.

With regard to the savings for this portfolio from the Communities, Housing and Customer Services Directorate, Members note Cllr Bradbury's assurance that these are achievable with minimal impact. However, Members remain disquieted and concerned about the cumulative impact of CHC7, CHC8, CHC10 and CHC11 with regards to partnership working; these savings amount to £400,000 and significant changes to the way the Council and third sector organisations work together.

Members questioned the sustainability of the capital programme aspects for this portfolio and note the response from Councillor Bradbury that each project has a detailed business case and from Christine Salter that these business cases have to be more than cost-neutral in order to be supported, given the stretch of the capital programme across the Council.

Safety, Engagement and Democracy

Members thank Councillor De'Ath and Sarah McGill for being available to answer questions on the budgetary proposals for this portfolio. Members were pleased to hear that all the existing community safety projects that are funded by this budget line – CHC9- will continue to be funded, including mobile CCTV, Operation Mistletoe and Victim Support and that the saving of £50K comes from an historic underspend.

Health, Housing and Wellbeing

Members wish Councillor Elsmore a speedy recovery and thank Councillor Darren Williams and Councillor Sue Lent for attending in her place and Sarah McGill and Sian Walker for also being available to answer questions on the budgetary proposals for this portfolio.

Housing

Overall, Members believe the savings put forward are measured and seem achievable, albeit that Members recognise there will always be difficulties in achieving savings from an area under demand pressures, such as housing.

Members note the risks highlighted in Sarah McGill's presentation as being: homelessness; universal credit; reshaping services; and commercialisation. Members note that the Welsh Government is providing £0.5M towards homelessness costs. With regard to the proposed roll-out of Universal Credit in Cardiff in September/ October 2015, Members note that the least complex cases will be the first to transfer to Universal Credit but that these cases may become complex if and when applicants' circumstances change. Members welcome the offer of receiving briefings on the implementation of Universal Credit and preparations being made to manage this; please liaise with Scrutiny officers regarding the scheduling of these.

Health and Social Care

Members note that £6,215,000 savings are proposed for this Directorate, of which approximately half are predicated on reviews and reshaping services. Members note Siân Walker's comments that she is confident that these savings are achievable, given the work already undertaken by the Directorate this year, and that the savings are flagged as Red to reflect the fact that this Directorate deals with vulnerable people. However, Members remained concerned about the quantum of savings and their achievability, particularly in light of the demand pressures facing this Directorate and its history of under-achieving savings. Members are also concerned about the impact of these savings and therefore request that mechanisms be put in place to capture the consequential impact of these savings; Members will be requesting these monitoring reports.

Members are also concerned that some of the savings will not enable 'choice and control' which are two key watchwords for appropriate health and social care services. Members feel this in particular with regard to HSC2 and HSC6 – the closure of day centres for older people and re-organising the way community meals are delivered. These are both underpinned by a care plan/ service package review, where service users should be enabled to exercise choice and control; the answers provided at the meeting did not fill Members with confidence that there would be any choice available to service users, which undermines their ability to exercise control.

Members would like to receive information on the accessible formats used to provide information on how to contact the relevant officer to discuss the review and any change in circumstances as well as the right to complain about the outcome of a care plan/service package review.

With regard to HSC15, Members note Siân's comment at the meeting that this service stopped taking new clients in December 2014 in preparation for this saving. Members wish to receive further clarification on the continuation of services, referred to in the EIA as 'sufficient alternative provision' and how these will be quality assured. Members also note that the EIA for this proposal is to be further updated and request that the updated version(s) be sent to them via Scrutiny Services.

Members note that there is an overall increase of £7.5M in this Directorate's controllable budget 2015/16, with £3.2M of this being realignment and £1.5M being financial pressures. Members note the risks highlighted in Sian Walker's presentation as being: safeguarding; Social Services and Well Being Act; and demographic trends.

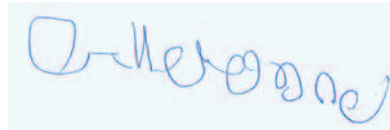
Environment Directorate

Please note that the only saving for this Directorate that fell within the terms of reference of this Committee related to Regionalising Regulatory Services and that Members' questions on this were directed via Councillor Paul Mitchell, Chair Environment Scrutiny Committee, at their meeting on 3rd February 2015.

Once again, thank you to you and all the witnesses for your attendance and contributions; they are much appreciated. Members trust that our comments and observations above are of help when finalising the Corporate Plan and Budgetary Proposals. We would greatly value, to this end, the presentation of this letter before the Cabinet when they are finalising their arrangements for the budget for the financial year 2015-2016.

This letter contains recommendations and requests for further information and so requires a response.

Yours sincerely,



COUNTY COUNCILLOR DAVID GROVES

Chairperson - Community & Adult Services Scrutiny Committee

Cc: Councillor Hinchey Christine Salter Allan Evans
Councillor Bradbury Neil Hanratty Sarah McGill
Councillor De'Ath
Councillor Darren Williams
Councillor Sue Lent Siân Walker Stuart Young
Debi Said Martin Hamilton Dylan Owen
Matt Swindell Alison Taylor Claire Deguara
Rita Rohman Clair Jones Liz Patterson
Michelle Davies

My Ref: Scrutiny/Correspondence/02 -15(1)

6 February 2015

Councillor Sue Lent
Cabinet Members for Families, Children and Early Years
County Hall
Atlantic Wharf
CARDIFF CF10 4UW



Dear Sue

**CHILDREN AND YOUNG PEOPLE SCRUTINY COMMITTEE:
3 February 2015: Budget Proposals for Children's Services and Play**

Thank you for attending Committee earlier this week to support scrutiny of budget proposals relating to Children's Services and Children's Play. Please can you also pass on our appreciation to Tony Young, Angela Bourge and Chris Hespe for the helpful evidence they provided.

This letter contains the "Way Forward" observations and recommendations of Committee Members relating to the above budget proposals. For your information, I am also writing to Councillor Magill regarding Budget Proposals for Education and for Schools Transport, and to Councillors Hinchey and De'Ath on issues connected to the Corporate Plan, corporate finance, consultation proposals and equality impact assessments.

The Committee hopes that the comments below will be of assistance to you in framing final recommendations for your Portfolio's budget proposals to Cabinet on 20 February.

CHILDREN'S SERVICES

Corporate Plan

Members considered parts of the Corporate Plan relating to your areas of responsibility at the meeting, and were grateful to you for teasing out the linkages between the Administration's key priorities and the budget choices the Administration has made in your area.

Members were somewhat surprised not to see greater reference to the Preventative Strategy in that document, or financial allocation in your budget proposals. Tony Young clarified that a funding bid might be made to the Council's Investment Review Board during the coming financial year to facilitate the development of this Strategy, and we look forward to receiving details of this in due course.

Budget Proposals

Overview: As an overview of our feedback on the Directorate's budget proposals, we were pleased that efforts had been made to mitigate the most serious impacts on service users through the savings presented. We were also heartened at Christine Salter's indication that £2.5 million of your 2014/15 savings target of £2.6 million was due to be realised by 31 March. We would like to congratulate the Director for coming close to his challenging target for the year.

Service Realignment: Members heard that £2.4 million realignment had been achieved to mitigate existing in-year demand, and (on clarification) that an additional £950,000 had been set aside as a contingency for predicted future demand pressures on services. A point made on this topic by Members at the Way Forward is that at this time in the Budget cycle they are often informed that realignment has had to take place to resolve unforeseen demographic pressures affecting Children's Services during the year, but they are rarely advised of a windfall due to an over-calculation of that demand at the start of the year. We will be keen to explore this topic at a future meeting. We recognise that calculation of future demand will always be an imprecise science, but are keen to ensure that we can maintain the most accurate forecasts possible to minimise unforeseen shocks as our overall financial resilience is placed at greater pressure in future years.

Youth Offending: Questions were raised by several Members about the Youth Offending Service saving proposal. We understand Tony Young's assertion that due to the Team's successful work caseloads have fallen sharply, and that it is difficult to therefore justify existing expenditure levels. We were also reassured that Police funding for a post in the Team will be maintained again next year. We heard, however, that the residual "rump" of cases tend to be the more complex and intractable ones, and are keen that you ensure that this excellent team's capacity and continued good progress is not placed under too much pressure next year.

Payment by Results: Members inquired at the robustness of the £674,000 savings target, and were reassured by Tony and Angela Bourge's comments that this was an achievable figure. We look forward to monitoring this in the next financial year.

Miscellaneous Reassurance:

- Members heard reassurance on the resilience of social worker training support, and Leaving Care support, which would both generate efficiencies next year by joint working with other Council Directorates.
- Similarly, Tony Young reassured Members that morale and retention within the workforce were robust and that the removal of the market supplement for social work posts would not affect staff retention.

- A Member queried whether provision for ICT resources had been made to enable more efficient work practices in the social care workforce next year, and heard that this would most likely be needed in 2016/17. During the 2015/16 financial year, Tony would be focussing more on service redesign and reshaping as an essential precursor to identify what the future IT needs of the workforce would be. Members could see the logic in this, and look forward to working with you to provide scrutiny of the reshaping arrangements in the next financial year.

CHILDREN'S PLAY BUDGET PROPOSALS

Members appreciated the Director of Sport, Leisure and Culture's detailed presentation on the challenges of achieving the Council's goal of partnership with localities and communities in securing sustainable play provision for the future, given the savings target proposed.

This is a very emotive issue for many Members, who have strong views on the very negative impacts on their communities should the existing provision wither away and buildings potentially have to close. We clearly understand the legal and financial complexities involved in securing sustainable transition of management from the Council to informal community groups. But despite the Director's outline of some of the key actions taken by the Council in recent months (and wishing to convey appreciation for the efforts that have been invested by officers) Members expressed a strong degree of frustration that little progress appeared to have been made during the past 12 months, and a low level of confidence that enough progress would be made before the guillotine of 31 March 2016 to enable the buildings to survive.

Members have a strong view that if the savings proposal on Children's Play is predicated around sustainable transfer to community groups, it is very likely to be unfeasible in the proposed timescale.

Members had the impression that there had been a number of false dawns during the past year, thwarted by a lack of clarity on the Council's position on the respective merits of leasing and community asset transfer, the likely price the Council would wish to realise from the assets and whether a commissioning plan was in place. However the Director did state that clear costings and expectations had been provided to communities. It is difficult for us to judge this matter as a Committee, as we have not seen a clear Cabinet position on this issue comparable with the paper produced on Libraries earlier this year. We regret that Cabinet had not yet produced such a document, which might have placed a tangible 'line in the sand' to encourage communities to believe that taking on the assets is possible, building confidence and reducing the fear factor.

We feel that, notwithstanding legal criteria on "best consideration" affecting the Council's view on the level of financial return it had to secure for lease of assets, there is clearly huge "social wellbeing" at risk if the facilities close. Members understand that you only assumed Portfolio responsibility for Play in July, but feel that as Cabinet Portfolio lead you should take a strong lead and an entrepreneurial, risk-friendly approach to working with communities, and that legal, financial and

procurement experts should be tasked with coming up with practical solutions to support communities and solve problems.

In conclusion, we hope that you can see the above comments in the positive light in which they are intended. It is a matter that united all Members, and we will do all in our power to help you come up with a solution that will work for the young people who most need these services.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R. Cook', with a long horizontal line underneath it.

COUNTY COUNCILLOR RICHARD COOK
Chair – Children and Young People Scrutiny Committee

CC:

Members of Children and Young People Scrutiny Committee

Councillor Graham Hinchey, Cabinet Member for Finance and Corporate Performance

Councillor Nigel Howells, Chair of Policy Review and Performance Scrutiny Committee

Tony Young, Director of Children's Services

Chris Hesse, Director of Sport, Leisure and Culture

Christine Salter, Section 151 Officer

Marcia Sinfield, Deputy Section 151 Officer

Martin Hamilton, Chief Officer Change and Improvement

Joanne Watkins and Cheryl Cornelius, Cabinet Support Office

My Ref: Scrutiny/Correspondence/02-15

6 February 2015

Councillor Julia Magill
Cabinet Member for Education and Skills
County Hall
Atlantic Wharf
CARDIFF
CF10 4UW



Dear Julia

**CHILDREN AND YOUNG PEOPLE SCRUTINY COMMITTEE:
3 February 2015 – Education and Lifelong Learning, and Schools Transport
budget proposals**

Thank you for attending Committee earlier this week to support scrutiny of budget proposals relating to Children’s Services and Children’s Play. Please can you also pass on our appreciation to Nick Batchelar and Neil Hardee for the helpful evidence they provided. Please can you also convey our apologies to Andrew Gregory and Stephen Gerrard for requiring them to prepare for Committee and not actually call them to provide evidence. I hope they will understand that, as Members had not identified any questions on their proposals, there was no point taking up their time to make their presentation.

This letter contains the “Way Forward” observations and recommendations of Committee Members relating to the Education and Lifelong Learning budget proposals. For your information, I am also writing to Councillor Lent regarding Budget Proposals for Children’s Services and Children’s Play, and to Councillors Hinchey and De’Ath on issues connected to the Corporate Plan, corporate finance, consultation proposals and equality impact assessments.

The Committee hopes that the comments below will be of assistance to you in framing final recommendations for your Portfolio’s budget proposals to Cabinet on 20 February.

Corporate Plan

Members generally found the content of the Corporate Plan to have provided a useful synergy with the Education and Lifelong Learning budget proposals, and to have supported our scrutiny. We anticipate that Members of Policy Review and Performance Scrutiny Committee might have more extensive commentary on the Corporate Plan – the only comment made at our meeting was that Members would have liked to have seen greater reference to the community focus and role of Cardiff’s schools in the document.

Budget Proposals

Overview: In general terms, Members felt the answers to their questions to have been clearly answered. For instance, Members were reassured at the effective and clear steps taken to move towards a zero budget arrangement on catering and cleaning, the steps being taken to support schools in deficit, and the rigour being applied by the Director to avoid any unnecessary Consortium costs. They were pleased to hear that savings to the Admissions service would be built around processes rather than job cuts, and that consideration was being given to a mixed market of provision in the area of Early Years provision.

Youth Services: As you would expect and indicated in your statement, this was clearly the budget proposal that was going to be of most concern to Members. After a Member suggested that bringing the proposal forward at Budget time might create confusion about the aims of this proposal (ie was it designed as a service redesign to drive up service standards, or a mechanism to save money?), Committee felt that your presentation articulated a clear and logical position on the difficult issue of Youth Services.

Recognising the external and inescapable constraints being placed upon the Council, we agree that a minimum position of one facility in each neighbourhood tallies with similar policies in other Council portfolios. We consider, however, that distance makes a significantly more important difference to the accessibility of youth provision than, for instance, access to a Community Hub. For young people local means local. Issues of territorialism and transport resources might make it difficult for young people to travel to youth centres more than a mile from their home.

Similarly, although we appreciate your intention to increase the current 8% service user base, we would suggest that the Youth Service has been particularly successful over the years in supporting young people from the more disadvantaged communities, and young people disengaged from education and mainstream provision. We hope that you will be particularly minded to ensure that the more vulnerable young people are protected through the changes to current provision.

In my letter to Councillor Lent on Children's Play budget proposals presented this week I sought to reassure her that Committee's frustration at the apparently slow pace of progress in effecting sustainable change of provision from the Council to the community was not intended to be negative, but a positive spur to greater effort and progress. Many of the comments made in that letter might be seen to apply to Youth Services.

I am sure that you are making every effort to secure sustainable future provision, but we have not had evidence of this presented to our Committee in the past few months, and do not see any documentation in the public arena, for instance via a Cabinet Report, to set out the Administration's priorities, criteria and principles for achieving your aims. We heard that detailed planning and negotiation was underway in many areas, and were pleased to hear your confidence that some of the venues

are making excellent progress, and that transitional funding is likely to make a real difference over the coming 12 months.

We were also encouraged to hear that you will be seeking to explore within Cabinet use of the £2.5 million that the Council has recently secured permission from the Welsh Government to capitalise. We hope that some of this money could be used to secure transitional funding for Youth Services.

You mentioned in particular the Howardian Studio 22, and clearly we will be pleased to see the successful continuation of this facility. But we are equally keen that the positive contributions the Youth Service makes to early intervention and to the preventative agenda be preserved.

SEN Inter-Authority Recoupment: A Member, recognising the significant costs associated with SEN provision, was pleased to hear that collaborative work was underway with two other local authorities to reduce the costs associated with out of County placement for specialist SEN provision and that this might yield savings in 2016/17. We will be following the progress of this saving with interest at the next Budget Scrutiny round in February 2016.

Community Engagement: We heard your concern at not being invited to participate in the Committee's January evidence session with young people, but we are content at the approach we have taken. Members felt that you and Nick often have the opportunity to present evidence to Committee, and on this occasion we wanted to hear directly from young people, without feeling the need to be defensive or moderate any points made. As we did not have the opportunity to use any of the equality impact assessment data or Budget Consultation Report at our February scrutiny due to these documents being presented so late in the day, I am glad that the young people were afforded the opportunity to present this primary evidence to Committee.

In conclusion, we hope that you can see the above comments in the positive light in which they are intended. This letter does not require a formal reply, but I hope that it will be of assistance to you in shaping your final proposals for the Cabinet's recommended budget proposals coming forward to Full Council.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Richard Cook', with a long horizontal line underneath it.

COUNTY COUNCILLOR RICHARD COOK
Chair – Children and Young People Scrutiny Committee

CC:

Members of Children and Young People Scrutiny Committee

Councillor Graham Hinchey, Cabinet Member for Finance and Corporate Performance

Nick Batchelar, Director of Education and Lifelong Learning

Andrew Gregory, Director of Planning, Highways, Traffic and Transport

Christine Salter, Section 151 Officer

Marcia Sinfield, Deputy Section 151 Officer

Martin Hamilton, Chief Officer Change and Improvement

Joanne Watkins and Cheryl Cornelius, Cabinet Office

My Ref: T: Scrutiny/CYP/Feb 2015 (2)

Date: 4 February 2015

Councillor Daniel De'Ath
Cabinet Member for Safety, Democracy and Engagement
City of Cardiff Council
County Hall
Cardiff
CF10 4UW



Dear Councillor De'Ath

**CHILDREN AND YOUNG PEOPLE SCRUTINY COMMITTEE:
3 February 2015 - Consultation Report and Equality Impact Assessments**

While wishing to place on record my Committee's appreciation to officers for the work and time they have invested in the equality impact assessment of budget proposals and budget consultation arrangements in recent months, and recognising the big step forward taken by the Administration this year in releasing proposals for consultation so much earlier than before, I am writing briefly to express some disappointment at the late presentation of the paperwork to our Members, which limited the opportunity for Committee to make use of the information provided.

Our Committee met on 3 February to consider the Cabinet's Draft Budget Proposals, and Members were hoping to use these reports to inform their scrutiny of the proposals to support us in our scrutiny role of "reflecting the views and concerns of the public".

I believe that we as Scrutiny Chairs had been quite clear about our intentions and deadlines well in advance of our meetings, and had briefed them to Members and officers before Christmas. In mid November, the five scrutiny committee chairs made a decision not to launch a separate 'Call For Evidence' on the budget proposals, as we believed at that point that the results of the Consultation Process might be made available to scrutiny committees in a timely manner.

I understand that a lot of work had to be done after the consultation period closed on 12 January to turn the data into a meaningful report, but Members only received a copy of the Budget Consultation Report electronically during the afternoon of Monday 2 February, with hard copies supplied during the meeting itself the following morning. I certified at the meeting that the Consultation Report could be considered as a Late Item, but given the length of the document, it was of no practical value to Members.

I would have hoped that it might have been possible to make some of the interim findings available earlier as a general guide to scrutiny Members. It might not have been extensive, but more helpful than what was available in the final analysis.

Similarly, although I can again see that much effort has been invested in the process of equality impact assessment this year, some Members were disappointed that some of the larger final assessment reports from Education Services were uploaded

late in the day, and that the final EIA from Children's Play was not published until after our meeting had finished.

I hope that this information will help you plan further improvements next year, and inform any lessons learned from this year's Budget Process.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R. Cook', with a long horizontal line underneath it.

COUNTY COUNCILLOR RICHARD COOK
Chair – Children and Young People Scrutiny Committee

cc

Members of Children and Young People Scrutiny Committee

Councillor Graham Hinchey, Cabinet Member for Finance and Corporate Performance

Councillor Nigel Howells, Chair of Policy Review and Performance Scrutiny Committee

Scrutiny Committee Chairs

Sarah McGill, Director of Communities, Housing and Customer Services

Rachel Jones, Operational Manager Partnerships

Martin Hamilton, Chief Officer Change and Improvement

Marie Rosenthal, County Clerk and Monitoring Officer

Joanne Watkins and Cheryl Cornelius, Cabinet Support Office

My Ref: T: Scrutiny/CYP/Feb 2015 (1)

Date: 4 February 2015

Councillor Graham Hinchey
Cabinet Member for Corporate Services and Performance
City of Cardiff Council
County Hall
Cardiff
CF10 4UW



Dear Councillor Hinchey

**CHILDREN AND YOUNG PEOPLE SCRUTINY COMMITTEE:
Corporate Plan and Corporate Finance - 3 February 2015**

Thank you for attending this month's Children and Young People Scrutiny Committee. I will be writing at greater length to Councillors Magill and Lent regarding budget proposals from their Portfolio, but wanted to briefly bring to your attention some Member observations relating to corporate finance that might be best addressed for your consideration in the lead up to the Cabinet meeting on 20 February.

I will be copying this letter to the Chair of Policy Review and Performance Scrutiny Committee in advance of PRAP's meeting on Monday 9 February, and it is possible that he will raise these points with you in greater detail.

Before setting out these observations, Members would like to thank officers for attending Committee and answering questions fully and honestly, and for the huge amount of work invested by officers across the Council in recent months to support the invidious task of developing the required savings proposals. Equally, we are aware how difficult it must have been for Cabinet Members to weigh the conflicting pressures facing the Council. We hope that these comments will be seen as constructive, and will help you in your deliberations over the next few days.

- **Corporate Plan:** The purpose in attaching the Corporate Plan as an appendix to our meeting papers was to enable Members to consider the alignment of the Portfolio Budget Proposals being presented at the meeting with the Administration's overall performance and policy priorities. Members found the document to have been of general assistance in supporting the scrutiny and the Directors to have helpfully identified the linkages between the Plan and the budget proposals in their presentations to Committee.

While we are sure that Policy Review Committee and some other scrutiny committees may have further specific feedback on the Corporate Plan, our Members' only comment was to express some surprise not to see any significant reference to a Preventative Strategy for Children's Services that we have been discussing with the Director in recent months. Beyond this, we have no specific feedback on the Corporate Plan.

- **Impact of non-achievement of 2014/15 savings:** Although we noted that Children's Services was a positive example of a Directorate that achieved £2.6 million of its £2.7 million savings target for 2014/15, we are aware that non-achievement of savings targeted for 2014/15 has increased pressures on this year's and future revenue budgets. With £6 million (17%) of 2015/16's savings proposal having a red residual risk rating and £2.3 million having a red achievability risk rating, we urge you and officers to maintain pressure within the organisation on the management and achievement of performance targets, and we will be monitoring this vigorously during our quarterly performance monitoring in 2015/16.
- **Reduction to Collaboration Funding resources:** Given the significant moves towards regionalisation and rationalisation of services reporting through this Committee over the past year and its likely future trajectory, Members were worried that the reduction of allocation for collaborative initiatives from £4.8 million to £2.5 million will limit our capacity to remain agile to future opportunities to save money through collaboration.
- **Partnership for Change – service pressure risks:** Members were concerned that if not properly managed and monitored, enabling employees to purchase additional annual leave and placing additional restrictions on agency and overtime could increase pressure on delivery of front line services that report through this Committee. The Section 151 Officer stated that these savings would need to be sensitively applied to ensure continuity and efficiency of the services provided, and this will be an issue that our Committee will consider monitoring during its 2015/16 work programme.
- **Potential alternative uses of the £2.5 million capitalisation under the Partnership for Change, and the Balance Sheet Review:** Members discussed at length whether the Cabinet's proposed use of the £2.5 million windfall from Welsh Government's agreement to the Council's capitalisation proposal under the Partnership for Change would deliver best value for the Council's future needs. The capitalisation will be predicated on the disposal of assets that, once lost, will limit our future capacity to deliver services. Members questioned whether it might be more prudent to use these resources in preventative work, notably – in the case of this Committee's terms of reference – in optimising transitional arrangements for future delivery of youth and play services, and in the eagerly anticipated Children's Services Preventative Strategy.
- **Savings from Senior Management Posts:** Members felt the £200,000 target proposed to be overly modest, and urge you to consider increasing this allocation.

We hope that these comments will have been of assistance to you. There is no need to respond to this letter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R. Cook', with a long horizontal flourish underneath.

COUNTY COUNCILLOR RICHARD COOK
Chair – Children and Young People Scrutiny Committee

cc

Members of Children and Young People Scrutiny Committee
Chair of Policy Review and Performance Scrutiny Committee
Christine Salter
Martin Hamilton
Cheryl Cornelius

Fy Nghyf / My Ref: NRS/CW/PBr/05.02.15

Dyddiad / Date: 06 February 2015



Councillor Peter Bradbury
Cabinet Member: Community Development, Co-operatives & Social Enterprise
City of Cardiff Council
County Hall
Atlantic Wharf
Cardiff
CF10 4UW

Dear Councillor Bradbury

ECONOMY AND CULTURE SCRUTINY COMMITTEE – 5 FEBRUARY 2015

Draft Corporate Plan 2015 – 2017 and 2015-16 Draft Budget Proposals Community Development, Co-operatives & Social Enterprise Portfolio

Thank you for attending Committee to present your Portfolio's draft Corporate Plan and Budget proposals that fall within this Committee's terms of reference. I will be grateful if you could also pass on the thanks of Committee to Sarah McGill and Chris Hespe for their presentations and for addressing the questions raised during the meeting.

This letter contains the recommendations, observations and requests for information agreed by Members at the Way Forward at the end of the meeting, which we hope will be of assistance to you in shaping the final budget recommendations that you will be making for your Portfolio on 20 February. This letter has been split into two parts, as your Cabinet Portfolio contains services within both the Communities, Housing and Customer Services Directorate, and the Sport, Leisure and Culture Directorate.

Communities, Housing and Customer Services Directorate

The Committee recognises the aspirations of this Directorate to progress with Hub plans across the city and that this sits within the Corporate Plan priority of 'Working with people and partners to design, deliver and improve services'. With regard to the development of a City Centre Superhub within Central Library, the Committee can see the sense in building a critical mass of Council services within a central location in the city centre, however we do have concerns that this will detract from the identity of Central Library and feel that this building and service must continue to be

recognised as a Library that contains additional services, rather than the Library services on offer being deprioritised. This is a situation the Committee will be keen to monitor throughout future work programmes.

At the meeting, Members explored the process of moving services from Marland House to the new City Centre Superhub, and focussed in particular on the Somali Advice Centre. We were assured by the re-commissioning process set out by officers, and understand that this particular organisation had not emerged as a provider through this commissioning process. We would hope that such an organisation would be given the opportunity to co-locate their services within the Superhub, should they be able to secure alternative sources of funding and be looking for office space to rent. We hope that there is ongoing dialogue and advice provided to organisations that have not been successful in renewing their Council contracts. It is the view of this Committee that the Council should aspire to have all services of this nature grouped together in a single location, regardless of whether they are Council-funded or externally funded.

This Committee has already scrutinised the budget proposals in relation to a review of Library Services, and as such this was not explored in depth at the meeting. Members, however, are keen to reiterate the points we have previously made to you, and I would refer you to the letters sent by this Committee on 2 January 2015 and 26 January 2015. In summary:

- We are also concerned that a number of the libraries proposed to have Council funding removed are in fact some of the best-used libraries in Cardiff. It seems illogical to us that this Council is proposing to cease supporting some of the City's most popular libraries.
- We felt that inadequate time and resourcing had been made available for community groups to come forward with suitable alternative operating models for the libraries, within the timeframe provided by the Cabinet's consultation period. The Committee questioned whether it was realistic to expect community or friends groups to have the knowledge, skills and access to finance that will be required to take over the running of any of the other Libraries that potentially face loss of their Council funding.
- Members are not convinced that a clear strategy was in place to attract community and commercial interest further than publishing a toolkit on the Council's website.
- A number of 'Save our Library' groups have been established across the city, two petitions have been formally presented to the Economy & Culture Scrutiny Committee and a number of Community Polls have been undertaken on this topic. This has led us to question whether the relatively small levels of savings to be achieved through these proposals are really worth the large levels of

public dissatisfaction created and the potential loss of important community facilities if no alternative operating arrangement is secured.

- This Committee considers Libraries to be one of the core services provided by local authorities, and would have major reservations about proposals which may result in Libraries across the city closing if no alternative methods of operation can be found.

We are pleased that income generation is being explored within Libraries, a development this Committee has advocated for some time. We do not currently anticipate such income generation allowing Libraries to be self-sufficient financially, but feel that any additional income opportunities that can be secured for the Council cannot be ignored.

Finally, dialogue took place around Advice Services and Universal Credit. Members recognise that this issue falls under the terms of reference of the Community and Adult Services Scrutiny Committee, whose scrutiny of the budget has already taken place. We do, however, wish to advise that officers review the situation in Neath Port Talbot Council, who we understand are further down the track in this respect and anticipate there being lessons to learn from their experiences.

Sport, Leisure and Culture Directorate

The Committee notes that a number of the savings proposals within the Sport, Leisure and Culture Directorate are subject to potential delays as the Council looks to establish partnerships and undertake procurement exercises. We would urge officers to do all in their power to prevent such delays, and the need for negotiations, jeopardising the achievement of savings within their scheduled timeframe. The Committee are aware that there are risks involved in such remodelling of services, but given the financial circumstances the Council finds itself in, we feel the Authority must be more willing to take on more of this risk and push ahead with initiatives such as Community Asset Transfers.

The budget proposals in this area include a transfer of ownership of Cardiff Story Museum – which led Members to discuss the Old Library and the proposed Cardiff Heritage Trust. This Trust is an aspiration that the Committee would support, as we recognise the need for a mechanism to promote the cultural gems of this city. The Committee requests that, as plans for the Heritage Trust mature, this matter is brought to a future meeting in order for us to scrutinise the proposals and contribute to their development in greater detail.

Discussions took place around the figure allocated to St David's Hall within the General Fund Capital Programme, and we note your assurances that this figure allows the Council to be flexible within the ongoing procurement exercise and does

not commit us to extensive works on a building we may soon not be responsible for. The Committee, however, also wishes to note its reservations that the Capital expenditure required for Arts venues over the next five years may have been underestimated. We fear that a situation could arise in the future when the Authority is required to find money for extensive repairs that haven't been factored into long term plans.

Generally speaking, Members of the Committee were reassured by the information presented by officers and yourself with regard to the deliverability of the majority of the savings proposed across these two Directorates and how they align with the priorities identified within the Draft Corporate Plan. We note that a number of savings are predicated on the agreement of alternative delivery models, and feel this uncertainty could impact on the achievability and timing of savings, and hope you will bear this in mind. Committee therefore feel that robust Key Performance Indicators should be agreed to govern the achievement of savings and ensure they are kept on track. We are particularly mindful of comments recently made by the Wales Audit Office on the effectiveness of the Council's achievement of agreed savings, and we hope the authority's performance will improve in this area in 2015/16.

I would be grateful if you would consider the above comments, observations and recommendations, and look forward to receiving your feedback.

Regards,

A handwritten signature in black ink, appearing to read 'Craig Williams', with a long horizontal stroke extending to the right.

Councillor Craig Williams
Chairperson Economy and Culture Scrutiny Committee

cc

Councillor Nigel Howells, Chair of Policy Review and Performance Scrutiny Committee

Sarah McGill – Director, Communities, Housing and Customer Services

Chris Hespe – Director of Sport, Leisure and Culture

Christine Salter – Section 151 Officer

Marcia Sinfield – Deputy Section 151 Officer

Martin Hamilton, Chief Officer Change and Improvement

Cheryl Cornelius and Jo Watkins, Cabinet Support Office

Members of the Economy and Culture Scrutiny Committee.

Fy Nghyf / My Ref: NRS/CW/BD/05.02.15

Dyddiad / Date: 06 February 2015

Councillor Bob Derbyshire
Cabinet Member for the Environment
City of Cardiff Council
County Hall
Atlantic Wharf
Cardiff
CF10 4UW



Dear Councillor Derbyshire

ECONOMY AND CULTURE SCRUTINY COMMITTEE – 5 FEBRUARY 2015

Draft Corporate Plan 2015 – 2017 and 2015-16 Draft Budget Proposals Environment Portfolio

Thank you for attending Committee to present your Portfolio's draft Corporate Plan and Budget proposals that fall within this Committee's terms of reference. I will be grateful if you could also pass on the thanks of Committee to Chris Hesse for his presentation and for addressing the questions raised during the meeting.

This letter contains the recommendations, observations and requests for information agreed by Members at the Way Forward at the end of the meeting, which we hope will be of assistance to you in shaping the final budget recommendations that you will be making for your Portfolio on 20 February.

Generally speaking, Members of the Committee were reassured by the information presented by officers and yourself with regard to the deliverability of the majority of the savings proposed across this Directorate and how they align with the priorities identified within the Draft Corporate Plan. We did however have a few comments and observations with regard to some of the proposals, as outline below.

It should be noted that it was agreed at the request of the Chair of the Environmental Scrutiny Committee that this Committee would scrutinise the budget proposals in relation to Bereavement Services and Public Conveniences. This was agreed in order to avoid senior officers being required to attend an additional meeting in order for two proposals to be scrutinised.

The proposals for the Park Ranger service have generated some degree of public interest, and as such, a written statement has been received by the Committee outlining some concerns. Many of these concerns were addressed by you during the meeting and we recognise that you are under pressure to find savings, and that you

feel this area will have the lowest impact compared to other areas for savings you have considered. The Committee is glad that you are aware of the impact this remodelling may have on the support given to 'friends' groups, and we welcome the assurances you gave that these groups are being consulted on these proposals and exploring how the Council can continue to provide assistance to them.

The Committee is not against the decision to close a number of public conveniences across the city, however we are concerned that these disused buildings will be assumed worthless as alluded to during the meeting. The Committee is minded to note that some of these facilities could become valuable assets with a bit of creative thinking, given that some are situated adjacent to parks, cemeteries or libraries, and could for example become a small shop or kiosk in the case of the public conveniences on Llandaff High Street. The Committee welcomes the work that has been undertaken by the Council to negotiate with local businesses to allow the public access to their facilities, however we feel that this could be publicised more extensively in order to attract more of support from the business community, and so that the public have awareness of the buildings they can use.

At the meeting, you were challenged on the fact that the fees charged by Bereavement Services are already high and should not be raised any further, and we requested that information be sent through to the Committee on how these prices compare. We would like to thank your officers for promptly sending through this information and are glad to see that the figures indicate the Cardiff is below the national average for the fees charged for Local Authority cremation and burials, and that we are the cheapest Authority in South Wales for cremations. In this respect, we cannot disagree with a decision to increase the fees charged in Cardiff for Bereavement and Registration fees.

Finally, the Committee was given assurances that the increased fees and charges for allotments are in line with the ongoing Allotment Strategy being developed by the Council, and we are not minded to oppose this proposal. We would however request that this Strategy comes through the Committee at a later date, enabling us to review this service in more detail.

I would be grateful if you would consider the above comments, observations and recommendations, and look forward to receiving your feedback.

Regards,

A handwritten signature in black ink, appearing to read 'Craig Williams', with a long horizontal flourish extending to the right.

Councillor Craig Williams
Chairperson Economy and Culture Scrutiny Committee

cc Chris Hesse - Director of Sport, Leisure & Culture
Christine Salter – Section 151 Officer
Marcia Sinfield – Deputy Section 151 Officer
Martin Hamilton, Chief Officer Change and Improvement
Cheryl Cornelius and Jo Watkins, Cabinet Support Office
Members of the Economy and Culture Scrutiny Committee.

Fy Nghyf / My Ref: NRS/CW/GH/05.02.15

Dyddiad / Date: 06 February 2015

Councillor Graham Hinchey
Cabinet Member: Corporate Services and Performance
City of Cardiff Council
County Hall
Atlantic Wharf
Cardiff
CF10 4UW.



Dear Councillor Hinchey

ECONOMY AND CULTURE SCRUTINY COMMITTEE – 5 FEBRUARY 2015

Draft Corporate Plan 2015 – 2017 and 2015-16 Draft Budget Proposals Corporate Overview

Thank you for attending Committee to present us with an overview of the Draft Corporate Plan 2015 – 2017 and Budget proposals 2015/16. I will be grateful if you could also pass on the thanks of Committee to Christine Salter and Marcia Sinfield who attended the meeting and provided clarification on all our questions.

The Committee had a few observations following the meeting in relation to the capitalisation direction approval received from the Welsh Government on 30 January 2015. We note that the final amount is higher than anticipated and are glad this will allow the Council to ease pressure on the overall budget.

While the Committee is of the opinion that the Council could achieve the full amount of capital receipts to meet the Welsh Government allocation at a push, we recognise the sensible approach being taken in applying an initial budget position of £2.5m to be capitalised. Indeed the Committee is pleased with the sensible approach taken throughout this process in only writing £750,000 capitalisation into the budget, rather than anticipating a high allocation from the Welsh Government, and in resisting the temptation to sell off Council assets cheaply in order to meet the full allocation indicated on 30 January.

The Committee heard that capitalisation money can be used against statutory severance costs and the costs of organisational reform, and that this reform can be applied quite broadly. We would hope to see that any money released through capitalisation is shared across the range Council Directorates to assist in service improvement. As you will be aware, during our Scrutiny of the Sport, Leisure and Culture we were given the example of how the pressure of finding an additional £500,000 savings had been reduced following the allocation by the Welsh

Government – we would be interested in receiving an overview of the allocation of this money to ease pressures across the Directorates.

I would be grateful if you would consider the above comments, observations and request, and look forward to receiving your feedback.

Regards,

A handwritten signature in black ink, appearing to read 'Craig Williams', with a long horizontal stroke extending to the right.

Councillor Craig Williams
Chairperson Economy and Culture Scrutiny Committee

cc Christine Salter – Section 151 Officer
Marcia Sinfield – Deputy Section 151 Officer
Cheryl Cornelius and Jo Watkins, Cabinet Office
Members of the Economy and Culture Scrutiny Committee.
Councillor Nigel Howells, Chair of Policy Review and Performance Scrutiny Committee
Martin Hamilton, Chief Officer Change and Improvement

Fy Nghyf / My Ref: NRS/CW/PB/05.02.15

Dyddiad / Date: 11 February 2015



Councillor Phil Bale
Leader, City of Cardiff Council
County Hall
Atlantic Wharf
Cardiff
CF10 4UW

Dear Councillor Bale

ECONOMY AND CULTURE SCRUTINY COMMITTEE – 5 FEBRUARY 2015

Draft Corporate Plan 2015 – 2017 and 2015/16 Draft Budget Proposals Economic Development & Partnerships Portfolio

Thank you for attending Committee to present your Portfolio's draft Corporate Plan and Budget proposals that fall within this Committee's terms of reference. I will be grateful if you could also pass on the thanks of Committee to Director of Economic Development Neil Hanratty for his presentation and for addressing the questions raised during the meeting.

This letter contains the recommendations, observations and requests for information agreed by Members at the Way Forward at the end of the meeting, which we hope will be of assistance to you in shaping the final budget recommendations that you will be making for your Portfolio on 20 February.

The Committee was pleased to hear Neil Hanratty set out his ambition for the Economic Development Directorate to reach a position where it is self financed, and we welcome the range of initiatives and funding mechanisms that are being explored in order to achieve this. We feel it is a credit to the Directorate that plans to improve services offered by the Council in this area are progressing in the face of these budget reductions.

While concerned to hear that some of the city's larger businesses have still to sign up as members of Cardiff Business Council, we were reassured by the confident assertion that CBC will be able to bear a reduced revenue budget allocation from the Council, and hope that going forwards its aspirations to attract the involvement of larger businesses are met. It is important that the Business Council engages large businesses such as those involved in the Cardiff Business Partnership, alongside small and medium sized enterprises. The Committee requests that more information on the approaches being taken to get these businesses on board is submitted for our

consideration. As discussed at the meeting, please can you also provide the Committee with updated membership figures for Cardiff Business Council?

The Committee recognises the aspirations set out within the Draft Corporate Plan for progression of a Multi-Purpose Arena to help achieve the priority 'Sustainable Economic Development as the Engine for Jobs Growth'. We are, however, concerned that while plans for an arena and convention centre have been expressed for some time, they still lack detail and appear somewhat vague. We look forward to having the opportunity to scrutinise these plans when they are more substantial, and hope that the assurances given that the facility will meet the city's needs.

You will be aware that Members also questioned whether the Corporate Plan will need to be updated in light of recent announcement of a partnership with Newport and Bristol under the banner of 'Great Western Cities'. Members expressed concerns that this would seemingly conflict with the Capital City Region plans, which are mentioned in the Draft Corporate Plan. We welcome your assurances that there will be no conflict, and that this partnership will complement to the aspirations for the Cardiff City Region and will help generate increased interest in Cardiff and South Wales from a business perspective. We look forward to the upcoming announcement from the City Region in respect of this, and look forward to scrutinising this arrangement in the future.

Generally speaking, Members of the Committee were reassured by the information presented by officers and yourself with regard to the deliverability of the majority of the savings proposed in your Portfolio and how they align with the priorities identified within the Draft Corporate Plan. We wish to note the importance of establishing robust Key Performance Indicators that will govern the achievement of savings and ensure they are kept on track. We are particularly mindful of comments recently made by the Wales Audit Office on the effectiveness of the Council's achievement of agreed savings, and we hope the authority's performance will improve in this area in 2015/16.

I would be grateful if you would consider the above comments, observations and recommendations, and look forward to receiving your feedback.

Regards,

A handwritten signature in black ink, appearing to read 'Craig Williams', with a long horizontal flourish extending to the right.

Councillor Craig Williams
Chairperson Economy and Culture Scrutiny Committee

cc Neil Hanratty – Director of Economic Development
Christine Salter – Section 151 Officer
Marcia Sinfield – Deputy Section 151 Officer
Martin Hamilton, Chief Officer Change and Improvement
Cheryl Cornelius and Jo Watkins, Cabinet Support Office
Members of the Economy and Culture Scrutiny Committee.

Ref: RDB/PM/BD/03.02.15

5th February 2015

Councillor Bob Derbyshire,
Cabinet Member for the Environment,
County Hall,
Atlantic Wharf,
Cardiff,
CF10 4UW.



Dear Councillor Derbyshire,

Environmental Scrutiny Committee – 3rd February 2015

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

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

This letter contains the recommendations, observations and requests for information agreed by Members during the Way Forward at the end of the meeting, which we hope will be of assistance to you in shaping the final budget recommendations. The proposals that are allocated against the Environment Directorate and which fall within the scope of your portfolio are listed below:

ENV1- Full year effect of 2014/15 actions includes efficiencies taken with collections / cleansing & enforcement where they were part completed in 2014/15 and the benefits roll into 2015/16;

ENV2 – In House improvements (Council wide) & Neighbourhood Services (Council wide);

ENV4 – Redesign of cleansing as part of Neighbourhood Services (Environment only).

- The Committee were concerned at the scale of the £1.607 million saving required from in house modification and developing the Neighbourhood Services project. While they acknowledge that the idea behind this proposal is sound they question how quickly it can be achieved, particularly as the trial for the Neighbourhood Services project has only just started. Members hope that this new approach delivers quick efficiencies and they will monitor the progress of this work closely.
- Members would be grateful if you could arrange a visit for them to look at the work of the Neighbourhood Services pilot in the near future. This would provide the Committee with a greater understanding of the work of the proposed Neighbourhood Services teams.
- The group felt that the Council should continue to push to increase income from fines for offences such as littering and dog fouling. They would encourage you to use existing resources from within the enforcement team and other Council staff who are in a practical position to issue fines on a regular basis.

ENV5 – Revised Waste Strategy

- The Committee recognises the need for the Council to increase recycling rates and in particular reduce the amount of residual waste produced per household in Cardiff. They look forward to reviewing the Draft Waste Management Strategy proposals at their meeting on the 10th March.

ENV6 – Waste Disposal interim contract & Prosiect Gwyrdd

- The Committee were satisfied that the £3.572 million saving produced from disposing of waste at the Viridor energy from waste facility was

achievable. They were reassured that legal, technical and financial due diligence had been undertaken by the Council (and indeed other neighbouring authorities) and that you and officers were confident that the proposal was robust. The Committee will monitor this savings proposal with interest.

ENV7 – Increasing control of the green bag and food liner provision and distribution

- The Committee were broadly supportive of this proposal and acknowledge that greater control of how green bags in Cardiff are distributed needs to be achieved. Allowing waste collection rounds to distribute the green bags and then recording where they have been allocated would seem a sensible way forward; it would in effect be returning to a system which worked well several years ago.
- Members ask that consideration be given to taking a slightly different approach to the distribution of bags in high density property areas. It was highlighted that the more affluent areas of the city already achieve 70% plus recycling rates while some of the high density property areas in the inner city struggle to reach 20%. They believe that the Council should make it as easy as possible for people in the high density property areas in the inner city to access green bags and, therefore, they should be available from both the waste collection rounds and other suitable locations, for example, shops, religious centres and other community facilities. Restricting the access to bags in these areas could make the problem worse.

ENV9 – Domestic Collections Efficiencies

- When discussing how domestic collection efficiencies could be achieved a Member explained that in Germany waste collection vehicles operate using a mechanical arm to pick up the wheelie bins during the round. This dramatically reduces the number of staff needed to operate a collection round and appears to be very cost effective. The Committee would like you and the Environment Directorate to investigate this option and provide appropriate feedback on the matter.

ENV10 – Waste Disposal – Stop Post Sort

- Members understand why the Council has to stop the post sort of materials at Household Waste Recycling Centres and accept the argument that the approach presents a risk in terms of achieving the 58% recycling targets. They agree with your view that this change needs to be monitored against the performance of recycling targets and that if required at a later date post sort could need to be reintroduced. The Committee will closely monitor this proposal during 2015/16.

ENV11 – Remaining two Household Waste Recycling Centres (HWRC) with reduced operating days and hours

- The Committee are unable to support the proposed £42,000 saving for reducing the opening times for the two Household Waste Recycling Centres. The main reasons for this are:
 - They believe that the disruption caused by varying the hours of the two 'part time' sites would cause uncertainty; this would result in an increase in activities like fly tipping which would create additional cost for the Council. In particular there was some concern that waste could be dumped outside the entrance of the Household Waste Recycling Centres creating a removal cost and making access to the site difficult.
 - At a time when we need to achieve a 58% recycling target we should avoid confusing the public as to where and when materials can be recycled. Every little helps and ultimately small measures will help the Council achieve the tough recycling target and avoid potential Welsh Government fines.
 - As no comprehensive traffic surveys have been completed for the sites. Members question how the Council has managed to put forward a proposal which would drive increased traffic into one site during the opening and closing overlap period between the sites. They urge you to complete a detailed traffic survey on both sites before finalising any decision.

- The Committee note that a final decision for a long term operating model for Household Waste Recycling Centres will be taken before the end of this calendar year. Members of the Committee look forward to this announcement and would like to undertake pre decision scrutiny on the subject.
- The Committee recommended that re-use repair and recycle initiatives with third sector and other groups be investigated with redundant sites being considered or promoted to provide communities with this service.

**Line 58 – New Capital Schemes – Restricting Residual Waste –
Changing the current 240 litre bins to 140 litre bins**

- Members agree that swapping 240 litre bins for 140 litre bins could be an effective way of getting some people to increase their recycling. The capital programme allocates £2.4 million for the purchase of the new bins; it is assumed that the old bins would be recycled. The Committee ask you to carefully consider how and where new bins need to be allocated to maximise results. There would be little point in providing someone who takes over a month to fill their 240 litre bin with a 140 litre bin as the recycling gain would probably be negligible. In addition there are many cases like this where the 240 litre bins are in good condition and so do not need replacing – incurring an unnecessary cost at this financially challenging time would seem to be inadvisable. Please note that the assertion that all of these bins were at the end of their working life was not accepted or supported by evidence.

Financial Pressures – Line 5 – Waste Strategy & Collection Changes

- The Committee welcome the additional £500,000 allocated to supporting the Waste Strategy changes during 2015/16. It is clear that significant changes will need to take place to help the Council reach the 58% recycling targets set for 2015/16. These significant changes will only work if supported by an extensive education campaign and the additional funds will add valuable support to this effort.

- In terms of the Waste Strategy changes the Committee are clear that additional targeted systems and support should be directed at the low recycling performance areas, i.e. the high density property areas in the inner city. This would in effect mean treating the low performing areas differently to those meeting or exceeding target. Members feel that such an approach represents the best opportunity to make additional recycling gains and reach the 58% recycling target for 2015/16.

Public Consultation Feedback

- The 'Changes for Cardiff – Results & Feedback Report' identified that the respondents to the consultation concluded that:
 - *Do you agree to withdraw the free entitlement to bulky item collections?*
– 51.7% said yes; 36.6% said no and 11.8% were not sure.
 - *Do you agree to an increase in existing charges for bulky item collections?* – 50.1% said yes; 35.2% said no and 14.8% were not sure.

The Committee believe that a change to the charging structure for the collection of bulky waste would lead to an increase in the amount of fly tipping in Cardiff at a time when the Council appears to be doing a good job in managing the problem. Members ask if you could avoid making any changes to the charging structure for the collection of bulky items in the short to medium term.

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

Regards,



Councillor Paul Mitchell
Chairperson Environmental Scrutiny Committee

Cc to:

Councillor Graham Hinchey, Cabinet Member – Corporate Services & Performance

Jane Forshaw, Director for the Environment

Tara King, Assistant Director for the Environment

Christine Salter, Corporate Director Resources

Marcia Sinfield, Operational Manager – Projects & Technical Accountant

Paul Keeping, Operational Manager, Scrutiny Services

Joanne Watkins, Cabinet Office Manager

Cheryl Cornelius, Cabinet Support Manager

Councillor Nigel Howells, Chair of the Policy Review & Performance Scrutiny Committee

Members of the Environmental Scrutiny Committee

Ref: RDB/PM/GH/03.02.15

5th February 2015

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



Dear Councillor Hinchey,

Environmental Scrutiny Committee – 3rd February 2015

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

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

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

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

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

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

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

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

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

Regards,

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

Councillor Paul Mitchell
Chairperson Environmental Scrutiny Committee

Cc to:

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

Ref: RDB/PM/RP/03.02.2015

5th February 2015

Councillor Ramesh Patel,
Cabinet Member for Transport, Planning & Sustainability,
County Hall,
Atlantic Wharf,
Cardiff,
CF10 4UW.



Dear Councillor Patel,

Environmental Scrutiny Committee – 3rd February 2015

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

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

This letter contains the recommendations, observations and requests for information agreed by Members during the Way Forward at the end of the meeting, which we hope will be of assistance to you in shaping the final budget recommendations. The draft budget proposals which fall within your portfolio of responsibility are listed below and broken down by Directorate:

Draft Budget Proposals - Strategic Planning, Highways, Traffic & Transport Directorate

SPH11 – Schools Crossing Patrols – Realign Budget

- When discussing the implications of cutting £45,000 from the ‘Schools Crossing Patrols Budget’ Members raised the practicality of investing monies into this area. They were concerned that in the medium to long term there would be insufficient funding available to provide adequate school crossing patrols. The Committee felt that a complete change in approach was required and that the Council should consider implementing 20 mph zones around all schools and many other parts of the city. A Member explained that there was strong evidence to suggest that similar schemes work well in Germany and that they were very cost effective when compared with alternatives; they also managed to improve road safety. These schemes would only need to be implemented once and ongoing maintenance would be minimal. The new schemes would need to be publicised and actively enforced; particularly at the start. Once the 20 mph schemes were established they would provide a cost effective measure for improving road safety.
- Members acknowledge that the behaviour of drivers and pedestrians would need to be challenged and supported by educational initiatives to make a potential 20 mph zone effective.
- Members are aware of the ongoing trial in the Cathays and Roath areas. They would be grateful if you could forward on any available results from this trial for their consideration.
- Members are very keen for the Council to implement the ‘car cam’ system which they believe would improve road safety and parking standards around schools. The Committee feels that the new vehicles would be self funding and able to cover a far larger area than the Civil Parking Enforcement officers can manage on foot.

SPH15 – Planning – Increase in development fee income target

- The Committee believes that the £50,000 increase in planning income is small when compared to the overall potential income which could be generated. A combination of an upturn in the housing market, fees for large planning developments and a potential uplift in fee income during 2015 seems to support this argument. The Members would, therefore, ask you to review the planning fee income as they believe a target increase of £100,000 is achievable. Such an increase would provide the opportunity to relieve budgetary pressures in other areas.

SPH18 – Highways Street Lighting – LED conversion main routes;

SPH19 - Highways – Dimming of Street Lights.

- The Committee agreed that the introduction of new street lighting technology to achieve budget savings was a positive step as it could save the Council money and reduce its carbon footprint. They believe that modern lighting systems are able to provide good lighting without compromising personal safety.
- Members are keen that the Council investigates the option of introducing solar powered streetlights; these are capable of generating enough electricity to power good quality street lighting and would also help reduce the Council's electricity bill.

SPH25 – Moving Traffic Offences

- The Committee considered that the £450,000 target for Moving Traffic Offences was a low estimate. A Member cited a press release in January which was in fact a statement sent to the Echo which said that “3,544 penalty notices have been issued between December 1 and December 31st for bus lane contraventions. Offenders have a 21 day period to either pay £35 or appeal against the decision”. A simple calculation, assuming they are all paid within 21 days, suggests that a monthly income of £124,000 is possible but the Committee accepts that bus lane infringements will decline in the months to come. However, the scheme

will expand and focus on key yellow box junctions on the main arterial routes in and out of Cardiff and illegal parking around schools which could exceed the December income although that too will decay over time. The Director for Strategic Planning, Highways, Traffic & Transport accepted that the estimate was conservative, however, he assured the Committee that it needed to be as the scheme is new and it is difficult to project the full year results with any accuracy. The item was discussed during the Way Forward and:

- The Committee noted that all the income received is ring-fenced to pay for the scheme and other transport related initiatives but would recommend that an income target be set for £750,000 which, if achieved, would help to indirectly relieve budgetary pressures elsewhere in the council.
- The Committee would like detail on the number of tickets issued to date along with an estimate of how much income these will generate.
- I would like to remind you that at our meeting in November 2014 the Members agreed to revisit Moving Traffic Offences for a progress update within 6 months. I will ensure that it is included in our work programme.

Civil Parking Enforcement

- During the meeting Members were told that in December there were nine Civil Parking Enforcement officer vacancies and that recruitment into these posts had proved difficult. I would be grateful if you could let the Committee know why these vacancies existed, how many vacancies we currently hold and comment as to why it is so difficult to recruit new staff into the role.
- Could you please provide a summary of the number of fixed penalty notices issued year to date along with the total number issued during 2012/13 and 2013/14. The Committee are keen to establish if there are any obvious trends for the number of parking offences in Cardiff.

- When discussing the income generated by Moving Traffic Offences, parking charges and Civil Parking Offences the Committee looked at the structure of the Civil Parking Enforcement budget listed in Appendix 3a of the papers. A Member queried the 'Other Expenditure' of £4,594,080 listed against this line and asked what it was for; the explanation was that it was a payment for transport related items to other budget lines, i.e. contributions from the parking revenue account. I would be grateful if you could provide greater detail on the 'Other Expenditure' to include which cost codes the monies were being paid to and the type of work it was being used to fund.

SPH26 – Parking Strategy – to increase parking charges in accordance with the Parking Policy

- SPH26 explained that an additional £85,000 of income would be raised from parking charges. A Member commented that the Council had recently raised the fees in long stay car parks and that after an initial dip in income the actual amount of monies collected had increased. He felt that the Council should do the same with short stay car parking and has asked for an update on when these will be reviewed as they could bring in important additional income.

Line 34 – Draft Capital Programme 2015/16 to 2019/20 – Central Square – Bus Station

- Line 34 of the Draft Capital Programme 2015/16 to 2019/20 sets aside £14 million for the development of a new bus station. A Member was very keen to find out which funding sources would be used to fund this development and if it would be possible to use section 106 funding or the Community Infrastructure Levy to partially fund this development. I understand that the public state of funds are complex, but I would appreciate it if you could provide the Committee with the proposed funding details.

Review of Schools Transport Policy

- A Member explained that he was aware of an ongoing review into School's Transport Policy. This was reviewing, amongst other things, the provision of transport for children who attended schools outside of their designated catchment area. I would be grateful if you could provide an update on this review and outline a timescale for the completion of this piece of work.

Draft Budget Proposals – Environment Directorate

ENV14 – Renewable Energy Generation

- When discussing the potential income available from renewable energy the Members raised the idea of investing in solar panels. It was explained that it is difficult to take a renewable energy investment decision on Council buildings at the moment as it is not clear which buildings will remain within the Council estate in the medium term. The Committee strongly believe that we are missing out on an opportunity to generate solar energy on buildings like County Hall. They feel that the Council is failing to take a decisive decision on the matter. The failure to implement such schemes in good time is viewed as a missed opportunity. It was also noted that solar panels are easily removed and if required they could easily be installed on other buildings.
- The Committee believes that more could be done to introduce vehicles which use electricity or other alternative fuels into the Council's fleet. The Council does not at the moment have any vehicles which are powered on electricity or alternative fuels; however, there are opportunities for the Council to invest in vehicles which could reduce fuel costs and the Council's carbon footprint. The Members have asked that you to look into these options.

ENV15 – Energy Savings (Council Wide)

- The Committee noted the £90,000 energy reduction savings from across the Council's estate through measures such as better house keeping. The Director for the Environment felt that with good corporate support greater savings could be achieved than those set out in the budget line. Members would support this and encourage all Council staff to engage in workplace energy saving measures where possible.

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

Regards,



Councillor Paul Mitchell
Chairperson Environmental Scrutiny Committee

Cc to:

Andrew Gregory, Director for Strategic Planning, Highways, Traffic & Transport

Jane Forshaw, Director for the Environment

Christine Salter, Corporate Director Resources

Marcia Sinfield, Operational Manager – Projects & Technical Accountancy

Joanne Watkins, Cabinet Office Manager

Cheryl Cornelius, Cabinet Support Officer

Paul Keeping, Operational Manager – Scrutiny Services

Councillor Michael Michael, Chair of the Planning Committee

Councillor Nigel Howells, Chair of the Policy Review & Performance Scrutiny Committee

Members of the Environmental Scrutiny Committee

My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

Date: Wednesday 11 February 2015



Councillor Phil Bale
Leader
City of Cardiff Council
County Hall
Cardiff
CF10 4UW

Dear Councillor Bale

**POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 9 February 2015:
Draft Corporate Plan 2015 – 17 and Draft Budget Proposals 2015/16**

I would like to thank you and Councillors Hinchey, De'Ath and Bradbury for attending this month's Policy Review and Performance Scrutiny Committee meeting. We would also like to show our appreciation for the great deal of time and effort invested by the many officers who prepared and facilitated the meeting in various different ways, and for those who attended to provide evidence.

The Committee welcomed the opportunity to scrutinise the draft Corporate Plan and the Cabinet's draft Budget Proposals for 2015/16. We agreed your request to move our meeting from Tuesday to Monday so that we were able to provide verbal feedback from the meeting in time to inform Monday afternoon's Informal Cabinet meeting. This written record of the Members' observations and recommendations confirms and builds upon the points shared verbally with you and Councillor Hinchey then, with the Chief Executive and Section 151 Officer in attendance. I hope that the advice helps you in finalising your Cabinet's Budget recommendations for Full Council, and also that it supports the preparation of the final Corporate Plan which you will consider at your Cabinet meeting in March.

DRAFT CORPORATE PLAN 2015 - 17

Members were pleased to have had the opportunity to scrutinise the draft Plan at this stage. It allowed us to test linkages between the Plan, the Cabinet's overall draft Budget Proposals, and the budget proposals being considered by each of the Directorates that report through this Committee. We also gave consideration to the Plan as an overall draft document, and have detailed our views below.

We note that the Plan will be finalised and adopted in March rather than at its traditional February slot, for the reasons set out by Martin Hamilton at the meeting that this will enable Members to provide greater focus on the Plan than would have been possible if it was subsumed within the wider Budget debate. We will watch with interest to see what changes might be made to commitments and targets within the draft Corporate Plan in the light of any amendments made in coming days to the

Cabinet's draft budget proposals. We may wish to see the final draft Plan in March, partly to check that the observations of this and the other scrutiny committees have been taken on board in the final document, and partly to consider whether any significant changes have been made that could require fresh scrutiny.

Members were keen to test the synergy between the Corporate Plan and Budget Proposals, and considered how far the Plan had shaped the budget proposals, or been shaped by them. Members heard that the relationship between political and organisation priorities and the availability of resources will always be a close one, and recognise that finance will inevitably be a factor in constraining an Administration's ambition. In point of principle the Committee sees a Corporate Plan as a document driven fundamentally by political and organisational priorities, and the Budget as a companion document illustrating how those priorities will be put into practice.

Members noted a previous request for a suitable mechanism for issues discussed at the Challenge Forum to be reported back to the Scrutiny Committee. We were pleased to have it confirmed by Martin Hamilton that this could begin from Quarter 3 performance monitoring in March 2015.

Members also noted Martin's agreement with a Member's suggestion that inclusion of an indication of achievement of 2014/15 targets could be a useful addition to the Plan, and look forward to seeing how this manifests itself in the final draft.

In recent months Committee has grown increasingly interested in the imperative for managers to hit agreed performance and financial targets, and the steps the Council can take to hold managers to account for these. Members were pleased to hear the Chief Executive allude to a range of tools available to him within the Council's performance management approach to achieve this. Recognising that over the passage of time there will be fewer "easy" options for the Council to reliably generate savings (and fewer resources to stretch performance targets) Committee feels that it will become more and more important to make use of these tools. To help our Committee deliver its role in challenging performance we would like the Chief Executive to return to a future meeting to provide more detail on how this approach will manifest itself in the coming year, so that we can discuss this with you in greater detail.

I am aware that colleagues in Children and Young People Scrutiny Committee have already discussed in outline with the Cabinet Member for Education and Skills their wish to explore lessons to be learned from the recent Estyn inspection of Eastern High School. In terms of corporate performance management this Committee will also be interested to understand the steps being taken by the Council to address Estyn's concerns about governance and performance at the High School.

CARDIFF DEBATE CONSULTATION REPORT

While hearing that the Cardiff Debate survey had achieved greater response levels than other examples cited of similar recent engagement exercises in other cities, Members wished that more significant numbers of citizens had attended the Cardiff Debate drop-in events. Although grateful to staff who worked hard to encourage and support engagement, Committee would like to review the Cardiff Debate at a future

meeting, to hear from officers what steps can be taken to increase direct involvement. We noted your contention that the Debate had gleaned useful data for triangulation as part of an overall body of evidence, but were not sure that the Debate could be regarded on its own as a robust or representative reflection of the views of the people of Cardiff.

In particular, Members would like to ask that officers consider from the demographic profile of respondents to this year's survey any gaps in the Council's current consultation reach. The length of the questionnaire made it difficult for many residents to complete, and consideration should be given in future to providing additional facilitation for those residents who would find this useful to enable them to complete the survey. We will be grateful if officers could reflect on this, and advise you of any improvements that can practically be introduced to address any identified demographic differentials in survey completion, and make any communities "easier to hear", so that we can discuss this with you in the near future.

Members felt that any consultation questions perceived to be 'leading' in their nature should be discouraged, and asked that this matter could be reviewed in terms of planning future consultation questions.

Members were not convinced that the Cabinet's draft Budget proposals on Welsh Language Play provision level tally with the relatively low level of public support for this type of provision expressed through the survey.

Finally, Members felt that public's expressed enthusiasm for the importance of volunteering should be recognised before decisions are made on cutting services like Park Rangers, Libraries, Play and Youth. The added value that these services derive from volunteer hours is perhaps not yet fully understood. If we are going to be successful in our efforts to get communities to "Step Up" to the challenge of co-production, it is vital that officers who support volunteers be enabled to continue to derive added value from volunteering. Equally, the limitations on what can be expected of volunteers need to be understood, and that volunteers should not be expected to replace those kinds of services (for instance technical maintenance and technical support) best delivered by professional public servants.

CORPORATE BUDGET ISSUES

Members noted from the Section 151 Officer's presentation that the Budget Report for 2015/16 will include a stark warning to Members that:

"As set out in the July 2014 Budget Strategy Report it is important to reiterate the materiality of the service choices ahead of the Council. In particular, anything other than a radical reduction and reset of the Council's services will over the life of the MTFP term lead to financial resilience issues for the Council. Against this backdrop members will need to consider whether the choices made to date are commensurate with the scale of the financial challenge ahead."

While not disputing the reality of the issues behind this statement, Members expressed discomfort at the prospect of agreeing a budget based on this advice.

Committee noted that the non-achievement by £7 million of 2014/15 savings targets would increase next year's savings target to £50 million. Members spent time discussing the example of the St David's Hall, and why spending on the Hall had been continued once the six month window for arranging a new model of operation had been reached. I do not believe that any Member would be comfortable with the idea of closing the National Concert Hall of Wales, and in any case we heard the Section 151 Officer explain that commitments previously made to promoters would have made any savings from closure negligible in any case. I believe that the point emerging from this example, however, is that in the case of non-statutory provision of this kind, it would have been helpful to have had the transparency of a Cabinet report to advise and seek support from Members for any intended continuation of operation that might impact on the in-year savings position. Without this transparency there is a risk of falling outside the Council's agreed Policy and Budgetary Framework.

Members considered the Cabinet's proposals for financial pressures in the Medium Term Financial Plan. They note that agreement of any of these will signal that the Cabinet has made a positive choice to prefer expenditure on these pressures over any cuts to Children's Play, Youth Services, Libraries and Day Centre services that have caused concern to communities in recent weeks. Once these choices are made public, Members will be grateful for you to advise them by reply on the thought process behind these decisions.

Members heard concerns expressed by the GMB Union around communication arrangements between staff, unions and management in areas including day centres and children's play. It was suggested that some miscommunication might have taken place with affected staff in Day Services and at Splott Play Centre to suggest to them that decisions had been already taken at an officer level that services would cease, prior to a political decision being made. The official also felt that engagement with Day Centre service users could have been better in recent weeks. I have attached the written submission we received with this correspondence. Christine Salter gave a clear explanation of the agreed process for advising staff at risk of losing their posts, and we will be grateful if you can explore whether managers have carried out these arrangements correctly, and advise us accordingly.

The Partnership For Change is a significant new undertaking, which we look forward to hearing about in greater detail at future meetings. We wish you every success, and trust that all parties will engage in the Partnership in the honest, open and realistic manner that will be needed to ensure continued progress.

ECONOMIC DEVELOPMENT PROPOSALS

Although conceding that it involved us straying somewhat from our terms of reference, the discussion on savings to Cardiff Business Council did provide an illustration of the challenge of matching up Council policy and practice. CBC was designed as a vehicle to leverage in external private investment, and we hope that the saving proposals will not impede the effectiveness of this and other kinds of "invest to save" initiatives.

CORPORATE MANAGEMENT PROPOSALS

Members expressed concerns that there will come a point where continued loss of management capacity will impact negatively on the Council's ability to deliver future savings, and on our achievement of in-year financial and performance targets. But we were reassured at Councillor Hinchey's evidence that this would mainly impact on managers with fewer than six officers in their span of control, and perhaps affect just nine posts.

Members were also reassured that the cut of support to the Enterprise Zone was just a one year expedient, reflecting that there are not any specific commitments against that budget this year.

RESOURCES DIRECTORATE PROPOSALS

All points raised were satisfactorily addressed, and we have no further observations to make.

COUNTY CLERK DIRECTORATE PROPOSALS

Members have noticed a steady deterioration of the level of support to non-Executive Members over the past two years, and fear that this will risk disadvantaging the non-Executive and weaken the Council's governance arrangements.

Committee considered the County Clerk and Monitoring Officer's "mini restructure" budget line, and noted the assurance from Councillor De'Ath that the proposals will have no adverse impact on Scrutiny. But we are aware that a number of posts will be lost that provide support to Members in general, as well as the senior management proposal to merge the posts of Monitoring Officer and Head of Legal Services. We feel that the level of Member support in Scrutiny and Democratic Services in general have reached a point where further cuts will impact on Member capability and governance> In the light of Wales Audit Office's Corporate Assessment (and in recognition of the importance of the function to Members) we seek an assurance from you that given the pressure on the County Clerk to meet financial targets for the medium term, the Cabinet will make a decision to protect current resource levels during this medium term period.

Members noted that the protection provided to the Welsh Language Unit was as a result of the Council's Welsh Language Policy, and that the terms of the Policy could potentially be reviewed in the future.

Members raised a number of technical points on the availability of IT resources at Committee meetings (eg charging points for tablets to enable paperless working) and the Dictabank.

COMMUNITIES DIRECTORATE PROPOSALS

Councillors considered the “Superhub” proposal, and wanted to express concern that the increase of Hub facilities in Central Library could diminish the current library provision.

Members also felt that – given its location so close to the retail heart of Cardiff – if savings had to be found at Central Library it might be more advantageous for the city if this space could be considered in terms of its potential to boost the City’s economic capacity. As a recommendation, Members feel it will be prudent to explore the potential for other spaces (eg Southgate House or space near the future Transport Interchange) being identified for a central hub at some not too far distant point, should opportunities for commercialisation of the Central Library present themselves by then.

For noting, in response to a Member’s question, it was stated that transitional support might be available to the Somali Advice Centre, but that space in the Superhub was not likely to be made available to them.

Members are aware that Economy & Culture and Children & Young People Scrutiny Committees have both recently written at length to Cabinet on “Stepping Up” arrangements regarding libraries, youth and play centres and community halls. Our Committee noted the length of time invested to date in identifying, nurturing and securing partnership with community organisations, and the myriad of legal, technical, professional and financial challenges ahead. We are not entirely confident that sustainable transition to future models of management of stand-alone libraries is likely to be achieved in the foreseeable future, but feel that the observations and advice of the two Scrutiny Committees will be of assistance in optimising your success.

Members were reassured that endeavours were being made by officers to ensure that the City’s future equalities offer and third sector support arrangements would be preserved through the new specification of Infrastructure Support, and that rigorous equality impact assessments will be produced to evidence this.

Briefly summarising our understanding of agreements reached at the meeting:

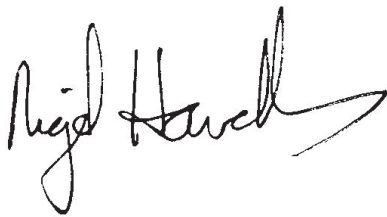
- We may wish to view the final draft of the Corporate Plan should there be any significant changes prior to its consideration at March’s Cabinet;
- We look forward to further advice on the Challenge Forum at our March meeting;
- We will be interested to see indications of achievement of 2014/15 targets in the Corporate Plan;
- We wish to schedule discussion of the suite of performance management tools that will be used to govern manager achievement of targets at a future meeting;
- Without wishing to unnecessarily duplicate the Children and Young People Scrutiny Committee’s efforts, we will be interested to play a part in any review of the Eastern High School Estyn Inspection, for reasons stated above;
- We look forward to reviewing the Cardiff Debate with you at a future meeting;

In addition to your observations on many of the points raised in this letter, I will be particularly pleased to receive your timely response on:

- Please can you check and advise that managers correctly advised staff at Splott Play Centre and in Day Services around their potential redundancy from their posts?
- Should any of the financial pressures be accepted, and any of the proposed cuts to Libraries, Play, Youth Services and Day Centres also be implemented, please can you provide a short statement to explain the synergy between these decisions and the Council's four key priorities?
- Please can you assure us that you agree with our concerns about the level of support provided to Scrutiny and Democratic Services, and confirm that you are seeking to protect these services in the medium term?

Finally, on behalf of Members I wish you and Cabinet colleagues every success in making your final Budget recommendations to Full Council on what will inevitably be a very difficult Budget. I look forward to hearing your feedback on the points made in this letter at your earliest convenience.

Yours sincerely



**COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc Councillors Hinchey, Bradbury and De'Ath
Paul Orders, Chief Executive
Christine Salter, Section 151 Officer
Marcia Sinfield, Deputy Section 151 Officer
Martin Hamilton, Chief Officer Change and Improvement
Dylan Owen, Principal Policy and development Officer
Sarah McGill, Director Communities, Housing and Customer Services
Rachel Jones, Operational Manager Partnerships and Citizen Focus
Neil Hanratty, Director of Economic Development
Marie Rosenthal, County Clerk and Monitoring Officer
Angie Shiels, GMB Union
Joanne Watkins and Cheryl Cornelius, Cabinet Support Office
Members of the Policy Review & Performance Scrutiny Committee
Chairs of Scrutiny Committees
Paul Keeping, Operational Manager Scrutiny Services

Appendix 1

VERBAL STATEMENT FROM GMB UNION TO POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE ON CABINET'S 2015/16 BUDGET PROPOSALS

9 February 2015

GMB recognises the difficult position the Council is in, with savage cuts being forced on all Councils throughout the UK. Wales has for sometime been cushioned from these, however, we are now beginning to feel their impact.

There has been much talk across the city about the budget, with campaigns being set up to voice the community's dissatisfaction at some proposals.

Libraries and Youth services, being two of the most vocal and, whilst we applaud our colleagues' efforts, passion and commitment, there appears to be a group of our society which has been left without a voice - that of the most vulnerable in our society, the elderly.

The proposal to shut 4 day centres for the elderly, many with Alzheimer's / dementia is at best misguided at worse obscene. The report provided from Health and Social Care makes much of provisions they are "looking at" and their "potential": what it does not say is what will happen to the 239 service users.

You simply do not stop a critical service like this until you are assured that you have a robust provision in place. The GMB does not believe that this has been illustrated in any reports. "Maybe", "might", "could happen" are simply not acceptable when a proposal of this magnitude is being tabled.

When you cease to provide a service like this, you do not just stop it for the main service user; you remove respite time for the carers. Carers save the economy billions, unpaid hard work, providing for their loved ones at home.

However, providing that care takes its toil. When a loved one attends a service such as we have in our day services, carers know that their loved ones are in safe hands, familiar surroundings, allowing the carer a few hours to be free of the intense responsibility that being a carer brings. Maybe a few hours needed, sleep a coffee with a friend, to you and I this may seem of little significance. Believe me, it makes all the difference.

Withdrawing this service may bring about an increase on the demands of our mental health service for carers who are already under too much pressure and many problems associated with depression. We implore the Council, do not cast our elderly aside, do not leave them even more vulnerable than they are already. They may not be able to March on County Hall; they may not be able to set up a campaign. They may not be able to express their concerns due to their medical condition, however, as a Council who prides itself on being decent, fair and protective of our most vulnerable, please be the voice of compassion and reject these short-sighted proposals.

The Drug and Alcohol Team again is a service providing a crucial service for vulnerable adults. Many of you will have seen articles in the press from concerned citizens. This cut in this service again is short sighted; the counselling service does incredible work and is an immeasurable preventive tool. A small sum of money compared to some cuts that keeps service users on the road to recovery. Although unpalatable to many, drug and alcohol abuse are illnesses and as such need the resources to help our service users.

Welsh Government has given CCC an additional £2.8 million. Also an additional £400,000 was found. Many of our members and non members deliver the above services; they are already being told their jobs are going, we cannot see why the additional funds on top of the autumn settlement of additional £10 million cannot go towards saving crucial life saving services.

Youth Services provide crucial support to the youth of the city. The Peer Review stated quite clearly that youngsters who are NEET should be prioritised; it does not appear that this recommendation is being taken on board. It is all well and good to say communities will take over services. There is no evidential support for this. The youth are our future, they need investing in, serious and careful consideration needs to be taken, a disenfranchised youth, is a disenfranchised future for the City.

The Cardiff Debate had significant resources in digital advertising, social media, Capital Times etc, but out of 330,000+ citizens only 4,00 responded. GMB are concerned that although well intentioned, it is profoundly naive to put one's faith in the assumption that volunteers will step forward to offer quality provisions and services. The Council offer support for taking over buildings, people being TUPE'd over, however, a sound business case both practical on service delivery and, also on sound financial basis needs to be provided.

Our members' jobs maybe affected, we cannot stand by and let them be part of some kind of Lost Horizon dream, where Shangri-La exists. People's pay, sickness, annual leave pension rights, payroll HR implications, all need clarification. We cannot allow for our services to be taken over by well-intentioned groups, who are not able to deliver. The Council has a duty to scrutinise especially where people's jobs are concerned.

GMB along with other unions have been consulted on varying projects that the Council are looking at in order to deliver services more effectively. Organisational Development was something we could not see measurable outcomes to begin with. We became rather suspicious, however, having had some in-depth discussions, we applaud the work of the OD team, in particular the pilot of the neighbourhood, cleansing/parks etc... Our members have engaged and, are informing the project proactively on how we can have in-house services. This is proper partnership working. Keeping services in-house, using technology, shared ideas, working to a 21st Council. This type of partnership working is one we embrace, it stops salami slicing, it helps deliver quality services, in a joined up fashion.

Cllr G Hinchey
County Hall
Cardiff
CF10 4UW

cc. Cllr J Magill

29th January 2015

Dear Cllr Hinchey

Council Budget Proposals 2015/16

I am writing to formally respond to the Council's budget proposals on behalf of Cardiff Schools' Budget Forum following our meeting on 21st January.

We are well aware of the extreme financial pressures facing the Council for 2015/16, having been thoroughly briefed by Nick Batchelar and officers over recent meetings. We recognise that the pressure the Council faces has been added to by the in-year adjustments to some Welsh Government Grants resulting in the education budget covering a £700k claw back from the Minority and Ethnic Achievement Grant. We recently wrote outlining our concerns over these adjustments to Estyn as part of their thematic review of the consortium.

The Forum welcomes that the Cabinet has in its proposals reaffirmed the overriding importance of the priorities in the Council's Corporate Plan 2014-17 which include, 'promoting education'. Schools play a crucial role in achieving this priority, and it is essential that they are provided with the resources necessary to ensure that every pupil in the city has the opportunity to achieve to their full potential. We acknowledge that the Council has pledged to meet Schools protection at 1% above the Welsh Government's revenue settlement and that it is proposing to increase schools budgets by £2.5 million for demographic pressures and by a further £2.369 million to meet some of the increased cost pressures, however the Forum notes that the cost pressures for the 2015/2016 financial year are estimated to exceed the additional funding by £1.5 million. There are also specific sector costs demands which are underfunded, for example the necessity to employ teaching assistants in the Foundation Phase through a single reduced grant from the Welsh Government rather than a specific grant and the expedient rising costs over the last five years of running the examination system in secondary school. As a result individual schools will be faced with very difficult decisions when setting budgets which will impact on staffing numbers and provision in the classroom. We urge the Cabinet when setting the final budget following consideration of the consultation not to make any further savings from Education.

The Forum is concerned over the Welsh Government proposal to merge and reduce by over £15 million eleven education specific grants into a new education improvement grant. There is a lack of clarity over how the grant will be distributed, whether there will be a recognition that Cardiff currently receives 45% of the total Minority and Ethnic Achievement Grant for Wales, what the conditions of the grant are and whether there will be any match funding expectations. A lack of clarity so close to start of a new financial year is unhelpful. We urge that the Council continues to press the Welsh Government for clarity and to negotiate strongly with the Consortium to ensure a fair outcome for Cardiff Schools. There is also a pressing necessity to develop a new model for the Ethnic Minority Achievement Service if the needs of pupils new to English or Welsh are to be met.

We welcome the Council looking at ways to reduce the cost of Inter Authority Recoupment for children placed in out of county schools through better collaborative working between services and higher challenge to ensure value for money for any such placements. We also recognise that more children could be catered for in Cardiff Schools however this can only be realised following investment to create the provision needed. The Forum is also acutely aware that schools are faced by increasing number of children with high levels of additional need. This is putting enormous pressure on schools as they try to meet these needs without sufficient levels of additional funding. Some of the more specialised provision such as 'revolving door' is unable to cope with the increased demands, putting further pressure on schools. These pressures over time may adversely affect the ability of schools to continue to increase standards and ensure that the needs of all pupils are met.

The Forum recognises that there is some inefficiency within parts of the youth service. However the closing of some youth centres will leave gaps. It is hoped that the voluntary sector which already makes a valuable contribution in this area, will with support from the council have the capacity to fill some of these gaps.

The Forum has observed that the arrangements for redundancy and redeployment have not always been effective in redistributing staff between schools. They are particularly concerned about how the redundancy payments resulting from the two schools closed last year under SOP have added considerably to the redundancy costs that schools must absorb.

The projected £2.8m of redundancy costs should not be clawed back against current schools' revenue grants, even if spread over the medium term, such as five years. This effectively taxes a whole generation of childrens' educational revenue entitlement as they pass through the school sector. A solution would be for the Council to rectify this error by setting aside the specific redundancy costs of closing the two schools and paying for this out of SOP proposals through prudential borrowing or alternative funding strategies. The impact of this would be to ensure pupils in schools receive their full revenue entitlement whilst in school. It may mean possibly some deferment of capital investment but this is surely a price worth offsetting? In an average sized secondary school the net current loss of revenue, without this corrective solution, would equate to the equivalent loss of more than two teachers! It would certainly secure or allow cost recovery of projected fragile or deficit budgets.

Any future SOP proposals must include details over how any resulting redundancy payments will be met. As the Council revises their current policies for Voluntary Severance and Redundancy the Forum recognises that there is a balance to be found between delegating the responsibility of meeting these to individual schools and the current collegiate sharing of the responsibility for this.

We would also urge that strong consideration is given by the Council, working with its Consortium partners, to provide retraining opportunities for teachers. This proactive approach may avoid compulsory redundancies where statutory curriculum changes, especially at secondary level from September 2015, may cause a shortage and recruitment difficulties in some subject areas, compared to surplus teaching capacity in others. Shared contracts, split between schools is another way flexibility could be introduced into our schools' work force. HR People Services has a valuable role to play in facilitating this.

The Forum has continued to discuss the move to a higher delegation of the schools budget, giving schools the option to buy in the services which best meet the needs of the school. The secondary heads conference is keen to move to a 95% delegation even if this means secondary and primary sectors operating at different percentages of delegation. However the Forum have agreed that officers need to clarify what funding can and cannot be delegated before this proposal can be explored in more detail. Primary school members of the Forum would like the interrelatedness of the primary and secondary sectors and their contribution to an effective education service for Cardiff to be recognised. There is also a concern among primary school members over their capacity for higher delegation given their much smaller school office function. There is also a concern that if services serving schools are subject to increasing cuts they will become untenable. However if high quality and value for money service level agreements are offered then secondary schools with increased delegation may very well buy back those services. There is evidence in some school clusters that when there is delegation of funds that schools can work collaboratively between phases to secure improved outcomes and better value for money e.g. attendance.

The Forum is also concerned over the proposals to make further cuts to the management capacity of the local authority education service and their impact on the ability of the service to support schools and manage the central functions effectively.

Schools are becoming increasingly dissatisfied with the value for money they receive from Facilities Management in respect of work carried out by the DSU for repairs and maintenance. Costs for work appear to be greatly inflated, charges are not transparent and costs are often added on. This also applies to the Framework contractors where the set-up, design, service and project management fees add significantly to what initially appears to be good value for money. We believe that these can be the equivalent of a third of the final project cost. The Forum has welcomed the fact that Cardiff has commissioned an external view on the current provision and asks that action is taken on the resultant report to improve the situation as a matter of urgency. We would also like to see a greater capital investment in schools to reduce the considerable back log of repairs and improve facilities so that all pupils attend schools fit for the 21st Century. It is very concerning that within the last four years, as a conservative measure identified by Council officers, that this figure has risen by a third from £60m to £80m despite some invest-to-save new build schemes. This deterioration of school buildings is likely to continue to worsen unless addressed; untenable for a Capital City.

The Forum has received a request from voluntary aided schools that the formula is examined and adjusted to ensure that the element generated for repairs and maintenance is fair and equitable for all schools. Currently voluntary aided schools receive less in the formula than similar maintained schools. Historically they were able to access funding directly from the Welsh Government for some elements of repair through the £10,000 Scheme. Very few schools are now receiving any funding from this source.

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



Sarah Griffiths
Chair, Cardiff Schools' Budget Forum

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WELSH LOCAL GOVERNMENT SETTLEMENT 2015-16**Final****Table 9: List and estimated amounts of Grants for total Wales**

Existing Grant name	£m	
	2014-15	2015-16
Bus Revenue Support	0.451	0.550
Bus Revenue Support (Traws Cymru)	1.800	1.500
Bus Services Support Grant	24.880	25.000
Concessionary Fares Scheme	58.550	60.500
Flood Funding to Local Authorities ²	1.577	0.000
Land Reclamation S16	2.862	1.129
Local Transport Grant	15.700	15.700
Road Safety Grant	2.000	2.000
Tourism Investment Support Scheme (Wrexham) ²	0.085	0.000
Travel Plan Co-ordinators	0.160	0.125
Wales Transport Entitlement Card	0.200	0.200
Youth Concessionary Fares Scheme	0.000	5.000
Education Improvement Grant for Schools	0.000	141.021
14-19 Learning Pathways ³	10.180	0.000
Foundation Phase Revenue Grant ³	97.900	0.000
School Effectiveness Grant ³	25.529	0.000
Welsh in Education Grant ³	5.630	0.000
Minority Ethnic Achievement Grant ³	8.500	0.000
Grant for the Education of Gypsy Children and Traveller Childre	1.100	0.000
Induction ³	0.400	0.000
Lead and Emerging Practitioner School (Tranche I, II and Speci	0.933	0.000
Higher Level Teaching Assistants ³	0.182	0.000
Reading and Numeracy Test Support ³	0.821	0.000
Bands 4 and 5 ³	0.460	0.000
Pupil Deprivation Grant ⁴	68.520	82.046
Family Learning Programme Grant ²	1.829	0.000
Learning in Digital Wales (LIDW) ²	3.044	0.000
Post-16 Provision in Schools	108.299	N/A
Community Learning	4.555	N/A
ReACT ²	8.581	0.000
School Uniform Grant	0.736	0.736
Skills Growth Wales ²	2.716	0.000
Youth Work Strategy Support Grant	2.756	2.756
Autistic Spectrum Disorder Infrastructure Grant ¹	0.880	0.000
Delivering Transformation Grant ⁴	1.300	3.000
Food Hygiene Rating Grant ²	0.133	0.000
Integrated Family Support Services ¹	4.577	0.000
Intermediate Care Fund ²⁴	35.000	0.000
Social Care Workforce Development Programme	8.159	8.400
Substance Mis-use Action Fund	22.663	27.475
Armed Forces Day Funding	0.020	0.010
Broadcasting & Community Council Websites ²	0.100	0.000

Communities First (Clusters)	29.603	29.603
Community Cohesion Grant	0.372	0.378
Community Fire Safety	2.138	1.030
Domestic Abuse Service Grant - Community Cohesion Officers	0.050	0.050
Domestic Abuse Service Grant - CORE	0.361	0.377
Domestic Abuse Service Grant - DAC & IDVA	0.825	0.850
Families First	43.422	43.422
Flying Start Revenue Grant	68.644	75.600
Language and Play	1.350	1.350
Local Government Borrowing Initiative - 21st Century Schools ¹	3.500	0.000
Local Service Board Development Grant (LSB) ²	0.350	0.000
Local Service Board European Structural Fund (ESF) Project ²	2.872	0.000
North Wales Family Support Collaboration Project ²	0.055	0.000
Out of School Childcare Grant	2.300	2.300
Pupil Deprivation Grant (Communities First)	1.693	2.000
Regional Collaboration Fund ⁴	5.168	5.000
Remploy ESG	0.313	0.213
Scrutiny Development Fund ²	0.100	0.000
Successor Outcome Agreement Grant	31.100	31.100
Youth Crime Prevention Fund	4.900	4.900
Youth Justice Services	0.296	0.300
Aberystwyth Regeneration Area Grant ²	2.063	0.000
Business Improvement Districts	0.079	0.079
Cardiff Bay Legacy Funding	6.397	6.253
Ceredigion Oil Buying Syndicate	0.060	0.035
CyMAL	1.918	N/A
Flood and Coastal Erosion Risk Management	12.155	12.155
Lead Local Flood Authority Grant Funding (FWMA2010 & FRR)	2.200	2.200
Local Authority Animal Health and Welfare Framework ²	0.600	0.000
Supporting People	133.807	123.688
Sustainable Waste Management Grant	66.000	64.000
Tidy Towns	1.113	1.113
Town Centre Partnerships	0.300	0.400
Waste Procurement - Food Waste Programme ²	1.440	0.000
Waste Procurement - Gate Fee Support	0.509	1.975
Waste Procurement - Pre payment for Services (Food Waste) ²	1.333	0.000

Note: The information shown above details the grants where the amount that Total Wales will receive in 2014-15 and estimated amounts for 2015-16 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. Transferring into Settlement in 2015-16
2. Grant Ending in 2014-15
3. Grants amalgamated into Education Improvement Grant for Schools from 2015-16
4. Grant is paid on a regional basis

Revenue Resources Required for 2015/16			
		£000	£000
Adjusted Directorate budget			573,877
Add:	Employee costs	7,124	
	Directorate expenditure and income realignments	7,667	
	Commitments	1,293	
	School Growth (net)	3,573	
			19,657
	Demographic pressures:		
	Health and Social care	1,600	
	Pupil numbers	3,500	
			5,100
	Special inflation:		
	Social care fees	625	
	Fuel and energy	470	
	Levies, Precepts and NDR	370	
	Other	195	
			1,660
			600,294
	Council Tax Support Scheme adjustment		1,422
	Add: New directorate pressures		4,283
			605,999
Less:	Council savings	33,280	
	Use of Capitalisation	2,500	35,780
Directorate Base Budget for 2015/16			570,219

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Appendix 4

DIRECTORATE FINANCIAL PRESSURES 2015/16

No	Pressure	Value of Pressure	Accept/Reject	Risk Assessment		Mitigating Actions as not supported as part of 2015/16 Budget
		2015/16 £000		Residual	EIA	
1	Special Guardianship and Residential Orders - the number of allowances has increased by 32 since January 2013. This bid is to fund the growth in the number of orders in place.	200	Accept	Red	Red	
TOTAL CHILDREN'S SERVICES		200				
2	Doctor Who (naming rights and running costs) - it was anticipated that the operational and running costs of the Dr Who building (including ongoing maintenance) would be covered by the sponsorship of the naming rights of the building which has since not materialised.	80	Reject	Red	Green	Ongoing discussions will be held with the operator regarding options to address these costs.
TOTAL ECONOMIC DEVELOPMENT		80				
3	Sustainable Waste Management Grant (SWMG) Cuts - the SWMG is expected to reduce each year. This grant is used to support recycling processing and initiatives to drive recycling and avoid fiscal fines. The original pressure was based on a £375k grant reduction. However, following further updates on grant reductions, this was reduced to £175k.	175	Accept	Red	Green	
4	Waste Strategy & Collection Changes - Additional financial support will be required to support the waste strategy changes for 2015/16. Due to large scale service changes to the residual household kerbside collections support is need to ensure robust city wide communications, C2C support as well as on the ground education and enforcement activities to minimise the impact of change and maximise recycling and customer buy-in. The council must drive out more recyclables and food waste from the householder's residual waste in order to avoid failure and fiscal fines. The need for increasing recycling is growing as the statutory target increases from 52% to 58% (15/16).	500	Accept	Red	Amber-Green	
5	Waste Collections Changes - Cardiff's Local Development Plan (LDP) highlights that the number of households are projected to increase by 26,443 households between 2014 and 2026. Based on current collection arrangements, with each household receiving a collection of three separate waste streams per week, collection costs will increase by over £1.3 million by 2026. The costs in the pressure bid have been calculated using the projected annual increases in property numbers as contained within the LDP, and if anything are a conservative estimate, taking into account delivering other efficiencies in the service (i.e. rebalancing the rounds across collection days).	91	Accept	Red	Green	

Appendix 4

DIRECTORATE FINANCIAL PRESSURES 2015/16

No	Pressure	Value of Pressure	Accept/Reject	Risk Assessment		Mitigating Actions as not supported as part of 2015/16 Budget
		2015/16		Residual	EIA	
6	Recycling Materials - To support the required processing of non kerbside recyclable materials in order to achieve the Statutory Local Authority Recycling Targets (LART) of 58% in 15/16. The council must support both the existing and new recycling streams in order to avoid fiscal fines. The need for increasing recycling is growing as the statutory target increases from 52% to 58% (15/16). The recycling of materials from the HWRC and new sources such as sweepings, wood, rubble, hard plastics, plasterboard, mattresses have been identified as critical to support the Council in meeting the statutory targets in 15/16 and beyond.	890	Accept	Red	Green	
TOTAL ENVIRONMENT		1,656				
7	Deprivation of Liberty Safeguards (DoLS) - new legal requirements in relation to the Deprivation of Liberty and the Mental Health Act & Mental Capacity Act. This will impact across the directorate in three ways - (1) increased applications to the Court of Protection for people in supported Living (345 individuals likely costs) and therefore increased cost; (2) increased applications for those who live in care homes for DoLS Assessments and Best Interest Assessments (predicted numbers of 700); (3) increased payments to the NHS for S.12 (Mental Health Act) Assessment by Doctors - estimate based on 700 cost = £127k. If 20% of the DoLS assessments are contested in the Court of Protection a significant additional cost of defence will be needed.	500	Accept	Red	Red	
8	Continuing Health Care funding transfers - this is where service users have (often large) packages of care funded by the NHS and where upon re-assessment a determination is made that the funding needs to be picked up wholly or partly by social care. There has been specific identification of a potential 20 users of mental health services in year in 2014/15 with the potential for more service users to be identified in 2015/16.	350	Accept	Red	Red	
9	Impact of cut in Supporting People Grant - this will impact on increased support costs for people living in supported living where the deficit in the Supporting People part of the care package funding will need to be met solely from social care budgets.	190	Accept	Red	Red	

Appendix 4

DIRECTORATE FINANCIAL PRESSURES 2015/16

No	Pressure	Value of Pressure	Accept/Reject	Risk Assessment		Mitigating Actions as not supported as part of 2015/16 Budget
		2015/16		Residual	EIA	
10	Independent Living Fund - there is a UK Government decision to close Independent Living Fund (ILF) at 30th June 2015. Officers are robustly following through with Welsh Government the funding decisions which are still awaited as to whether there is to be a transfer of ILF funding to Local Authorities and, if so, if this is to be ring fenced or part of the general financial settlement.	1,500	Reject	Red	Red	The Welsh Government budget included a recurrent UK Government transfer of £27m to take account of the closure of the Independent Living Fund (ILF). The ILF will close on 30/6/15 with devolved administrations taking over responsibility from 1/7/15. This is a revised start date and the funding transfer has been pro-rated to £20.4m accordingly for 2015/16. Advice from WG is that funding of the scheme beyond that period is subject to the Spending Review round for 2016 onwards. How the £20.4m will be used to support ILF recipients in Wales in 2015/16 will depend on the outcomes of public consultation which include four options, some including local authorities and some not. Those involving local authorities include transferring the funding to them via the Revenue Support Grant or by way of a specific grant which "ring fences" the money to be spent on ILF recipients. This response from Welsh Government suggests that any responsibilities in this area will be funded.
11	Sleep in Advice - change of regulations governing the rates paid for staff covering "sleep-in" duties.	500	Accept	Red	Red	
TOTAL HEALTH AND SOCIAL CARE		3,040				
12	Secondary School Transport (for pupils living more than 3 miles from the school) - due to a number of changes to the Schools Re-organisation proposals the schools listed below are increasing in pupil numbers who will qualify for statutory school transport (pupils living 3 miles or more from school) and therefore additional transport is required to meet the Councils Home to School Transport policies requirements. 1) Llanishen HS - extra buses from Sept 2014 - £99k 2) Bro Edern - Reorganisation - 1 extra bus from Sept 2014 - £27k 3) St Teilos & Corpus Christi - 1 extra bus each from Sept 2014 - £35k 4) Ysgol Glantaf Higher Pupil Intake- one extra bus from Sept 2014 to cover Grangetown area- £35k.	231	Accept	Red	Red-Amber	
13	Primary School Transport (for pupils living more than 2 miles from the school) - due to catchment area capacity problems across Cardiff there is an increase in primary pupil numbers requiring taxi transport as they are unable to attend their local school and the nearest school with a vacancy is more than the statutory qualifying distance for free home to school transport (pupils living 2 miles or more from their nearest appropriate school).	160	Accept	Red	Red	
14	Special Educational Needs school transport (pupils with Statements of SEN) - increase in SEN pupil numbers. A number of schools and new units/provision resources have opened during the last 18 months and more pupils are attending the bases, as a result additional funding is required in-order to transport the pupils to these bases.	370	Accept	Red	Red	

Appendix 4

DIRECTORATE FINANCIAL PRESSURES 2015/16
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No	Pressure	Value of Pressure	Accept/Reject	Risk Assessment		Mitigating Actions as not supported as part of 2015/16 Budget
		2015/16		Residual	EIA	
15	Sixth form aged 16 to 19 school transport - Passport to Travel Scheme - Cardiff Education Trust Fund currently funds the majority of this scheme but from September 2014 the income generated from the scheme will be unable to continue to fund the passport to travel scheme. The Council are unable to withdraw this non statutory school transport scheme until Sept 2016 at the earliest. The Council is required to undertake consultation before any changes can be made to change its home to school transport policy in line with the Learner Travel Wales Measure and these changes must be available on the Council's web site before 1 October ready for pupils starting 6th form in the following September. Therefore the additional funding is required to cover the shortfall for this non statutory service from April 2015 until March 2016.	354	Reject	Red	Red	Cardiff Education Trust have agreed to provide a contribution in respect of the Passport to Travel Scheme in 2015/16.
16	Route diversion due to bridge closures (electrification) - disruption to approx 30 routes due to long term railway electrification resulting in several bridge closures. The increase in costs reflects the increase in daily rates due to the diversion £57k, plus £43k from increase in number of pupils qualifying for free transport.	100	Reject	Red	Amber-Green	As this pressure is a result of bridge closures relating to the electrification of the rail network, discussions are ongoing between the directorate and Network Rail in respect of these costs.
17	Reduction in Welsh Government (WG) fee for administering Concessionary Fare passes - the Council receives £3 per concessionary fare pass from WG, WG are proposing to reduce the payment to £1. There is an income target of £196k within the directorate therefore if the price paid reduces to £1 the income will reduce to an estimated £70k resulting in a shortfall of £126k.	126	Accept	Red	Green	
TOTAL STRATEGIC PLANNING, HIGHWAYS & TRANSPORT		1,341				
TOTAL COUNCIL WIDE		6,317				
COUNCIL WIDE - TOTAL REJECTED		2,034				
COUNCIL WIDE - TOTAL ACCEPTED		4,283				

Overview of 2015/16 Savings

Directorate Savings	£000
Children's Services	2,695
Communities, Housing & Customer Services	2,031
Corporate Management	1,028
County Clerk & Monitoring Officer	218
Economic Development	881
Education & Lifelong Learning	2,728
Environment	7,058
Health & Social Care	6,215
Resources	2,037
Sport, Leisure & Culture	3,302
Strategic Planning, Highways, Traffic & Transport	1,672
Total Directorate Savings Submissions	29,865

Corporate Efficiencies	£000
Council Wide Savings	2,428
Corporate Management	349
Economic Development	100
Strategic Planning, Highways, Traffic & Transport	538
Total Corporate Efficiencies	3,415

Total Council Savings	33,280
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One off Capitalisation Direction	2,500
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GRAND TOTAL SAVINGS	35,780
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Appendix 5(b)

Reference	2014/15 Controllable Budget	Saving				Planning Status	Risk Analysis			Cabinet Portfolio				
		Employee Costs	Other	Income	TOTAL		Residual	Achievability	EIA					
No	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Directorate Savings 2015/16														
1	CHD1	2,780	0	42	0	42	0	42	Detailed Planning	Green	Amber-Green	Red-Amber	Early Years, Children & Families	
2	CHD2	3,193	23	0	0	23	0	23	Detailed Planning	Green	Green	Early Years, Children & Families		
3	CHD3	818	39	0	0	39	0	39	Detailed Planning	Green	Amber-Green	Early Years, Children & Families		
4	CHD4	674	0	60	0	60	0	60	General Planning	Red-Amber	Red-Amber	Amber-Green	Early Years, Children & Families	
5	CHD5	1,849	18	4	0	22	0	22	Realised	Green	Green	Amber-Green	Early Years, Children & Families	

Breakthrough Commissioned Services - this service is provided by Action for Children and offers breaks either inside or outside of the family home. The breaks offer children and young people time away from their families and provides respite for parents/carers. Families are increasingly choosing to use Direct Payments to meet their needs in this area and so this provision can be removed.

Home Sessional Support posts x 0.86 - one vacant 5 hour and one vacant 27 hour Home Sessional support post to be deleted.

Maintenance Officer x 1 and Residential Child Care Officer x 1 - there is no longer a need for a full-time maintenance officer for Residential Services although it will be important to retain some dedicated capacity for routine maintenance, painting and decorating to be undertaken at the Crosslands home in a timely way, in order for the home to maintain an appropriate standard of decoration. The proposal would seek to delete the current full-time grade 5 post and create a part-time grade 6 post releasing a vacant grade 5 Residential Child Care Officer post which is no longer required because current staffing levels are viewed as being at the optimum level.

Supervised Contact Service - the service provides supervised contact for Looked After Children who meet their parents in supervised conditions because other types of contact have been deemed unsafe. Currently half the service is provided in-house and half is provided by Barnardos under a contract that ends in June 2015. Efficiencies will be achieved by externally commissioning the whole service given its size and the desirability of the contract; we would not expect to reduce the level of service. Externally commissioning the service would also address the challenges we experience in identifying internal accommodation that is fit for purpose to meet demand.

Family Support & Intervention Driver Post x 1 - the driver was previously used to transport children to and from Children in Need nurseries. More recently, the post holder transports parents and children to and from centres when parents are required to undertake group parenting programmes as part of a statutory intervention (e.g. a child protection plan). Recently, the number of group programmes delivered by Children's Services has reduced as parents have been encouraged to attend programmes delivered in their local communities. Often, parents are encouraged to make their own way to the centres and therefore the driver is not currently utilised to full capacity. In the future, parents who cannot make their own way to the centre will be supported by staff in order that they feel more confident to use public transport. It is felt that this saving will not have a significant impact on a parent's ability to attend group parenting programmes when they are required to do so.

Appendix 5(b)

Reference	Directorate	Directorate Savings 2015/16	2014/15 Controllable Budget	Saving				TOTAL	Risk Analysis			Cabinet Portfolio
				Employee Costs	Other	Income	£000		Residual	Achievability	EIA	
No			£000	£000	£000	£000	£000	£000	Planning Status			
6	CHD6	Withdrawal of Taith Funding - Taith is a service for young people who display sexually harmful behaviour. The service provides assessment and treatment. The Taith Partnership is a jointly funded arrangement made up of five Local Authorities. The service is delivered by Barnardos. These young people will continue to receive a service to meet their needs but this will be delivered by the National Society for the Prevention of Cruelty to Children (NSPCC) and is free of charge.	694	0	59	0	59	Detailed Planning	Amber-Green	Amber-Green	Red-Amber	Early Years, Children & Families
7	CHD7	Deletion of Fostering Support Officers x 2 - the service has not found it effective to have unqualified Fostering Support Officer posts (which had been created some years ago utilising Social Worker posts). Recently, vacant posts have been deleted to expand social work capacity. These remaining two posts provide support to the placement finding process within the in-house fostering service and if this proposal is agreed, alternative arrangements would need to be made to do the initial matching of placement requests with available carers.	661	46	0	0	46	Detailed Planning	Amber-Green	Red-Amber	Amber-Green	Early Years, Children & Families
8	CHD8	Payment by Results - Looked After Children & Rehabilitation Project Year 1 - a Social Impact Bond (SIB) Feasibility study provided a robust business case for significant savings to be achieved by developing a local enhanced fostering scheme that provides wrap around support to enable children placed in residential care to step down into a family placement. Potential providers and investors have been identified and have indicated that they have finance to take this forward. The service will therefore tender for a payment by results contract rather than a SIB arrangement that would seek to secure external funding as well as identify an appropriate provider of the service. The approach identified by the winning provider will have an evidence base that has robustly demonstrated success. The saving could be achieved alongside improving outcomes for this cohort of looked after children. This proposal is supported by the on-going care planning to return young people from placements outside of Cardiff to home or local placements.	17,763	0	674	0	674	Detailed Planning	Red-Amber	Amber-Green	Red-Amber	Early Years, Children & Families
9	CHD9	Placement Support Officer x 1 - there are two Placement Support Officer posts that undertake the tendering process for finding placements for looked after children. One of the posts has been held vacant for a period during which time an analysis was undertaken which found the change to be effective. Capacity in the team has meant the continued provision of the service and confirmed the second post is no longer required.	48	27	0	0	27	Realised	Green	Green	Amber-Green	Early Years, Children & Families
10	CHD10	Business Support Review (LEAN Review) - the saving relates to the deletion of vacant business support posts and one voluntary severance. Alternative ways of delivering business support will seek to mitigate the impact in relation to social workers' workload.	1,987	242	0	0	242	General Planning	Amber-Green	Green	Amber-Green	Early Years, Children & Families
11	CHD11	CareFirst Trainer x 2 - there are currently four CareFirst Trainer posts responsible for the development and delivery of CareFirst training, across Children's Services and Health & Social Care. CareFirst is the client record system for Children's Services and Health & Social Care. Two posts are currently vacant and experience has demonstrated that the service can be provided by the remaining two posts.	1,124	58	0	0	58	Detailed Planning	Green	Green	Green	Early Years, Children & Families

Appendix 5(b)

Reference	Directorate	Directorate Savings 2015/16	2014/15 Controllable Budget	Saving				TOTAL	Risk Analysis			Cabinet Portfolio
				Employee Costs	Other	Income	£000		Residual	Achievability	EIA	
No			£000	£000	£000	£000	£000	£000	Planning Status			
12	CHD12	<p>Training & Development Officer x 1 – the role of the Training & Development Officer (Race Equality) has now been integrated into all training that is provided and commissioned by the centre therefore this specialist role is no longer required and the post holder has been working more generically over recent years. There is adequate capacity for the generic training role to be covered by the training & development posts working within Health and Social Care and Children's Services enabling this post to be deleted.</p>	1,573	42	0	0	42	Realised	Green	Amber-Green	Amber-Green	Early Years, Children & Families
13	CHD13	<p>Qualification Quality Assurance Co-ordinator x 1 - the role of the co-ordinator of the qualification centre has changed drastically over the last several years but more so recently with the centre no longer using outside assessors as a matter of course. The workload of in-house assessors has been re-assessed and has reduced the need for external assessors. We have also reviewed and expanded our partnership working with external qualification providers who offer a more cost effective service because of their ability to access Government funding. As the majority of our qualifications are offered to our commissioned providers the role of co-ordinating this process can fall within the responsibilities of the Social Care Workforce Development Officer.</p>	1,573	42	0	0	42	Realised	Green	Amber-Green	Amber-Green	Early Years, Children & Families
14	CHD14	<p>Referral Order Case Manager - Referral Order Case Managers historically carried workloads of between 25 - 30 cases, involving brief interventions with young people who enter the criminal justice system for a first offence. As a result of the implementation of the Youth Offending Service prevention programmes such as Triage and our Anti Social Behaviour project a significant number of young people are now diverted from the criminal justice system and this has reduced the average workload to between 15-20 children on referral orders at any one time.</p>	1,700	27	0	0	27	Realised	Green	Amber-Green	Amber-Green	Early Years, Children & Families
15	CHD15	<p>Youth Offending Services (YOS) Social Worker x 1 - this role supervises children and young people who are subject to Youth Rehabilitation Orders, serving a custodial sentence (Detention and Training Order) and those released from custody on licence. In recent years the impact of the Youth Offending Service prevention programmes have gradually reduced the overall YOS workloads as a significant number of young people are diverted from the criminal justice system following interventions from projects such as Triage and our Anti Social Behaviour programme. This has reduced average caseloads from 25-30 young people on supervision at any time to an average of 15 young people. This significant reduction in workload will enable us to state with confidence that this proposal will not affect children and young people in the criminal justice system as we are able to absorb the workload without placing undue pressure on the remaining case managers.</p>	1,700	37	0	0	37	Detailed Planning	Amber-Green	Amber-Green	Green	Early Years, Children & Families
16	CHD16	<p>Transfer 65% of Operational Manager Salary to Grant Funding - the proposal is to transfer 65% of the Youth Offending Service (YOS) OMT salary from base to grant funding. The YOS receives grants from the Youth Justice Board, Welsh Government and the Police Crime Commissioner for South Wales. It is customary to charge a proportion of the management costs against each grant. Each funding stream is utilised to fund a range of projects and services that enhance the work of the YOS.</p>	1,700	41	0	0	41	Detailed Planning	Green	Green	Green	Early Years, Children & Families
17	CHD17	<p>Business Support Review (LEAN Review) - a Lean Review has commenced in the directorate and four value stream analysis workshops have been held where it has been identified that efficiencies can be made in relation to a wide range of operational processes. This may include further savings being achieved against the directorate's business support provision in addition to the savings already put forward (CHD10) as a result of a further review of business support arrangements.</p>	18,726	327	0	0	327	General Planning	Red-Amber	Red-Amber	Red-Amber	Early Years, Children & Families

Appendix 5(b)

Reference	Directorate Savings 2015/16										Risk Analysis			Cabinet Portfolio		
	No	Directorate	2014/15 Controllable Budget	Saving				Planning Status	Residual	Achievability	EIA					
Employee Costs				Other	Income	TOTAL										
			£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
18	CHD18	Training provision across Health & Social Care and Children's Services - realign provision to continue to maximise the availability of grant funding in these areas.	1,573	216	0	0	216	0	0	216	Amber-Green	Green	Green	Amber-Green	Early Years, Children & Families	
19	CHD19	Block Purchase of residential beds - this saving is attributed to work that will be undertaken with an external residential provider to achieve a volume discount reduction against a block purchase arrangement of nine placements for children. The pattern of previous and current usage strongly indicates that this level of demand will continue. The savings is attributed to a 5% discount in the overall spend of £1.3m which is felt to be proportionate and achievable.	17,764	0	65	0	65	0	65	0	Red-Amber	Red-Amber	Amber-Green	Amber-Green	Early Years, Children & Families	
20	CHD20	Partnership Review - this saving is attributed to a review of spend across the Council in relation to a specific provider. The overall spend is significant and it is expected that a review of the partnership arrangement in relation to this provider could generate this level of savings for the Directorate given that the overall level of spend is so significant. This is felt to be an opportunity for the organisation to achieve the savings from a review of the management costs attributed to each individual contract as well as other variable costs that would therefore not affect direct service provision.	708	0	100	0	100	0	100	0	Red-Amber	Red-Amber	Amber-Green	Amber-Green	Early Years, Children & Families	
21	CHD21	Leaving Care Support - this saving can be broken down into two elements: a) negotiation with key incumbent providers to achieve efficiencies and better value for money based on volume discounts. b) six months saving on Accommodation 16-24 through a Joint Commissioning approach between Children's Services and Communities, Housing and Customer Services. Spend in this area of provision is £1.2m and therefore this level of savings is felt to be achievable based on current spend and the proposals to develop a different approach to re-commissioning that involve joint working with the Communities Directorate.	586	0	120	0	120	0	120	0	Red-Amber	Red-Amber	Amber-Green	Amber-Green	Early Years, Children & Families	
22	CHD22	Market and Demand Management of Commissioned Residential Services - there is currently a spend of £8m on external residential placements for Looked After Children. The proposed review methodology has been tried and tested elsewhere and provides a price and cost challenge. The methodology is implemented via a project based approach and based on the current level of spend and the lessons learned from use of the methodology in adult social care.	17,764	0	200	0	200	0	200	0	Red-Amber	Red-Amber	Amber-Green	Amber-Green	Early Years, Children & Families	
23	CHD23	Youth Offending Services - deletion of Team Manager, Referral Order Manager and social work posts. This proposal will require a restructure in the YOS combining 3 teams into 2 (sustained reduction in demand)	1,700	100	0	0	100	0	0	100	Amber-Green	Amber-Green	Amber-Green	Amber-Green	Early Years, Children & Families	
24	CHD24	Market Supplement for Social Workers - the market supplement was created as a temporary measure to enable recruitment to identified 'hard to fill vacancies'. It was a supplement that was to be reviewed as the recruitment of permanent social workers were recruited to the identified posts. This review has not happened to date. In July 2014 there was a realignment of services which has created a differential between staff working in the same directorate as the market supplement was attached to posts rather than people. Withdrawal of market supplement - proposal will require notice resulting in 6 month saving in 2015/16.	2,873	0	86	0	86	0	86	0	Amber-Green	Amber-Green	Amber-Green	Amber-Green	Early Years, Children & Families	
CHILDREN'S SERVICES TOTAL			1,285	1,410	0	2,695	1,285	1,410	0	2,695						

Appendix 5(b)

Reference	Directorate	Directorate Savings 2015/16	2014/15 Controllable Budget	Saving				TOTAL	Risk Analysis			Cabinet Portfolio
				Employee Costs	Other	Income	£000		Residual	Achievability	EIA	
No			£000	£000	£000	£000	£000	£000	Planning Status			
25	CHC1	Reduction in spend on Benefit Service - the savings will be realised through a reduction in benefit officers and restructuring the Quality and Support Team.	4,245	137	0	0	137	Detailed Planning	Amber-Green	Amber-Green	Red-Amber	Health, Housing & Wellbeing
26	CHC2	Advice Contingency - To manage the increased demands placed on the service due to the Welfare Reform changes a contingency fund was created. As a result of the proactive way that the authority manages those affected this can now be reduced.	242	0	5	0	5	Realised	Green	Green	Amber-Green	Health, Housing & Wellbeing
27	CHC3	Reduction in Spend on Homelessness Service - to achieve this saving, a reduction of one post will be required within the Homelessness service, along with the removal of the Homelessness spend to save budget which in the past has funded schemes to prevent and alleviate homelessness. The service is expecting a major change in legislation in the coming year, however it is anticipated that grant funding will be received to offset this additional work and therefore the loss of one post should not impact unduly on service delivery.	1,295	26	57	0	83	Realised	Amber-Green	Amber-Green	Red-Amber	Health, Housing & Wellbeing
28	CHC4	Cardiff Connect (Review of Community Alarm) - Community Alarm Service prices have remained static for a number of years. Current pricing levels have been reviewed against other local authorities (South East Wales Improvement Collaborative (SEWIC) members) and against the cost to deliver the service. Proposals are to increase the cost for the mobile response aspect of the service by £1 per week and to source additional clients.	(1,193)	0	0	240	240	Detailed Planning	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing
29	CHC5	Alarm Receiving Centre Income - additional income through the creation of an Alarm Receiving Centre	(1,193)	0	0	250	250	Detailed Planning	Red-Amber	Red-Amber	Green	Health, Housing & Wellbeing
30	CHC6	Reduction in Supporting People Administration - to achieve this saving a review of the administration within Supporting People will be undertaken.	221	55	0	0	55	Realised	Green	Amber-Green	Amber-Green	Health, Housing & Wellbeing
31	CHC7	Restructure the way in which Cardiff manages its partnership working - we are working with our partners (particularly the Cardiff University Health Board) to join up our partnership support arrangements more effectively. The saving includes staff reductions however, partnership activity will also continue to be mainstreamed within Council services so that the activity is correctly funded as business as usual.	736	110	0	0	110	Detailed Planning	Green	Green	Amber-Green	Community Development, Co-operatives & Social Enterprise
32	CHC8	Re-profile Neighbourhood Partnerships Fund to support community groups - this proposes to remove the Neighbourhood Partnership Fund and retain £55k to create a Community Co-ordination function. This will provide a one stop route in for Community Groups to access support in potential Community Asset Transfers, grant applications and in the co-production of services.	540	0	155	0	155	Detailed Planning	Red-Amber	Red-Amber	Red-Amber	Community Development, Co-operatives & Social Enterprise
33	CHC9	Community Safety - this is a review of the Community Safety fund. Major projects such as Operation Mistletoe will continue to be funded but a review of other projects will take place to ensure value for money.	540	0	50	0	50	Detailed Planning	Red-Amber	Green	Green	Safety, Engagement & Democracy

Appendix 5(b)

Reference	Directorate	2014/15 Controllable Budget	Saving				Planning Status	Risk Analysis			Cabinet Portfolio
			Employee Costs	Other	Income	TOTAL		Residual	Achievability	E/A	
No		£000	£000	£000	£000	£000					
34	CHC10	540	0	50	0	50	Detailed Planning	Green	Green	Amber-Green	Community Development, Co-operatives & Social Enterprise
35	CHC11	294	0	93	0	93	Detailed Planning	Green	Amber-Green	Red	Community Development, Co-operatives & Social Enterprise
36	CHC12	370	0	300	0	300	Detailed Planning	Green	Green	Green	Community Development, Co-operatives & Social Enterprise
37	CHC13	589	19	0	0	19	Realised	Green	Green	Green	Community Development, Co-operatives & Social Enterprise
38	CHC14	3,727	76	24	0	100	Detailed Planning	Red-Amber	Red-Amber	Red-Amber	Community Development, Co-operatives & Social Enterprise
40	CHC16	923	0	349	0	349	Detailed Planning	Green	Red-Amber	Amber-Green	Community Development, Co-operatives & Social Enterprise
41	CHC17	430	35	0	0	35	Detailed Planning	Green	Green	Green	Education & Skills
COMMUNITIES, HOUSING & CUSTOMER SERVICES TOTAL			458	1,083	490	2,031					
42	CMT1	574	45	0	0	45	Realised	Green	Green	Green	Economic Development & Partnerships

Appendix 5(b)

Reference	Directorate	2014/15 Controllable Budget	Saving				TOTAL	Risk Analysis			Cabinet Portfolio	
			Employee Costs	Other	Income	£000		Residual	Achievability	E/A		
No		£000	£000	£000	£000	£000	£000	Planning Status				
43	CMT2	105	0	42	0	42	0	Realised	Green	Green	Economic Development & Partnerships	
44	CMT3	495	0	30	0	30	0	Realised	Green	Green	Economic Development & Partnerships	
45	CMT4	1,595	0	69	0	69	0	Realised	Green	Green	Economic Development & Partnerships	
46	CMT5	511	0	82	0	82	0	General Planning	Red-Amber	Amber-Green	Economic Development & Partnerships	
47	CMT6	1,200	0	200	0	200	0	Detailed Planning	Amber-Green	Green	Economic Development & Partnerships	
48	CMT7	0	0	0	250	250	0	Detailed Planning	Green	Amber-Green	Economic Development & Partnerships	
49	CMT8	310	0	310	0	310	0	Detailed Planning	Amber-Green	Amber-Green	Economic Development & Partnerships	
CORPORATE MANAGEMENT TOTAL							45	733	250	1,028		
50	CLK1	667	181	0	0	181	0	General Planning	Amber-Green	Amber-Green	Safety, Engagement & Democracy	
51	CLK2	77	23	14	0	37	0	Detailed Planning	Red-Amber	Amber-Green	Safety, Engagement & Democracy	
COUNTY CLERK & MONITORING OFFICER TOTAL							204	14	0	218		
52	ECD1	370	87	0	0	87	0	Detailed Planning	Green	Green	Economic Development & Partnerships	
53	ECD2	0	0	0	163	163	0	Detailed Planning	Green	Amber-Green	Economic Development & Partnerships	

Appendix 5(b)

Reference	Saving				2014/15 Controllable Budget	Planning Status	Risk Analysis			Cabinet Portfolio
	No	Employee Costs £000	Other £000	Income £000			TOTAL £000	Residual	Achievability	
Directorate Savings 2015/16										
ECD3		13	0	0	35	Detailed Planning	Green	Green	Green	Community Development, Co-operatives & Social Enterprise
ECD4		28	0	0	667	Detailed Planning	Green	Green	Green	Economic Development & Partnerships
ECD5		0	160	0	500	Detailed Planning	Amber- Green	Amber- Green	Amber- Green	Economic Development & Partnerships Corporate Performance
ECD6		0	6	0	279	Detailed Planning	Green	Green	Green	Corporate Services & Performance
ECD7		0	0	18	(110)	Detailed Planning	Green	Green	Green	Corporate Services & Performance
ECD8		0	0	96	(110)	Detailed Planning	Amber- Green	Amber- Green	Green	Corporate Services & Performance
ECD9		0	0	120	(3,585)	Detailed Planning	Amber- Green	Amber- Green	Green	Corporate Services & Performance
ECD10		0	0	17	(213)	Detailed Planning	Green	Green	Red-Amber	Community Development, Co-operatives & Social Enterprise
ECD11		13	0	0	207	Detailed Planning	Green	Green	Red-Amber	Community Development, Co-operatives & Social Enterprise
ECD12		120	0	0	520	Detailed Planning	Green	Amber- Green	Amber- Green	Economic Development & Partnerships
ECD13		0	0	20	(839)	General Planning	Green	Green	Green	Economic Development & Partnerships

Appendix 5(b)

Reference	Directorate	2014/15 Controllable Budget	Saving				Planning Status	Risk Analysis			Cabinet Portfolio	
			Employee Costs	Other	Income	TOTAL		Residual	Achievability	E/A		
No		£000	£000	£000	£000	£000	£000					
65	ECD14	(110)	0	0	20	20	Detailed Planning	Amber-Green	Amber-Green	Amber-Green	Corporate Services & Performance	
ECONOMIC DEVELOPMENT TOTAL			261	166	454	881						
66	EDU1	5,270	0	250	0	250	Detailed Planning	Red-Amber	Red-Amber	Red-Amber	Education & Skills	
67	EDU2	839	150	0	0	150	Detailed Planning	Red-Amber	Red-Amber	Green	Education & Skills	
68	EDU3	650	25	25	50	100	Detailed Planning	Red-Amber	Red-Amber	Red-Amber	Education & Skills	
69	EDU4	600	150	0	0	150	Detailed Planning	Green	Amber-Green	Amber-Green	Education & Skills	
70	EDU5	18,830	257	65	68	390	Detailed Planning	Red-Amber	Red-Amber	Red-Amber	Education & Skills	

Directorate Savings 2015/16

Professional fee income from property disposals - implementation of the property strategy generating additional fee income.

ECONOMIC DEVELOPMENT TOTAL

Inter Authority Recruitment - there is a Local Authority responsibility for ensuring that children have access to appropriate educational learning. The rationale for the placement of children is often led by Children's Services or the Health Authority. Further savings opportunities should also be explored through better collaborative working / commissioning with other Local Authorities. The steps to be taken to achieve this level of saving in the 2015/2016 financial year will be to: 1) Modify the Special Educational Needs (SEN) provision strategy so that investments we make in Cardiff schools allow us to cater for as many pupils with statements of SEN as possible 2) Commissioning a joint project with the Vale of Glamorgan Authority, the Health Authority and Children's Services to examine the commissioning of placements. 3) To work with Children's Services in their work exploring the use of Payment by Results funding mechanisms.

Education Other Than at School (EOTAS) - the Local Authority has the statutory responsibility to provide full time educational opportunity for all pupils of statutory school age. There are occasions when individual tutors have to be engaged to provide ongoing educational support. Historically this has been achieved through the direct employment of tutors. With effect from 1 February 2014 the All Wales Framework Agreement for Educational temporary staff was introduced which included a single provider for the provision of all educational temporary staff and a maximum charge rate. By implementing the framework agreement the service area will make savings on the cost of providing tutors, current rates paid to tutors range from £27.00 to £45.00 per hour.

Pupil Referral Unit - an important part of the Council's provision for pupils with behavioural challenges is the Pupil Referral Unit based at Mynachdy. The unit provides educational provision for pupils at Key Stage 3 and Key Stage 4. Although managed through a management board its budget is not part of the schools delegated budget. Savings could be achieved through a rationalisation of provision and further exploration of the sharing of certain costs with schools.

Childcare Strategy - the recent restructure of the directorate's management arrangements included the transfer of the management of this team to the Flying Start and Childcare Manager which should provide further opportunities for joint working on certain aspects of provision and more efficient support functions.

Staffing Realignments and Restructures within Education - the 2014/15 budget savings for the Education directorate included £450k to be achieved through a rationalisation of management arrangements. These further savings will be achieved through making further cuts to management capacity and exploring further opportunities for collaborative working with other directorates and possibly other Local Authorities.

Appendix 5(b)

Reference	Directorate	2014/15 Controllable Budget	Saving				Planning Status	Risk Analysis			Cabinet Portfolio
			Employee Costs	Other	Income	TOTAL		Residual	Achievability	E/A	
No		£000	£000	£000	£000	£000					
71	EDU6	830	50	0	0	50	Detailed Planning	Red	Red-Amber	Red-Amber	Education & Skills
72	EDU7	2,421	1,100	0	0	1,100	Detailed Planning	Red-Amber	Red-Amber	Red-Amber	Education & Skills
73	EDU8	(4,670)	0	0	300	300	Detailed Planning	Red-Amber	Red-Amber	Amber-Green	Education & Skills
74	EDU9	3,912	100	0	0	100	Detailed Planning	Green	Amber-Green	Green	Education & Skills
75	EDU10	11,971	0	79	0	79	Detailed Planning	Green	Green	Green	Education & Skills
76	EDU11	226	9	0	0	9	Detailed Planning	Green	Green	Green	Education & Skills
77	EDU12	411	0	50	0	50	Detailed Planning	Red-Amber	Red-Amber	Amber-Green	Education & Skills
EDUCATION & LIFELONG LEARNING TOTAL			1,841	469	418	2,728					

Appendix 5(b)

Reference	Directorate	Saving				2014/15 Controllable Budget	Planning Status	Risk Analysis			Cabinet Portfolio
		Employee Costs	Other	Income	TOTAL			Residual	Achievability	E/A	
No		£000	£000	£000	£000	£000					
78	ENV1	3,674	0	200	557	357	Realised	Green	Green	Green	Environment
<p>Full Year Effect of 2014/15 actions includes efficiencies taken with collections/cleansing and enforcement where they were part completed in 2014/15 and the benefits roll into 2015/16 - reviewing the project support levels required for waste and cleansing. Streamlining cleansing and enforcement operations to deliver neighbourhood services. Multi-functional teams set up to tackle litter and waste presentation issues in specific wards. A neighbourhood service approach informs understanding of local needs and a develop knowledge of historical issues in order to ensure resources are prioritised accordingly. The redesign of the education and enforcement team changes from 2014. Dog fouling issues are now dealt with by ward based teams. Most areas have not seen a difference in the number of teams in their area, but the size of the teams has scaled down slightly in certain areas. In addition, two responsive teams deal with priority issues. Shop fronts have continued to be done daily. A review of commercial prices and expansion into new income areas has been explored.</p>											
79	ENV2		440	160	600		Detailed Planning	Amber-Green	Amber-Green	Amber-Green	Environment
<p>In House Improvements (council wide) and Neighbourhood Services (council wide) - the saving involves delivering year one modified in-house services through an improved in-house infrastructure services and neighbourhood based approach to service delivery across council functions of several directorates. This cost benefit proposal is not confined to the Environment directorate as it is a cross directorate 'One Council' project to bring resilience to services that manage streetscene, parks, bereavement maintenance of land, open landscape, enforcement activities including waste and parking enforcement, highways maintenance, technical design. It will include savings for directorate areas that support them, e.g. fleet services, facilities management and depots.</p>											
80	ENV3	113	0	30	30	0	Detailed Planning	Green	Amber-Green	Red-Amber	Environment
<p>Early termination of Automated Public Conveniences contract - The Council has seven Automated Public Convenience (APC) Units, which are on a 20 year contract which ends 20 April 2025. The usage of the units in 2013 was approximately 13,160 times, which means each use cost on average £16. An opportunity exists for early termination of this contract which will lead to savings for the Council. A part year effect of £30k is reflected in 2015/16.</p>											
81	ENV4	6,572	300	150	450	300	Detailed Planning	Amber-Green	Amber-Green	Red-Amber	Environment
<p>Redesign of cleansing as part of Neighbourhood Services (Environment only) - as part of neighbourhood services project and in-house improvements the cleansing of all Council land operational methods across the city would be redesigned. This is an approach taken by other authorities in Britain, which often results in a 'Streetscene' service that not only achieves efficiency in back office support and budgetary savings, but also see the services become more responsive to the needs of the local community and allows staff to have more autonomy in responding and addressing these needs. The service changes will be responding to needs of local communities rather than relying on frequency as a measure of quality, savings will be found by bringing service teams together, removing duplicate work, based on local areas, pooling skills and resources such as enforcement and cleansing activities. This will maintain current quality standards and build resilience in these critical frontline services.</p>											
82	ENV5	1,884	0	267	267	0	General Planning	Red	Red	Red	Environment
<p>Revised Waste Strategy - restrict black residual waste collection to either a smaller wheeled bin or less frequent collection for residual waste from September 2015. Weekly recycling, weekly food collections, recycling collections split into twin stream (two bag types) at the kerbside (to be finalised as part of the outcome of the current waste strategy consultation.)</p>											

Appendix 5(b)

Reference	Saving				2014/15 Controllable Budget	Planning Status	Risk Analysis			Cabinet Portfolio					
	No	Directorate	Employee Costs	Other			Income	TOTAL	Residual		Achievability	E/A			
Directorate Savings 2015/16															
No	Directorate	£000	£000	£000	£000	£000	£000	£000	£000	£000					
83	ENV6	8,320	0	3,572	0	3,572	0	3,572	0	3,572	Amber-Green	Amber-Green	Green	Amber-Green	Environment
83		<p>Waste Disposal interim contract & Prosiect Gwyrd - in July 2014 Cabinet approved the interim contract for residual waste with the four Council partners. The full year benefits of this are significant in 2015/16 and will run up until the start of the contract commissioning period. In addition the Prosiect Gwyrd 25 year residual waste treatment contract with Viridor formally commences on 1st April 2016 with a seven month contract commissioning period preceding that bringing about a further savings per tonne for that year.</p>													
84	ENV7	1,961	0	300	0	300	0	300	0	300	Red-Amber	Amber-Green	Amber-Green	Amber-Green	Environment
84		<p>Increasing control of the green bag and food liner provision and distribution - remove distribution through local stockists except for local hubs where supply can be controlled. Focus on delivering green bags and food liners directly to the household to reduce over-supply of the freely provided bags.</p>													
85	ENV8	1,884	0	55	0	55	0	55	0	55	Amber-Green	Amber-Green	Green	Amber-Green	Environment
85		<p>Wheeled bin and reusable garden sack - expansion of the deployment of wheeled bins and also provide an "opt in" reusable garden waste sack collection for the remaining bio bag areas.</p>													
86	ENV9	1,961	0	160	0	160	0	160	0	160	Red-Amber	Red-Amber	Amber-Green	Amber-Green	Environment
86		<p>Domestic Collections Efficiencies - streamlining collection services across the week in order to ensure resource requirements are more balanced (i.e. same number of rounds/vehicles/staff required each day). This could impact upon collection days and times and is linked to the Waste Strategy outcomes.</p>													
87	ENV10	316	0	316	0	316	0	316	0	316	Red	Amber-Green	Green	Amber-Green	Environment
87		<p>Waste Disposal Stop Post Sort - the allocation is used to support the post sort of waste received to increase recyclables and reduce residual waste and to ensure that Local Authority recycling targets are met. Loss of this budget can only be accommodated if the Waste strategy with residual waste restriction in relation to collections is also implemented.</p>													
88	ENV11	792	42	0	0	42	0	0	0	42	Green	Green	Red-Amber	Red-Amber	Environment
88		<p>Remaining two Household Waste Recycling Centres (HWRC) with reduced operating days and hours - the proposal is that both sites will operate five days per week with reduced opening times and that they would be closed on different days enabling access to a HWRC facility seven days a week. Both facilities will open on Saturdays and Sundays to manage the busiest periods of usage at weekends. Bank holiday opening will be maintained for the same reasons. Savings are generated from different working patterns and plant and equipment resources. The proposal enables the retention of sufficient resources and the ability to achieve high recycling and tonnage throughputs with customer care and education to further improve recycling rates.</p>													
89	ENV12	549	100	0	0	100	0	0	0	100	Green	Red-Amber	Green	Green	Environment
89		<p>Management/ Support /Performance restructure - restructure of the Management and Performance team.</p>													
90	ENV13	5,456	434	0	0	434	0	0	0	434	Amber-Green	Red-Amber	Red-Amber	Red-Amber	Safety, Engagement & Democracy
90		<p>Regulatory Collaboration - creation of a single shared service comprising the Environmental Health, Trading Standards and Licensing functions of Cardiff, Bridgend and the Vale of Glamorgan Councils under a single management structure, with all relevant staff employed by one host authority. The model gives the councils the best chance of maintaining service resilience in the face of substantial budget cuts and significant opportunities to increase revenues by adopting a more commercial approach. The anticipated financial and non-financial benefits are set out in the Cabinet report of 9/10/14.</p>													

Appendix 5(b)

Reference	Directorate	2014/15 Controllable Budget	Saving				Risk Analysis			Cabinet Portfolio				
			Employee Costs	Other	Income	TOTAL	Residual	Achievability	EIA					
No	Directorate	£000	£000	£000	£000	£000	£000	£000	£000	Planning Status	Residual	Achievability	EIA	Cabinet Portfolio
Directorate Savings 2015/16														
91	ENV14	(65)	0	0	85	85	0	0	85	Detailed Planning	Green	Amber-Green	Green	Transport, Planning & Sustainability
92	ENV15		0	90	0	90	0	0	90	Detailed Planning	Red-Amber	Amber-Green	Green	Transport, Planning & Sustainability
ENVIRONMENT TOTAL														
			1,673	5,100	285	7,058								
93	HSC1	3,491	238	12	0	250				Detailed Planning	Amber-Green	Amber-Green	Red	Health, Housing & Wellbeing
94	HSC2	4,264	323	101	(24)	400				Detailed Planning	Green	Amber-Green	Red	Health, Housing & Wellbeing
95	HSC3	3,602	550	0	0	550				Detailed Planning	Amber-Green	Amber-Green	Red	Health, Housing & Wellbeing
96	HSC4	4,219	195	13	0	208				Detailed Planning	Green	Amber-Green	Amber-Green	Health, Housing & Wellbeing
97	HSC5	4,002	47	0	0	47				Detailed Planning	Green	Green	Green	Health, Housing & Wellbeing

Appendix 5(b)

Reference	Saving				2014/15 Controllable Budget	Description	Planning Status	Risk Analysis			Cabinet Portfolio	
	No	Directorate	Employee Costs	Other				Income	TOTAL	Residual		Achievability
Directorate Savings 2015/16		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
98	HSC6		115	96	(136)	75	101	General Planning	Green	Amber-Green	Red-Amber	Health, Housing & Wellbeing
99	HSC7		100	0	0	100	2,406	Detailed Planning	Green	Green	Green	Health, Housing & Wellbeing
100	HSC8		0	0	150	150	(5,438)	Detailed Planning	Green	Green	Green	Health, Housing & Wellbeing
101	HSC9		761	0	0	761	6,287	Detailed Planning	Red	Red-Amber	Red	Health, Housing & Wellbeing
102	HSC10		0	1,926	0	1,926	72,454	General Planning	Red	Red	Red-Amber	Health, Housing & Wellbeing
103	HSC11		0	431	0	431	30,330	Detailed Planning	Red-Amber	Red-Amber	Red	Health, Housing & Wellbeing
104	HSC12		0	300	0	300	30,330	Detailed Planning	Green	Amber-Green	Red-Amber	Health, Housing & Wellbeing
105	HSC13		50	0	0	50	2,173	General Planning	Amber-Green	Amber-Green	Red-Amber	Health, Housing & Wellbeing
106	HSC14		200	0	0	200	2,173	Detailed Planning	Green	Green	Amber-Green	Health, Housing & Wellbeing

Appendix 5(b)

Reference	Directorate	2014/15 Controllable Budget	Saving				Planning Status	Risk Analysis			Cabinet Portfolio
			Employee Costs	Other	Income	TOTAL		Residual	Achievability	E/A	
No		£000	£000	£000	£000	£000					
Directorate Savings 2015/16											
107	HSC15	1,070	218	0	0	218	Detailed Planning	Amber-Green	Amber-Green	Red-Amber	Health, Housing & Wellbeing
108	HSC16	1,260	72	0	0	72	Detailed Planning	Green	Green	Green	Health, Housing & Wellbeing
109	HSC17	1,260	23	0	0	23	Detailed Planning	Green	Amber-Green	Green	Health, Housing & Wellbeing
110	HSC18	1,658	0	180	0	180	Detailed Planning	Red-Amber	Amber-Green	Red	Health, Housing & Wellbeing
111	HSC19	1,658	0	100	0	100	General Planning	Red-Amber	Red-Amber	Red	Health, Housing & Wellbeing
112	HSC20	428	174	0	0	174	Detailed Planning	Amber-Green	Amber-Green	Red-Amber	Health, Housing & Wellbeing
HEALTH & SOCIAL CARE TOTAL			3,066	3,159	(10)	6,215					
113	RES1	1,375	122	0	0	122	Detailed Planning	Amber-Green	Amber-Green	Green	Corporate Services & Performance
114	RES2	(152)	0	0	45	45	Detailed Planning	Green	Amber-Green	Green	Corporate Services & Performance

Appendix 5(b)

Reference	Directorate	Directorate Savings 2015/16	2014/15 Controllable Budget	Saving				Planning Status	Risk Analysis			Cabinet Portfolio
				Employee Costs	Other	Income	TOTAL		Residual	Achievability	EIA	
No			£000	£000	£000	£000	£000					
115	RES3	Projects and Technical Accountancy Employee savings - the reduction in the working hours of a Grade 8 Accountant on the closing team.	696	7	0	0	7	Realised	Amber-Green	Green	Green	Corporate Services & Performance
116	RES4	Post reduction in Internal Audit - reshaping the work undertaken will allow the reduction one post.	1,394	42	0	0	42	Realised	Amber-Green	Amber-Green	Amber-Green	Corporate Services & Performance
117	RES5	Reduction to posts in Service Accountancy - The saving will require the loss of four posts in 2015/16. This will be achieved through a combination of vacancies and voluntary severance and will require a realignment of workload and team structures within the section. There is very limited opportunity to reduce the functions undertaken by Service Accountancy as these are either statutory or necessary in order to provide effective management and control of the Council's finances. As a result the saving will have to be achieved through efficiencies and changes to service delivery whilst maintaining the core functionality.	2,148	144	0	0	144	Detailed Planning	Red-Amber	Amber-Green	Green	Corporate Services & Performance
118	RES6	Charges for credit card payments - the cost of paying by credit card will be passed onto customers. Notice will be given at the beginning of the transaction and customers will have the choice of paying by a different method if they wish.	(2,115)	0	0	26	0	Detailed Planning	Amber-Green	Amber-Green	Amber-Green	Corporate Services & Performance
119	RES7	Rating savings - significant rating savings can be achieved for the Council by successful appeals against rateable values. Most Local Authorities do not have the in house expertise to pursue these on their own and instead engage external companies who charge on a no win no fee basis. In Cardiff we have changed to adopt a similar approach using the in house team and this level of savings reflects the commission to be received from successful appeals.	(2,115)	0	0	25	0	Detailed Planning	Amber-Green	Amber-Green	Green	Corporate Services & Performance
120	RES8	Reduction in overtime budgets within Revenues - as a result of anticipated efficiency savings linked to automation of forms in future, it is proposed to reduce overtime budgets by approximately 50%.	2,674	34	0	0	34	Detailed Planning	Amber-Green	Amber-Green	Amber-Green	Corporate Services & Performance
121	RES9	VAT savings - the directorate has entered into a new framework contract with Deloittes for VAT advice and proactive assistance to facilitate savings. This change in emphasis regarding VAT will mean the VAT accountant is spending more time pursuing these opportunities and it is proposed to charge a commission against the savings achieved in the same way that external companies would do.	(2,115)	0	0	31	0	Detailed Planning	Amber-Green	Amber-Green	Green	Corporate Services & Performance
122	RES10	Private bailiff costs - the net cost of external bailiffs is entirely due to the recovery action that the Council has to take to collect outstanding debts. In recent years we have successfully increased collection rates to the benefit of the Council and thus reduced our bad debt provision. It is therefore proposed to charge these external costs of £14k against the bad debt provision.	762	0	14	0	14	Detailed Planning	Green	Green	Green	Corporate Services & Performance
123	RES11	Implementation of Corporate Debt Approach - Implement a more Corporate and strategic approach to debt management by moving responsibility for the bailiff collection function of Penalty Charge Notices to Revenues and also consideration of the transfer of the accounts receivable function. These changes should enable a more holistic approach to debt management. There should also be opportunities to improve the level of income collected and the amount of internal bailiff fee income generated.	(2,115)	0	0	80	0	Detailed Planning	Amber-Green	Amber-Green	Amber-Green	Corporate Services & Performance

Appendix 5(b)

Reference	Directorate	2014/15 Controllable Budget	Saving				Planning Status	Risk Analysis				
			Employee Costs	Other	Income	TOTAL		Residual	Achievability	E/A	Cabinet Portfolio	
No		£000	£000	£000	£000	£000						
124	RES12	1,319	210	0	0	210	Detailed Planning	Red-Amber	Amber-Green	Green	Corporate Services & Performance	
125	RES13	(481)	0	0	30	30	General Planning	Red-Amber	Red-Amber	Green	Corporate Services & Performance	
126	RES14	1,815	51	0	0	51	Detailed Planning	Red-Amber	Amber-Green	Amber-Green	Corporate Services & Performance	
127	RES15	50	0	8	0	8	Detailed Planning	Amber-Green	Amber-Green	Green	Corporate Services & Performance	
128	RES16	(855)	0	0	30	30	General Planning	Amber-Green	Amber-Green	Green	Corporate Services & Performance	
129	RES17	537	52	0	0	52	Detailed Planning	Green	Green	Green	Corporate Services & Performance	
130	RES18	(16)	0	0	16	16	Detailed Planning	Green	Green	Green	Corporate Services & Performance	
131	RES19	3,846	260	0	0	260	Detailed Planning	Red-Amber	Amber-Green	Green	Corporate Services & Performance	
132	RES20	(29)	0	0	10	10	Detailed Planning	Green	Green	Green	Corporate Services & Performance	
133	RES21	(289)	0	0	20	20	Detailed Planning	Amber-Green	Amber-Green	Green	Corporate Services & Performance	

Appendix 5(b)

Reference	Directorate	Directorate Savings 2015/16	2014/15 Controllable Budget	Saving				TOTAL	Risk Analysis			Cabinet Portfolio
				Employee Costs	Other	Income	£000		Residual	Achievability	EIA	
No			£000	£000	£000	£000	£000	£000	Planning Status			
134	RES22	Full Year Effect (FYE) of 2014/15 ICT staff related budget savings - residual savings relating to staff leaving part way through current financial year.	4,317	94	0	0	94	Detailed Planning	Green	Green	Green	Corporate Services & Performance
135	RES23	Deletion of ICT Grade 3 post - vacant scale 3 post in ICT through increased use of self service functionality on the Help desk.	4,317	22	0	0	22	Detailed Planning	Green	Green	Green	Corporate Services & Performance
136	RES24	ICT recharge to non-general fund areas and external customers - ICT provides a service for non-general fund areas such as the Housing Revenue Account and Schools as well as external customers and this saving reflects the full recovery of these amounts.	(553)	0	0	61	61	Detailed Planning	Amber-Green	Amber-Green	Green	Corporate Services & Performance
137	RES25	ICT - support for the transition to alternate service delivery mechanisms - Additional support needed to move existing systems and data to new service delivery models such as the new joint regulatory service or national and regional adoption agency as well as others. This will involve technical, security and business relationship additional work and the costs will need to be factored into future business cases for these projects.	(533)	0	0	52	52	General Planning	Amber-Green	Red-Amber	Green	Corporate Services & Performance
138	RES26	External ICT expenditure - this includes savings through reviewing the level of spend, re-tendering services to achieve cost reductions and ensuring that unavoidable cost increases are charged to customers as appropriate.	2,077	0	129	132	261	General Planning	Amber-Green	Red-Amber	Green	Corporate Services & Performance
139	RES27	Reduction in number of Central Transport Service maintenance vehicles - additional vehicles have been incorporated into the service over a period of time and following review and analysis of use, the optimal number of vehicles required for the service is three to cover breakdowns, overnight callout and vehicle collection. This is the full year effect of changes in the current financial year.	6,121	0	13	0	13	Realised	Green	Green	Green	Corporate Services & Performance
140	RES28	Replacement of ageing gritter fleet - reduction in maintenance costs. The gritters will be procured on a short term hire contract and will negate maintenance, washing (gritter bodies) and the need for additional winter call out.	6,121	0	40	0	40	Detailed Planning	Green	Green	Green	Corporate Services & Performance
141	RES29	Organisational Development Restructure - medium term restructure the Organisational Development (OD) team to reduce overall cost of delivery, reduce budget for OD related investment and support for projects, facilitated through the use of reserves initially.	(70)	0	0	110	110	Detailed Planning	Red-Amber	Amber-Green	Green	Corporate Services & Performance
142	RES30	Improvement Team Restructure - restructure the Corporate Improvement Team to reduce overall cost of providing performance support.	696	37	3	0	40	Detailed Planning	Amber-Green	Amber-Green	Green	Corporate Services & Performance
143	RES31	Realignment of additional funding sources - this saving involves recharging £15k to grant income for PREVENT grant work to reflect time spent on these activities, and also to recharge the Housing Revenue Account (HRA) for a portion of the Performance Management team (£25k) to reflect work undertaken in support of HRA funded activity.	0	0	0	40	40	Detailed Planning	Green	Green	Green	Corporate Services & Performance
144	RES32	Restructure Emergency Management Service - delete one post in the Emergency Management Team, with duties to be absorbed within the wider team.	260	47	0	0	47	Detailed Planning	Amber-Green	Amber-Green	Green	Corporate Services & Performance

Appendix 5(b)

Reference	Saving				2014/15 Controllable Budget	Planning Status	Risk Analysis			Cabinet Portfolio						
	No	Directorate	Employee Costs	Other			Income	TOTAL	Residual		Achievability	E/A				
Directorate Savings 2015/16		£000	£000	£000	£000	£000	£000	£000	£000	£000						
RESOURCES TOTAL																
145	SLC1		526	0	80	0	708	207	1,122	80	2,037	Detailed Planning	Green	Green	Red-Amber	Community Development, Co-operatives & Social Enterprise
146	SLC2		1,770	0	268	0	(109)	268	0	159	159	General Planning	Red	Green	Green	Community Development, Co-operatives & Social Enterprise
147	SLC3		4,565	216	69	(235)				50	50	General Planning	Red-Amber	Red-Amber	Red-Amber	Community Development, Co-operatives & Social Enterprise
148	SLC4		5,262	329	0	0				329	329	Detailed Planning	Red-Amber	Green	Green	Environment
149	SLC5		5,088	170	50	0				220	220	General Planning	Red-Amber	Amber-Green	Red	Environment
150	SLC6		4,403	72	0	0				72	72	Detailed Planning	Green	Green	Green	Environment
151	SLC7		181	0	26	0				26	26	Detailed Planning	Amber-Green	Green	Green	Environment
152	SLC8		(515)	0	0	8				8	8	Detailed Planning	Green	Green	Green	Environment
153	SLC9		(515)	0	0	28				28	28	Detailed Planning	Green	Green	Green	Environment

Appendix 5(b)

Reference	Directorate	2014/15 Controllable Budget	Saving				TOTAL	Risk Analysis			Cabinet Portfolio	
			Employee Costs	Other	Income	£000		Residual	Achievability	EIA		
No		£000	£000	£000	£000	£000	£000	Planning Status				
154	SLC10	535	10	40	0	50	Detailed Planning	Green	Green	Red-Amber	Community Development, Co-operatives & Social Enterprise	
		<p>Removal of Bowls Subsidy - in line with the decision taken as part of the 2014/15 budget.</p>										
155	SLC11	78	0	53	0	53	Detailed Planning	Green	Green	Red-Amber	Community Development, Co-operatives & Social Enterprise	
		<p>Closure of public conveniences - permanent closure of toilets which are currently temporarily closed - Cowbridge Road East and Whitchurch Rd / Cathays Terrace. Closure of Llandaff High Street toilets.</p>										
156	SLC12	660	0	40	0	40	Realised	Green	Green	Green	Community Development, Co-operatives & Social Enterprise	
		<p>Outdoor Sport - reduction in support</p>										
157	SLC13	95	20	0	0	20	Detailed Planning	Green	Green	Green	Environment	
		<p>Flatholm Island - reduction in net budget</p>										
158	SLC14	206	76	23	(46)	53	Detailed Planning	Amber-Green	Amber-Green	Red-Amber	Community Development, Co-operatives & Social Enterprise	
		<p>Canton Community Centre - new management operator for Canton Community Centre to be operational by September 2015.</p>										
159	SLC15	3,531	530	215	(545)	200	Detailed Planning	Green	Green	Red-Amber	Community Development, Co-operatives & Social Enterprise	
		<p>Full year closure of Eastern Leisure Centre for Redevelopment - Eastern Leisure Centre is to close for refurbishment from late 2014, re-opening during 2016. Decision previously made by Council.</p>										
160	SLC16	3,531	254	240	(189)	305	Detailed Planning	Amber-Green	Red-Amber	Red-Amber	Community Development, Co-operatives & Social Enterprise	
		<p>Alternative Delivery Model for Cardiff International Sports Stadium - Alternative Delivery Model for Cardiff International Sports Stadium. It is proposed that the saving would be a full year saving, minus the contractual costs and potential for a Council contribution for a sinking fund for track replacement.</p>										
161	SLC17	3,531	1,442	376	(1,383)	435	Detailed Planning	Red	Red	Red-Amber	Community Development, Co-operatives & Social Enterprise	
		<p>New Operating Model for Leisure Centres - the Council has agreed to progress with a procurement process to determine a new operating model for its leisure centres which will be tested against the current in-house provision. Saving expected to be generated for the final quarter of 2015/16. The level of saving is dependent on the procurement process that is being run in respect of leisure centre management throughout the first half of 2015/16. At this stage the level of savings to be achieved can only be estimated until the outcome of the procurement process in Autumn 2015.</p>										
162	SLC18	3,531	110	80	150	340	Detailed Planning	Red	Amber-Green	Amber-Green	Community Development, Co-operatives & Social Enterprise	
		<p>Leisure Centres - reduced subsidy to be achieved through a combination of expenditure efficiencies and additional income generation.</p>										

Appendix 5(b)

Reference	Saving					2014/15 Controllable Budget	Planning Status	Risk Analysis			Cabinet Portfolio
	No	Directorate	Employee Costs	Other	Income			TOTAL	Residual	Achievability	
Directorate Savings 2015/16		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
163	SLC19		0	0	40	(412)	Detailed Planning	Green	Green	Green	Community Development, Co-operatives & Social Enterprise
164	SLC20		502	17	0	1,074	Detailed Planning	Red	Amber-Green	Red	Early Years, Children & Families
165	SLC21		0	0	5	(79)	Detailed Planning	Green	Green	Green	Community Development, Co-operatives & Social Enterprise
166	SLC22		0	0	30	(965)	Detailed Planning	Green	Green	Green	Community Development, Co-operatives & Social Enterprise
167	SLC23		0	0	200	(2,924)	Detailed Planning	Red-Amber	Green	Green	Environment
168	SLC24		0	0	40	(1,572)	Detailed Planning	Green	Green	Amber-Green	Environment
SPORT, LEISURE & CULTURE TOTAL			3,731	1,577	(2,006)						
169	SPH1		0	37	0	97	Realised	Green	Green	Green	Transport, Planning & Sustainability

Appendix 5(b)

Reference	Saving				2014/15 Controllable Budget	Planning Status	Risk Analysis			Cabinet Portfolio	
	No	Directorate	Employee Costs £000	Other £000			Income £000	TOTAL £000	Residual		Achievability
		Directorate Savings 2015/16									
170	SPH2		375	0	54	0	Detailed Planning	Green	Green	Green	Transport, Planning & Sustainability
171	SPH3		197	11	0	0	Realised	Green	Green	Green	Transport, Planning & Sustainability
172	SPH4		1,231	0	12	0	Realised	Green	Green	Green	Transport, Planning & Sustainability
173	SPH5		1,231	0	236	0	Detailed Planning	Green	Amber- Green	Amber- Green	Transport, Planning & Sustainability
174	SPH6		(1,306)	0	0	40	Detailed Planning	Green	Green	Green	Transport, Planning & Sustainability
175	SPH7		901	0	18	0	Realised	Green	Amber- Green	Green	Transport, Planning & Sustainability
176	SPH8		901	0	37	0	Detailed Planning	Green	Amber- Green	Green	Transport, Planning & Sustainability

Appendix 5(b)

Reference	Directorate	Directorate Savings 2015/16	Saving				TOTAL	Risk Analysis			Cabinet Portfolio	
			2014/15 Controllable Budget	Employee Costs	Other	Income		Residual	Achievability	EIA		
No			£000	£000	£000	£000	£000	Planning Status				
177	SPH9	Review of Tunnel Costs - improve planned maintenance and tunnel closures to reduce costs.	652	0	72	0	72	Realised	Green	Green	Green	Transport, Planning & Sustainability
178	SPH10	Review of additional staff payments - rationalise stand-by and call out allowances across the directorate.	847	48	0	0	48	Detailed Planning	Amber-Green	Amber-Green	Green	Transport, Planning & Sustainability
179	SPH11	School Crossing Patrols – Realign budget - all high risk sites to be supported by a school crossing patrol officer. The saving relates to non-essential posts which have become vacant over recent years. Five posts will be recruited to allow the release of mobile officers that are currently operating at specified crossing sites. These mobile officers cover sickness, annual leave and provide training to the officers. There will be no job losses associated with this saving.	381	45	0	0	45	Detailed Planning	Amber-Green	Red-Amber	Amber-Green	Transport, Planning & Sustainability
180	SPH12	Road Safety - road safety educational literature to be funded by Road Safety Grant (Welsh Government) only, with Council funding to be withdrawn.	49	0	7	0	7	Realised	Green	Green	Green	Transport, Planning & Sustainability
181	SPH13	Riverwalk bridge maintenance reduction - realignment of budget in line with spend.	80	0	8	0	8	Realised	Green	Green	Green	Transport, Planning & Sustainability
182	SPH14	Design Team - revision of costs - infrastructure design costs have reduced due to improved working practices, through collaborative working within the Council and commercialisation.	167	0	34	14	48	Detailed Planning	Green	Green	Green	Transport, Planning & Sustainability
183	SPH15	Planning - increase in Development Fee income target - increase in planning fees as a result of anticipated new development across the city and anticipated increase in fees (Welsh Government led.)	(1,978)	0	0	100	100	Detailed Planning	Amber-Green	Amber-Green	Green	Transport, Planning & Sustainability
184	SPH16	Planning - parking cost reduction due to relocation - no longer require parking at Dumfries Place (£13k). Reduction in car allowance budget based on previous year's spend (£10k).	110	0	23	0	23	Realised	Green	Green	Green	Transport, Planning & Sustainability

Appendix 5(b)

Reference	Saving				2014/15 Controllable Budget	Planning Status	Risk Analysis			Cabinet Portfolio				
	Employee Costs	Other	Income	TOTAL			Residual	Achievability	EIA					
No	Directorate	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
185	SPH17				(735)	0	0	10	10	Detailed Planning	Green	Amber- Green	Green	Transport, Planning & Sustainability
186	SPH18				2,390	0	50	0	50	General Planning	Red-Amber	Amber- Green	Green	Transport, Planning & Sustainability
187	SPH19				2,390	0	126	0	126	Detailed Planning	Amber- Green	Amber- Green	Amber- Green	Transport, Planning & Sustainability
188	SPH20				2,390	0	0	50	50	Detailed Planning	Green	Green	Green	Transport, Planning & Sustainability
189	SPH21				(15,701)	0	0	30	30	Detailed Planning	Amber- Green	Green	Green	Transport, Planning & Sustainability
190	SPH22				4,143	0	10	0	10	Detailed Planning	Green	Green	Green	Transport, Planning & Sustainability
191	SPH23				4,143	0	10	0	10	Detailed Planning	Green	Green	Green	Transport, Planning & Sustainability
192	SPH24				4,143	0	5	0	5	General Planning	Green	Amber- Green	Green	Transport, Planning & Sustainability

Appendix 5(b)

Reference	Directorate	2014/15 Controllable Budget	Saving				TOTAL	Planning Status	Risk Analysis			Cabinet Portfolio
			Employee Costs	Other	Income	£000			Residual	Achievability	EIA	
No		£000	£000	£000	£000	£000	£000					
193	SPH25		0	0	450	450	Detailed Planning	Green	Green	Green	Transport, Planning & Sustainability	
194	SPH26	(8,298)	0	0	85	85	Detailed Planning	Green	Green	Green	Transport, Planning & Sustainability	
195	SPH27	13,482	50	0	0	50	Detailed Planning	Green	Green	Green	Transport, Planning & Sustainability	
STRATEGIC PLANNING, HIGHWAYS, TRAFFIC & TRANSPORT TOTAL			154	739	779	1,672						
COUNCIL DIRECTORATE TOTAL			13,840	14,657	1,368	29,865						

Appendix 5(b)

Reference	Corporate Efficiencies 2015/16				Risk Analysis				Cabinet Portfolio				
	No	Directorate	2014/15 Controllable Budget	Employee Costs	Other	Income	TOTAL	Planning Status		Residual	Achievability	EIA	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
196	Council Wide	Composite	0	400	0	400	0	400	Detailed Planning	Amber-Green	Red-Amber	Amber-Green	Corporate Services & Performance
197	Council Wide	1,500	0	150	0	150	0	150	Detailed Planning	Amber-Green	Amber-Green	Amber-Green	Corporate Services & Performance
198	Council Wide	Composite	650	0	0	650	0	650	Detailed Planning	Amber-Green	Amber-Green	Amber-Green	Economic Development & Partnerships
199	Council Wide	6,882	0	358	0	358	0	358	Detailed Planning	Amber-Green	Amber-Green	Amber-Green	Corporate Services & Performance
200	Council Wide	Composite	0	20	0	20	0	20	General Planning	Amber-Green	Amber-Green	Green	Corporate Services & Performance
201	Council Wide	Composite	200	0	0	200	0	200	Detailed Planning	Amber-Green	Amber-Green	Green	Corporate Services & Performance
202	Council Wide	Composite	150	0	0	150	0	150	Detailed Planning	Amber-Green	Amber-Green	Green	Corporate Services & Performance
203	Council Wide	Composite	200	0	0	200	0	200	General Planning	Amber-Green	Amber-Green	Green	Corporate Services & Performance
204	Council Wide	Composite	300	0	0	300	0	300	General Planning	Amber-Green	Amber-Green	Amber-Green	Corporate Services & Performance
205	Corporate Management	16,977	0	349	0	349	0	349	Detailed Planning	Amber-Green	Amber-Green	Amber-Green	Economic Development & Partnerships
206	Economic Development	(3,586)	0	0	0	0	100	100	General Planning	Amber-Green	Amber-Green	Green	Economic Development & Partnerships
207	Strategic Planning, Highways, Traffic & Transport	6,375	0	153	0	153	0	153	Realised	Green	Green	Green	Education & Skills

Appendix 5(b)

Reference	Corporate Efficiencies 2015/16	Saving				Risk Analysis						
		2014/15 Controllable Budget £000	Employee Costs £000	Other £000	Income £000	TOTAL £000	Planning Status	Residual	Achievability	E/A	Cabinet Portfolio	
No Directorate												
208	Strategic Planning, Highways, Traffic & Transport Full Year Effect of 2014/15 withdrawal of non statutory secondary school transport - as a result of decisions taken as part of the 2014/15 budget.	6,375	0	183	0	183	Realised	Green	Green	Green	Education & Skills	
209	Strategic Planning, Highways, Traffic & Transport Taxis for Pupils with Special Educational Needs (SEN)- optimise provision of transport for pupils with SEN by merging taxi services and providing additional training and support strategies to staff.	6,375	0	100	0	100	Detailed Planning	Green	Amber-Green	Amber-Green	Education & Skills	
210	Strategic Planning, Highways, Traffic & Transport Replacement of non statutory primary school transport with Commercial operator led services - remove subsidised funding from September 2015. The Council is working to facilitate service provision of eight routes. 1) 614 - Ysgol Y Berllan Deg (Penylan/ Roath/ Cyncoed) 2) 621 - Ysgol Y Berllan Deg (Pontprennau/Pentwyn) 3) 624 - Ysgol Y Wern (Heath/Rhiwbina) 4) 626 - Ysgol Y Wern (Llanishen/Lisvane/Thornhill) 5) 633 - Ysgol Bro Einwg (Rumney/Trowbridge/Llanrumney) 6) 638 - Ysgol Pencae (Canton/Fairwater/Danescourt) 7) 627-Ysgol Pwll Coch (Grangetown) 8) Ysgol Pwll Coch (Canton)	6,375	0	102	0	102	Detailed Planning	Amber-Green	Red-Amber	Red-Amber	Education & Skills	
CORPORATE EFFICIENCIES TOTAL			1,500	1,815	100	3,415						
GRAND TOTAL SAVINGS			15,340	16,472	1,468	33,280						

Appendix 6

Risk Assessment Summary of Savings proposals

		Children's Services	Communities, Housing & Customer Services	Corporate Management	County Clerk & Monitoring Officer	Economic Development	Education & Lifelong Learning	Environment	Health & Social Care	Resources	Sport, Leisure & Culture	Strategic Planning, Highways, Traffic & Transport	Targeted Corporate Efficiencies	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Planning Status	General	1,416	0	82	181	20	0	527	2,151	373	429	55	620	5,854
	Detailed	1,119	1,869	760	37	861	2,728	5,974	4,064	1,602	2,833	1,429	2,459	25,735
	Realised	160	162	186	0	0	0	557	0	62	40	188	336	1,691
	Total	2,695	2,031	1,028	218	881	2,728	7,058	6,215	2,037	3,302	1,672	3,415	33,280
Residual Risk	Red	0	0	0	0	0	50	583	2,687	0	1,453	0	0	4,773
	Red-Amber	1,546	795	82	37	0	2,340	550	711	805	799	50	0	7,715
	Amber-Green	786	220	510	181	396	0	5,111	1,242	879	384	349	2,979	13,037
	Green	363	1,016	436	0	485	338	814	1,575	353	666	1,273	436	7,755
	Total	2,695	2,031	1,028	218	881	2,728	7,058	6,215	2,037	3,302	1,672	3,415	33,280
Achievability Risk	Red	0	0	0	0	0	0	267	1,926	0	435	0	0	2,628
	Red-Amber	918	1,094	82	37	0	2,390	694	1,292	343	355	45	502	7,752
	Amber-Green	1,037	368	560	181	679	250	5,498	2,428	1,393	1,132	630	2,577	16,733
	Green	740	569	386	0	202	88	599	569	301	1,380	997	336	6,167
	Total	2,695	2,031	1,028	218	881	2,728	7,058	6,215	2,037	3,302	1,672	3,415	33,280
Equality Impact Assessment	Red	0	93	0	0	0	0	267	2,672	0	739	0	0	3,771
	Red-Amber	1,102	715	310	0	30	1,890	956	2,743	0	1,226	0	102	9,074
	Amber-Green	1,179	569	82	218	300	500	1,060	408	233	380	407	2,307	7,643
	Green	414	654	636	0	551	338	4,775	392	1,804	957	1,265	1,006	12,792
	Total	2,695	2,031	1,028	218	881	2,728	7,058	6,215	2,037	3,302	1,672	3,415	33,280

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Appendix 7

Earmarked Reserves Used Temporarily for Voluntary Severance Borrowing

Earmarked Reserves	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
<u>Schools Organisational Plan</u>					
Planned Balance at year end	8,394	6,800	6,795	7,640	7,150
Borrowed from reserve to fund voluntary severance	(3,112)	(7,314)	(2,043)	(3,071)	(3,243)
Repaid from revenue to replenish reserve	0	5,508	5,254	4,291	3,730
Net borrowing in relation to voluntary severance (in year)	(3,112)	(1,806)	3,211	1,220	487
Net movement in relation to voluntary severance (cumulative)	(3,112)	(4,918)	(1,707)	(487)	0
Reduced Balance due to borrowing	5,282	1,882	5,088	7,153	7,150
<u>Housing Options Centre Reserve</u>					
Planned Balance at year end	1,326	1,190	1,054	918	782
Borrowed from reserve to fund voluntary severance	(492)	(1,156)	(430)	(595)	(518)
Repaid from revenue to replenish reserve	0	871	831	715	774
Net borrowing in relation to voluntary severance (in year)	(492)	(285)	401	120	256
Net movement in relation to voluntary severance (cumulative)	(492)	(777)	(376)	(256)	0
Reduced Balance due to borrowing	834	413	678	662	782
<u>Homelessness Reserve</u>					
Planned Balance at year end	1,558	1,528	1,528	1,528	1,528
Borrowed from reserve to fund voluntary severance	(344)	(809)	(375)	(530)	(476)
Repaid from revenue to replenish reserve	0	609	581	526	818
Net movement in relation to voluntary severance (in year)	(344)	(200)	206	(4)	342
Movement in relation to voluntary severance (cumulative)	(344)	(544)	(338)	(342)	0
Reduced Balance due to borrowing	1,214	984	1,190	1,186	1,528
<u>Housing Support Reserve</u>					
Planned Balance at year end	1,782	1,706	1,306	1,006	1,006
Borrowed from reserve to fund voluntary severance	(330)	(776)	(322)	(474)	(433)
Repaid from revenue to replenish reserve	0	585	558	491	701
Net movement in relation to voluntary severance (in year)	(330)	(191)	236	17	268
Movement in relation to voluntary severance (cumulative)	(330)	(521)	(285)	(268)	0
Reduced Balance due to borrowing	1,452	1,185	1,021	738	1,006
Borrowed from reserve to fund voluntary severance	(4,278)	(10,055)	(3,170)	(4,670)	(4,670)
Repaid from revenue to replenish reserve	0	7,573	7,224	6,023	6,023
Net Total Borrowing from Earmarked Reserves (in year)	(4,278)	(2,482)	4,054	1,353	1,353
Cumulative Net Total Borrowing from Earmarked Reserves	(4,278)	(6,760)	(2,706)	(1,353)	0

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Appendix 8(a)

EARMARKED RESERVES GENERAL FUND

	Title	Estimated balance at 31.03.15 £000	Estimated Movements 2015/16		Estimated balance at 31.03.16 £000	Purpose
			To finance budget £000	Other Commitments £000		
1	Apprenticeship Reserve	470	0	(125)	345	To fund 5 apprentices a year over a five year period.
2	Bereavement Services Reserve	122	0	55	177	To fund a planned programme of refurbishment and improvement.
3	Building Control Fee Earning	245	0	(80)	165	To fund the net costs of the Building Control fee earning account and related activities.
4	Bute Park Match Funding Reserve	229	0	(25)	204	To provide match funding for grant funded initiatives in relation to Bute Park
5	Cardiff Academy Reserve	65	0	(20)	45	To fund Academy relocation costs and new equipment
6	Cardiff Dogs Home Legacy	33	0	(33)	0	Legacy left to Cardiff Dogs Home to be used for the Home.
7	Cardiff Enterprise Zone	2,975	0	750	3,725	Budget set aside to fund expenditure on the Cardiff Enterprise Zone in future years.
8	Cardiff Insurance Reserve	3,559	0	0	3,559	To protect the Council from future potential insurance claims.
9	Community Redesign Services Resource	474	0	(474)	0	To provide a resource to create capacity for the Council to support and empower the community including capacity building to further develop the volunteer counsellor base.
10	Community Safety	30	0	(30)	0	To fund costs of the Operation Mistletoe initiative.
11	Discretionary Rate Relief Reserve	100	0	(25)	75	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.
12	Employee Changes Reserve	250	0	(50)	200	To fund employee changes associated costs including the in year impact of successful appeals and administrative costs in supporting the process.

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	Title	Estimated balance at 31.03.15 £000	Estimated Movements 2015/16		Estimated balance at 31.03.16 £000	Purpose
			To finance budget £000	Other Commitments £000		
13	Energy/Carbon Reduction Reserve	276	0	0	276	To provide funding for future unexpected increases in the councils carbon reduction charges
14	Energy Conservation	208	0	(104)	104	A fund which allows investment in energy savings schemes, the cost of which is recovered from services over an agreed number of years.
15	Flatholm	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.
16	Fraud Detection Reserve	182	0	(70)	112	To utilise additional income received arising from the prosecution of housing benefit fraud cases. The reserve will supplement staffing and other costs associated with this area of work.
17	Harbour Project and Contingency Fund	610	0	450	1,060	To fund expenditure for the improvement and enhancement of infrastructure, assets, activities or services in or around the Bay.
18	Highways Local Government Borrowing Initiative	1,046	0	0	1,046	To fund the capital financing implications of expenditure on highways relating to the Highways Local Borrowing Initiative (LGBI) as provided by Welsh Government.
19	Homelessness	984	0	206	1,190	This reserve is to be partially used to meet increases in homelessness pressures and to provide temporary funding in relation to voluntary severance.
20	House Mortgage	27	0	(5)	22	This represents surpluses on the fund to meet net service costs.
21	Housing Benefit Reserve	1,546	0	(350)	1,196	To meet the budgeted costs of trainees and other temporary staffing costs within the Housing Benefit section.
22	Housing Options Centre Reserve	413	0	265	678	To meet the budgeted capital financing costs of the new Housing Options Centre and to provide temporary funding in relation to voluntary severance.

Appendix 8(a)

	Title	Estimated balance at 31.03.15 £000	Estimated Movements 2015/16		Estimated balance at 31.03.16 £000	Purpose
			To finance budget £000	Other Commitments £000		
23	Housing Support Reserve	1,185	0	(164)	1,021	To improve sustainability by maintaining people's independence in their own homes and to provide temporary funding in relation to voluntary severance.
24	ICT Holding Account	220	0	(120)	100	To fund future costs of Business Process Improvement and associated ICT costs.
25	Inspectorate Support Reserve	232	0	0	232	To procure necessary consultancy for the inspections and regulatory environment.
26	Integrated Partnership Strategy	31	0	(31)	0	To support ongoing implementation of the Cardiff Integrated Partnership arrangements to include progression of work stream activities and facilitated support for joint working.
27	Invest to Save Reserve	350	0	(150)	200	To fund revenue invest to save schemes.
28	Kitchen Improvement	124	0	(124)	0	To fund refurbishments of primary school kitchens that do not meet health and safety standards.
29	Local Lend a Hand Mortgage Scheme	132	0	45	177	Interest receivable in case of default on Local Lend a Hand Mortgage Scheme
30	Local Plan Reserve	166	0	(166)	0	To provide for the cost of the Local Development Plan.
31	Local Service Board Initiative Reserve	29	0	(29)	0	To fund scrutiny work in connection with the Local Service Board.
32	Major Projects Reserve	1,580	(405)	(84)	1,091	To fund the costs of major projects including Waste Transfer Station and Brindley Rd.
33	Members Development Reserve	34	0	(12)	22	Used to support webcasting of council meetings and any additional members ICT software.
34	Municipal Election Reserve	192	0	96	288	To provide for the cost of local elections.

Appendix 8(a)

	Title	Estimated balance at 31.03.15 £000	Estimated Movements 2015/16		Estimated balance at 31.03.16 £000	Purpose
			To finance budget £000	Other Commitments £000		
35	Organisational Development Programme	644	0	(353)	291	To fund additional advice/support for the delivery of Organisational Development projects. Requests for funding are presented to the Investment Review Board for approval.
36	Out of School Childcare	92	0	(10)	82	Surplus balances from each school operating an out of school childcare scheme. These can be drawn upon by each school to balance in year.
37	Parking Reserve	154	0	61	215	This represents surpluses on street parking schemes which, under the Road Traffic Act 1984, have to be reinvested in Road Traffic Schemes.
38	PDD - Impact on Design Reserve	42	0	(20)	22	To cover aborted costs in building design and construction.
39	Registration Service Improvement Reserve	30	0	(15)	15	To fund various service improvements.
40	Resources Reserve	667	0	(186)	481	To fund a number of areas within the Resources Directorate.
41	Schools Catering	529	0	(250)	279	To be used to support the Schools Catering Service including the implementation of a cashless transaction system for secondary schools.
42	Schools Formula Funding Reserve	212	0	(13)	199	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.
43	Schools Organisation Plan	1,882	0	3,206	5,088	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 severance.

Appendix 8(a)

	Title	Estimated balance at 31.03.15 £000	Estimated Movements 2015/16		Estimated balance at 31.03.16 £000	Purpose
			To finance budget £000	Other Commitments £000		
44	Scrutiny Development & Training Reserve	40	0	(10)	30	To fund Member development and training.
45	Social Care Technology Reserve	479	0	(100)	379	Support social care IT developments
46	Sport, Leisure & Culture Reserve	136	0	(136)	0	To fund expenditure in future years within the Sport, Leisure & Culture Directorate.
47	Valuers Reserve	31	0	(18)	13	To fund external valuer's fee incurred as part of updating asset valuations every five years.
48	Workshops Asset Maintenance Reserve	12	0	(12)	0	To assist in the asset maintenance requirements of the Council's managed workshops.
49	Youth and Community Education Reserve	115	0	(115)	0	To fund on-line enrolment system within Adult Learning and other youth based services.
		23,208	(405)	1,601	24,404	

Appendix 8(b)

HRA EARMARKED RESERVES

Title	Estimated balance at 31.03.15 £000	Estimated Movements 2015/16		Estimated balance at 31.03.16 £000	Purpose
		To finance budget £000	Other Commitments £000		
HRA/Housing IT Reserve	49	0	0	49	To fund CMS Mobile working IT infrastructure.

Title	Estimated balance at 31.03.15 £000	Estimated Movements 2015/16		Estimated balance at 31.03.16 £000	Purpose
		To finance budget £000	Other Commitments £000		
General Housing Reserve	8,324	0	0	8,324	General housing balances

Appendix 8(c)

SCHOOLS RESERVES

Title	Estimated balance at 31.03.15 £000	Estimated Movements 2015/16		Estimated balance at 31.03.16 £000	Purpose
		To finance budget £000	Other Commitments £000		
Balances on Schools' Delegated Budgets including Nursery Schools	(4,000)	0	400	(3,600)	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 two Secondary Schools and includes the planned pay back over five years of £2 million severance payments.
Primary/Special DSU Repairs Reserve	373	0	(250)	123	Contingency fund out of which participating schools share the cost of funding large items of repairs and maintenance work.
	(3,627)	0	150	(3,477)	

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Appendix 9

EMPLOYEE IMPLICATIONS OF BUDGET

This appendix should be read in conjunction with the directorate savings appendix

Ref	Impact on posts	Saving / Pressure	Savings Title	All figures are expressed in terms of full time equivalent posts						
				Voluntary Severance	Vacant	Redeploy	TBC	Potential TUPE	New Post	Total FTE
Children's Services										
1	Delete	CHD 2	Home Sessional Support posts x 0.87		(0.87)					(0.87)
2	Delete	CHD 3	Maintenance Officer x 1 and Residential Child Care Officer x 1	(1.00)	(1.00)					(2.00)
3	Delete	CHD 5	Family Support & Intervention Driver Post x 1	(1.00)						(1.00)
4	Delete	CHD 7	Deletion of Fostering Support Officers x 2				(2.00)			(2.00)
5	Delete	CHD 9	Placement Support Officer x 1 -		(1.00)					(1.00)
6	Delete	CHD 10	Business Support Review	(1.00)	(10.11)					(11.11)
7	Delete	CHD 11	CareFirst Trainer x 2		(2.00)					(2.00)
8	Delete	CHD 12	Training & Development Officer x 1	(1.00)						(1.00)
9	Delete	CHD 13	Qualification Quality Assurance Co-ordinator x 1	(1.00)						(1.00)
10	Delete	CHD 14	Referral Order Case Manager	(1.00)						(1.00)
11	Delete	CHD 15	Youth Offending Services (YOS) Social Worker x 1	(1.00)						(1.00)
12	Delete	CHD 17	Review of Business Processes				(7.00)			(7.00)
13	Delete	CHD 23	Youth Offending Services Restructure				(3.00)			(3.00)
Children's Services Net Position				(7.00)	(14.98)	0.00	(12.00)	0.00	0.00	(33.98)
Communities, Housing and Customer Service										
14	Delete	CHC 1	Reduction in spend on Benefit Service x5	(1.00)			(4.00)			(5.00)
15	Delete	CHC 3	Reduction in Spend on Homelessness Service		(1.00)					(1.00)
16	Delete	CHC 6	Reduction in Supporting People Administration		(1.00)					(1.00)
17	Create	CHC 8	Re-profile Neighbourhood Partnerships Fund to support community groups						1.00	1.00
18	Delete	CHC 13	Reduction in spend on post within Regeneration		(1.00)					(1.00)
19	Delete	CHC 14	Implementation of the Community Hub Strategies	(1.50)	(1.00)	(1.00)				(3.50)
Communities , Housing and Customer Services Net Position				(2.50)	(4.00)	(1.00)	(4.00)	0.00	1.00	(10.50)
County Clerk and Monitoring Officer										
21	Delete/Create	CLK 1	Mini restructure to reduce administrative, legal and protocol support to County Clerk & Monitoring Officer - Democratic Services Restructure	(3.00)	(1.50)	(1.00)			1.00	(4.50)
22	Delete	CLK2	Reduce Member Expenses and Support Services			(1.00)				(1.00)

Appendix 9

Ref	Impact on posts	Saving / Pressure	Savings Title	Voluntary Severance	Vacant	Redeploy	TBC	Potential TUPE	New Post	Total FTE
County Clerk and Monitoring Officer Net position				(3.00)	(1.50)	(2.00)	0.00	0.00	1.00	(5.50)

Economic Development

23	Delete	ECD 1	Review management structure in the Economic Development Service				(1.00)			(1.00)
24	Delete	ECD 4	Review service in Economic Development				(1.00)			(1.00)
25	Delete	ECD 11	Review service in the management of the City Centre Night Time Economy		(0.77)					(0.77)
26	Delete	ECD 12	Review Tourism Information Centre Offer	(4.20)	(1.00)					(5.20)
Economic Development Net Position				(4.20)	(1.77)	0.00	(2.00)	0.00	0.00	(7.97)

Education

28	Delete	EDU4	Childcare Strategy	(3.00)						(3.00)
29	Delete	EDU5	Management and Support	(2.00)			(4.00)			(6.00)
30	Delete	EDU7	Youth Service				(51.00)			(51.00)
31	Delete	EDU8	Catering	(1.00)	(1.00)					(2.00)
Education Net Position				(6.00)	(1.00)	0.00	(55.00)	0.00	0.00	(62.00)

Environment

32	Delete	ENV 2	In House Improvements (council wide) and Neighbourhood Services (council wide)				(12.50)			(12.50)
33	Delete	ENV 4	Redesign of cleansing as part of Neighbourhood Services (Environment only)	(13.00)	(1.00)					(14.00)
34	Delete	ENV 11	Remaining two Household Waste Recycling Centres (HWRC) with		(2.00)					(2.00)
35	Delete	ENV 12	Management/ Support /Performance restructure	(1.50)						(1.50)
Environment Net Position				(14.50)	(3.00)	0.00	(12.50)	0.00	0.00	(30.00)

Health and Social Care

37	Delete	HSC 1	Reshaping the Internal Supported Living Service for people with learning disabilities	(1.00)			(7.50)			(8.50)
38	Delete	HSC 2	Recommission Day Services for Older People		(9.00)		(39.80)			(48.80)
39	Delete	HSC 3	Re-shape the Internal Day Opportunity Service for people with learning disabilities		(16.00)		(8.00)			(24.00)
40	Delete	HSC 4	Improve efficiency in the re-ablement service	(6.50)						(6.50)
41	Delete	HSC 5	Management Restructure in the Reablement Service	(1.00)						(1.00)
42	Delete	HSC 6	Re-organising the way Community meals are delivered				(7.00)			(7.00)
43	Delete	HSC 7	Deletion of Vacant Lead Manager posts		(2.00)					(2.00)
44	Delete	HSC 9	Review of Care Management across Health & Social Care				(20.00)			(20.00)
45	Delete	HSC 13	Reshaping the Mental Health Day Service	(1.00)		(1.20)				(2.20)
46	Delete	HSC 15	Making changes to the Community Alcohol & Drug Team Counselling Service				(6.00)			(6.00)

Appendix 9

Ref	Impact on posts	Saving / Pressure	Savings Title	Voluntary Severance	Vacant	Redeploy	TBC	Potential TUPE	New Post	Total FTE
47	Delete	HSC 16	Senior Management Restructure in Health & Social Care	(1.00)						(1.00)
48	Delete	HSC 20	Reduction in Business Support, Commissioning and Performance staff				(8.00)			(8.00)
Health and Social Care Net Position				(10.50)	(27.00)	(1.20)	(96.30)	0.00	0.00	(135.00)
Resources										
49	Delete	RES 1	Staffing Reductions within Exchequer and Development	(4.00)	(1.00)					(5.00)
50	Delete	RES 4	Post reduction in Internal Audit	(1.00)						(1.00)
51	Delete	RES 5	Reduction to posts in Service Accountancy	(3.00)	(1.00)					(4.00)
52	Delete	RES 12	Commissioning & Procurement Restructure	(3.00)	(3.00)					(6.00)
53	Delete	RES 14	Staffing Changes to Legal Services		(0.90)					(0.90)
54	Delete	RES 17	Remove Enterprise Architect Post		(1.00)					(1.00)
55	Delete	RES 19	Staffing reductions within Human Resources	(4.60)	(2.30)					(6.90)
56	Delete	RES 23	Deletion of ICT Grade 3 post		(1.00)					(1.00)
57	Delete	RES 30	Improvement Team Restructure				(1.00)			(1.00)
58	Delete	RES 32	Restructure Emergency Management Service				(1.00)			(1.00)
Resources Net Position				(15.60)	(10.20)	0.00	(2.00)	0.00	0.00	(27.80)
Sport, Leisure and Culture										
59	Delete	SLC 4	Reduction in sport, leisure and culture staffing	(5.60)	(3.00)	(0.80)	(2.60)			(12.00)
60	Delete	SLC 5	Remodelling of the Park Ranger Service	(2.00)	(5.00)					(7.00)
61	Delete	SLC 6	Parks Apprenticeship Scheme		(4.00)					(4.00)
62	Delete	SLC 10	Removal of Bowls Subsidy		(0.50)					(0.50)
63	Delete	SLC 14	Canton Community Centre					(3.43)		(3.43)
64	Delete	SLC 17	New Operating Model for Leisure Centres					(212.80)		(212.80)
65	Delete	SLC 20	New Model for Children's Play	(1.00)			(31.00)			(32.00)
Sport, Leisure and Culture Net Position				(8.60)	(12.50)	(0.80)	(33.60)	(216.23)	0.00	(271.73)
Strategic Planning, Highways, Traffic and Transport										
66	Delete	SPH27	Restructure				(2.00)			(2.00)
Strategic Planning, Highways, Traffic and Transport Net position				0.00	0.00	0.00	(2.00)	0.00	0.00	(2.00)
Totals				(71.90)	(75.95)	(5.00)	(219.40)	(216.23)	2.00	(586.48)

Note that where savings proposal are part year and have a staff implication, Appendix 9 identifies the head count implication in the year saving commences.

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Summary of Recommended Increases to Fees and Charges 2015/16 - General Fund

Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
		£	£			
	County Clerk & Monitoring Officer					
1	Advertising space in Capital Times	Various	Various	Various	See comment	Charges are dependent on use and external market rates.
	Communities, Housing & Customer services					
2	Community Alarm Service - Contact Only - per week	£1.94	Nil	Nil	See comment	No proposed increase.
3	Community Alarm Service - Contract and Mobile Response - per week	£3.56	£1.00	28.09%	1 April 2015	The proposed new charge is £4.56
4	Telecare Packages - per week	£3.97	Nil	Nil	See comment	No proposed increase.
5	Gypsy Sites - Rent - per pitch - per week	£68.90 Rover Way, £76.23 Shirenewton.	£0.34 Rover Way £0.38 Shirenewton	0.50%	1 April 2015	£69.24 Rover Way £76.51 Shirenewton. This is based on Consumer price index 28 days before 1 April so is subject to change.
6	Gypsy & Traveller Site Service charge - per pitch - per week	£30.59 Rover Way, £29.93 Shirenewton.	See comment	See comment	See comment	No proposed increase but Water charge element will increase by 10%..The feasibility of introducing water meters for each pitch is being investigated.
7	Disabled Facility Grant Income	£900.00 or 15% whichever the greater	Nil	Nil	See comment	No proposed increase.
8	Targeted Elderly and Renewal Grant Income	£900.00 or 15% whichever the greater	Nil	Nil	See comment	No proposed increase.
9	Day Nursery Rental charge in St Mellon's Enterprise - per annum	£24,505 per annum	Nil	Nil		Subject to conditions of lease. Rents are revised
10	St Mellon's Enterprise Centre - 10 units - per annum	£3,000 to £3,300	Nil	Nil		
	Libraries					
11	Adult book late return penalty charge	£0.13	£0.02	15.38%	1 April 2015	The proposed new charge is £0.15p per day (to maximum £10.00)
12	Adult spoken word late return penalty charge	£0.40	Nil	Nil	See comment	No proposed increase.
13	Adult music recording late return penalty charge	£0.26	See comment	See comment	See comment	Pending decision
14	Adult DVD, video or CD ROM late return penalty charge	£0.60	See comment	See comment	See comment	Pending decision
15	Children's DVD or video late return penalty charge	£0.30	See comment	See comment	See comment	Pending decision
16	Loan Charges	Various	Nil	Nil	See comment	No proposed increase.
17	PC printouts / Photocopies - per page	0.10 to £0.80	Nil	Nil	See comment	No proposed increase.
18	Scanning service - personal documents	£0.10	Nil	Nil	See comment	No proposed increase.

Appendix 10(a)

Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
19	Reservations for stock from outside Cardiff (interlibrary loans)	£4.00	£6.00	150.00%	1 April 2015	The proposed new charge is £10.00
20	Replacement card - Adult	£2.00	Nil	Nil	See comment	No proposed increase.
21	Replacement card - Child	£1.00	Nil	Nil	See comment	No proposed increase.
22	Central Library Fax service :UK - A4	Various	Nil	Nil	See comment	No proposed increase.
23	Gallery/Exhibitions	20% of all sales and orders	Nil	Nil	See comment	No proposed increase.
24	Local Studies Department	Various	Nil	Nil	See comment	No proposed increase.
	Adult Community Learning Course Fees					
25	Category A (Full Fee)	£4.90	£0.00	Nil	01 September 2015	No proposed increase.
26	Category B (State Pension or FT Student)	£3.60	£0.00	Nil	01 September 2015	No proposed increase.
27	Category C (Reduced Fee for Learners on Benefits)	£2.10	Deleted	See comment	01 September 2015	This price category is being deleted
	Economic Development					
28	Charge in respect of filming in the City	Various	Nil	Nil	See comment	No proposed increase. Includes Regional TV £100 per day and National TV £200 per day.
	Events Park & Ride					
29	Rugby and local football	£6.00	£0.00	Nil	See comment	No proposed increase.
30	Football & Concerts	£10.00	£0.00	Nil	See comment	No proposed increase.
31	Coaches	£15	£0.00	Nil	See comment	No proposed increase.
32	Workshop Rents	Various	See comment	Nil	See comment	Subject to conditions of lease. Rents are revised
33	Land and Building rents	Various	See comment	Nil	See comment	No proposed increase.
	Business Development					
34	Loan Administration Fee - One Off Payment	£250	£0.00	Nil	See comment	No proposed increase.
35	Equity Administration Fee - One Off Payment	£1,000	£0.00	Nil	See comment	No proposed increase.
	Tourist Information Centre					
36	Left luggage facility Small Lockers	£4.00	£1.00	25.00%	1 April 2015	The proposed new charge is £5.00
37	Left luggage facility Medium Lockers	£8.00	£0.00	Nil	See comment	No proposed increase.
38	Left luggage facility Large Lockers	£10.00	£0.00	Nil	See comment	No proposed increase.
39	Left luggage facility Overnight 24 hours	£20	£0.00	Nil	See comment	No proposed increase.
40	Internet Access 15 minutes	£0.70 and £1.00	£0.00	Nil	See comment	No proposed increase. Current charge is £0.70 for 15 minutes and £1.00 for 30 minutes.
41	Printouts/ Photocopying / faxes per sheet	£0.10 to £2.00	Nil	Nil	See comment	No proposed increase.
	Education and Lifelong Learning					
42	School Meals - per meal (Primary)	£2.00	£0.20	10.00%	1 April 2015	The proposed new charge is £2.20
43	School Meals - per meal (secondary)	£2.40	£0.25	10.42%	1 April 2015	The proposed new charge is £2.65
44	Music Service Charges- Maintained Schools - per hour	£34.00	£0.00	Nil	See comment	No proposed increase.
45	Music Service Charges - Non Maintained Schools - per hour	£36.00	£0.00	Nil	See comment	No proposed increase.
46	Music Service Ensemble Fees	Various	£0.00	Nil	See comment	No proposed increase.

Appendix 10(a)

Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
47	Storey Arms	Various	Various	5.00%	1 September 2015	Proposed chargers to increase on average by 5%subject to roundings , ranging from £82.50 to £319.00
48	Mountain Leader Award Training (6 day) adult training	£425.00	£0.00	Nil	See comment	No proposed increase.
49	2 day non-residential NGB award – adult training	£156.00	£0.00	Nil	See comment	No proposed increase.
50	1 day NGB award assessment – adult training	£180.00	£0.00	Nil	See comment	No proposed increase.
51	Childcare Strategy Courses	Various	Various	Various	See comment	Where charges are proposed to increase this will be by £5.00
Childcare - After School Clubs						
52	Twinkle Stars	£7.00	Nil	Nil	See comment	From September 2015 this will no longer be a fee
53	Glyncod After School Club	£9.00	£0.50	5.56%	1 April 2015	The proposed new charge is £9.50
54	Lansdowne After School Club	£9.00	£0.50	5.56%	1 April 2015	The proposed new charge is £9.50
55	Gladstone and St Monica's After School Club	£9.00	£0.50	5.56%	1 April 2015	The proposed new charge is £9.50
56	Powerhouse crèche	£15.00	£0.50	3.33%	1 April 2015	The proposed new charge is £15.50
57	Severn Road crèche	£15.00	£0.50	3.33%	1 April 2015	The proposed new charge is £15.50
58	St Mellons Community crèche	£15.00	£0.50	3.33%	1 April 2015	The proposed new charge is £15.50
Environment						
59	Active Waste Landfill Tipping Toll - Standard Gate Fee	£43.50	Nil	Nil	See comment	No proposed increase.
60	Bulky Collections	£15 for up to 3 items £5 for each additional	See comment	See comment	See comment	Charge has been reduced by £2.50 and is now for only two items.
61	Waste Transfer Station - Small Medium Enterprises	£130.00	Nil	Nil	See comment	No proposed increase. Charge now includes the Landfill tax element.
62	Residual Commercial Waste Bags - per bin	£1.96	Nil	Nil	See comment	No proposed increase.
63	Commercial Waste Food Collections (240l) - per lift	£3.50	£1.00	28.57%	1 April 2015	The proposed new charge is £4.50
64	Commercial Waste Food Collections (500l)	£6.50	£2.00	30.77%	1 April 2015	The proposed new charge is £8.50
65	Commercial Food Caddies	£0.81	£0.19	23.46%	1 April 2015	The proposed new charge is £1.00
66	Commercial Recycling - per lift	£1.34	£0.00	Nil	See comment	No proposed increase.
67	Commercial Water Transfer Notes	£40.00	£0.00	Nil	See comment	No proposed increase.
68	Commercial General Waste Collections (240l) - per lift	£4.41	£0.59	13.38%	1 April 2015	The proposed new charge is £5.00
69	Commercial Recycling - Unacceptable Levels of Contamination - per bag or bin	£25.00	Nil	Nil	See comment	No proposed increase.
70	Automatic Public Conveniences	£0.20	£0.00	Nil	See comment	No proposed increase.
71	General Licensing	Various	Nil	Nil	See comment	No proposed increase.
72	Gambling Licensing	Various	Nil	Nil	See comment	No proposed increase.
73	Street Trading	Various	Nil	Nil	See comment	No proposed increase.
74	Pest Control	Various	Nil	Nil	See comment	No proposed increase.
75	Cardiff Dogs Home	Various	Nil	Nil	See comment	No proposed increase.
76	Puppies Rehoming Fee	£120.00	Nil	Nil	See comment	No proposed increase.
	HMO Licenses					

Appendix 10(a)

Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
77	HMO Licensing - Licensed properties - Mandatory scheme	£770.00	Nil	Nil	See comment	No proposed increase.
78	HMO Licensing - Re-licensing of HMOs subject to mandatory licensing	£275.00	Nil	Nil	See comment	No proposed increase.
79	HMO Licensing - Re-licensing to a new owner on revocation of an existing HMO licence.	£400.00	Nil	Nil	See comment	No proposed increase.
80	HMO Licensing - Cathays Additional Licensing Scheme	£660.00	Nil	Nil	See comment	No proposed increase.
81	HMO Licensing - Cathays Additional Licensing Scheme. Discarded where accredited.	£560.00	Nil	Nil	See comment	No proposed increase.
82	The licensing of privately owned purpose built student flats in a purpose built block	£100.00	Nil	Nil	See comment	No proposed increase.
83	High Hedges	£320.00	Nil	Nil	See comment	No proposed increase.
84	Notice Charging - per hour	£20.00	Nil	Nil	See comment	No proposed increase.
85	Housing Immigration Inspection Report	£100.00	Nil	Nil	See comment	No proposed increase.
86	Environmental Information Fees	£66.50	Nil	Nil	See comment	No proposed increase.
87	Food Hygiene Course - Level 2	£60.00	Nil	Nil	See comment	No proposed increase.
88	Food Hygiene Course - Level 3	£200.00	Nil	Nil	See comment	No proposed increase.
89	Food Safety Management Course	£40.00	Nil	Nil	See comment	No proposed increase.
90	Food Hygiene Re-rating	£150.00	Nil	Nil	See comment	No proposed increase.
	Cardiff Port Health					
91	Port Health - Sanitation Inspection (1000-3000 tonnes)	£108.00	£2.00	1.85%	1 April 2015	The proposed new charge is £110.00
92	Port Health - Sanitation Inspection (3001-10,000 tonnes)	£165.00	£5.00	3.03%	1 April 2015	The proposed new charge is £170.00
	Trading Standards - Chargeable Work					
93	Poisons Act Registration	£34.00	Nil	Nil	See comment	No statutory increase
94	Poisons Act Alteration	£9.10	Nil	Nil	See comment	No statutory increase
95	Poisons Act renewal	£17.95	Nil	Nil	See comment	No statutory increase
96	Petroleum spirit storage less than 2500 litres	£42.00	Nil	Nil	See comment	No statutory increase
97	Petroleum spirit storage between 2500 litres and 50,000 litres	£58.00	Nil	Nil	See comment	No statutory increase
98	Petroleum spirit storage over 50,000 litres	£120.00	Nil	Nil	See comment	No statutory increase
99	Explosives storage new registration	£105.00	Nil	Nil	See comment	No statutory increase
100	Explosive storage renewal	£52.00	Nil	Nil	See comment	No statutory increase
101	Explosive storage amendment	£35.00	Nil	Nil	See comment	No statutory increase
102	Metrology verification	Various	Nil	Nil	See comment	No statutory increase
103	UKAS Laboratory M1 weight	£15.00	£1.00	6.67%	1 April 2015	The proposed new charge is £16.00
104	UKAS Laboratory F2 weight	£20.00	£5.00	25.00%	1 April 2015	The proposed new charge is £25.00
105	UKAS Laboratory Artefacts	£20.00	£2.00	10.00%	1 April 2015	The proposed new charge is £22.00

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Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
Health & Social Care						
106	Client/Staff meals	Various	Nil	Nil	See comment	No proposed increase.
107	Charge for non-residential services	£55.00	£5.00	9.09%	1 April 2015	The proposed new charge is £60.00
Resources						
108	Search Fees	£85.50	£0.30	0.35%	1 April 2015	The proposed new charge is £85.8
109	Sale of Land	£450.00	£25.00	5.56%	1 April 2015	The proposed new charge is £475.00
Commercial Property Fees						
110	Registration Fee on Notice of Assignment/Underletting/Charge	£65.00	£10.00	15.38%	1 April 2015	The proposed new charge is £75.00
111	Consent for Assignment / Underletting / Change of User/Alterations	£350.00	£25.00	7.14%	1 April 2015	The proposed new charge is £375.00
112	Certificates of Title	£55.00	£5.00	9.09%	1 April 2015	The proposed new charge is £60.00
113	Grant of Shop Lease	£470.00	£10.00	2.13%	1 April 2015	The proposed new charge is £480.00
114	Workshops Lease	£210.00	£15.00	7.14%	1 April 2015	The proposed new charge is £225.00
115	Grant of Industrial Lease	£770.00	£30.00	3.90%	1 April 2015	The proposed new charge is £800.00
116	Market Tenancies	£260.00	£15.00	5.77%	1 April 2015	The proposed new charge is £275.00
117	Lease Renewals	£260.00	£15.00	5.77%	1 April 2015	The proposed new charge is £275.00
118	Variations/Surrenders	£310.00	£15.00	4.84%	1 April 2015	The proposed new charge is £325.00
Section 106 Agreements (on time spent basis)						
119	individual properties/householder applications	£350.00	£25.00	7.14%	1 April 2015	The proposed new charge is £375.00
120	Standard S106	£1,110.00	£140.00	12.61%	1 April 2015	The proposed new charge is £1250.00
121	Complex s106 agreements -e.g. phased development etc based on actual time	£1,850.00	£25.00	1.35%	1 April 2015	The proposed new charge is £1875.00
122	Unilateral obligations for S106s	£500.00	£300.00	60.00%	1 April 2015	The proposed new charge is £800.00
123	Unilateral obligations for S106s in relation to Appeals	£750.00	£50.00	6.67%	1 April 2015	The proposed new charge is £800.00
124	Deed of variation for s106	£500.00	£50.00	10.00%	1 April 2015	The proposed new charge is £550.00
125	Consent to disposals under Section 106 restriction	£50.00	£5.00	10.00%	1 April 2015	The proposed new charge is £55.00
126	Easements	£360.00	£15.00	4.17%	1 April 2015	The proposed new charge is £375.00
127	Wayleaves	£210.00	£15.00	7.14%	1 April 2015	The proposed new charge is £225.00
Residential Property Fees						
128	Registration Fee on Notice of Assignment/Underletting/Charge	£65.00	£10.00	15.38%	1 April 2015	The proposed new charge is £75.00
129	Deed of Postponement	£75.00	£5.00	6.67%	1 April 2015	The proposed new charge is £80.00
130	Right to Buy - 2nd Mortgage Questionnaires	£75.00	£5.00	6.67%	1 April 2015	The proposed new charge is £80.00
131	Pre-emption questionnaires	£45.00	£5.00	11.11%	1 April 2015	The proposed new charge is £50.00
132	Transfers (Subject to Mortgage)	£190.00	£10.00	5.26%	1 April 2015	The proposed new charge is £200.00
133	Vacating Receipts	£50.00	£5.00	10.00%	1 April 2015	The proposed new charge is £55.00
134	Sales of Freehold Reversions	£410.00	£40.00	9.76%	1 April 2015	The proposed new charge is £450.00
135	Deeds of Variation (Right to Buy leases)	£140.00	£10.00	7.14%	1 April 2015	The proposed new charge is £150.00

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Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
136	Nursing Home charge fees	£45.00	£5.00	11.11%	1 April 2015	The proposed new charge is £50.00
137	Shared Equity Scheme resales and redemptions	£300.00	£25.00	8.33%	1 April 2015	The proposed new charge is £325.00
138	CC TV Requests in Connection with Data Protection Act	£75.00 Flat Fee, £15.00 additional copies CD/DVD	Nil	Nil	See comment	Where requests are received under Section 35(2) of the Data Protection Act a £75 fee can be charged.
	<u>Central Transport Services</u>					
140	Mo T	£45.00	Nil	Nil	See comment	No proposed increase.
	Sports, Leisure & Culture					
	<u>Venues</u>					
141	St David's Hall - Lettings - (Auditorium Hires)	Various	Nil	Nil	See comment	No proposed increase.
142	Cultural Venues - Ticket Service Charge - per transaction	£2.95	Nil	Nil	See comment	No proposed increase.
143	Commercial Catering	Various	Nil	See comment	1 April 2015	Menu price constantly reviewed on a commercial basis.
144	Cardiff Castle Gift Shop	Various	Nil	Nil	1 April 2015	Determined by mark-up to cover required profit margin.
145	Castle Key	Various	Nil	Nil	See comment	No proposed increase.
146	Cardiff Castle Tours	Various	Nil	Nil	See comment	No proposed increase.
147	Castle Banquet	Various	Nil	Nil	See comment	No proposed increase.
148	Castle Room Hire	Various	Nil	Nil	See comment	No proposed increase.
	<u>City Hall Conference and Events-Room Hire</u>					
149	Assembly Room - Mon-Fri (6 hours)	£1,570.00	£80.00	5.10%	1 April 2015	The proposed new charge is £1650.00
150	City Hall Conference and Events-Room Hire	Various	Various	Various	1 April 2015	Various increases mostly between 4% and 8.25%. Charges reflect different prices for peak and off peak use, accommodation required and duration of booking. Additional hire for projectors increased by 10% to £55.
151	All City Hall Room Hire - Discount for Registered Charities	20.00%	Nil	Nil	See comment	No proposed increase.
	<u>Mansion House Hire</u>					
152	Per 4 hour session	£500.00	Nil	Nil	See comment	No proposed increase.
153	Evening - 6hrs	£1,000.00	Nil	Nil	See comment	No proposed increase.
154	Mansion House Hire Charges - Discount for registered charities	20.00%	Nil	Nil	See comment	No proposed increase.
155	Cardiff Collection - Weddings	Various	Nil	Nil	See comment	Wedding packages are tailored according to the couple's requirements and are subject to current market rates.
	<u>Cardiff Story Museum</u>					
156	Corporate hire of Cardiff Story Museum galleries for events <u>outside</u> normal opening hours (4 hours)	£700.00	£200.00	28.57%	1 April 2015	The proposed new charge is £900.00
157	Corporate hire of Cardiff Story Museum Learning Suite/board room for events <u>within</u> normal opening hours (4 hours)	£340.00	£20.00	5.88%	1 April 2015	The proposed new charge is £360.00

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Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
158	Corporate hire of Cardiff Story Museum Learning Suite/board room for events <u>outside</u> normal opening hours (4 hours)	£450.00	£50.00	11.11%	1 April 2015	The proposed new charge is £500.00
159	Cardiff Story Museum - commission from exhibition sales	30.00%	Nil	Nil	See comment	No proposed increase. The current charge is 30% of sale price.
160	Exhibition previews out of museum opening hours and serving alcohol, 4 hour session	£110.00	£70.00	63.64%	1 April 2015	The proposed new charge is £180.00
161	Cardiff Story Museum - Use of Learning Suite/Board Room and equipment for school groups, local heritage and community organisations within normal opening hours.	£55.00	£5.00	9.09%	1 April 2015	The proposed new charge is £60.00
162	Cardiff Story Museum - Use of Learning/Meeting rooms for <u>non</u> local heritage/community organisations <u>within</u> normal opening hours.	£165.00	£5.00	3.03%	1 April 2015	The proposed new charge is £170.00
163	Cardiff Story Museum - Use of Learning Suite/Board room and equipment for school groups, local heritage and community organisations outside normal opening hours.	£170.00	£10.00	5.88%	1 April 2015	The proposed new charge is £180.00
164	Cardiff Story Museum - Use of Learning/Meeting rooms for <u>non</u> local heritage/community organisations <u>outside</u> normal opening hours.	£245.00	£15.00	6.12%	1 April 2015	The proposed new charge is £260.00
165	Welsh Baccalaureate-linked visits (1 hour session)	£25.00	Nil	Nil	See comment	No proposed increase.
166	Cardiff Story Museum - Oral History Training Session - per hour and talk by Museum Professional Staff per hour	New Charge	See comment	£60.00	1 April 2015	New charge. Proposed charge is £60 per hour.
167	Museum formal education / school visits	Various	See comment	See comment	1 April 2015	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 £60.00 per led session.
168	Heath Park Car Park	First 2 hours are free. £1.00 for up to 3 hours. £3.00 for over 3 hours	£0.50 for up to 3 hours. £1.00 for over 3 hours.	Nil for up to 2 hours. 50% for up to 3 hours. 33.33% for over 3 hours.	01 April 2015	The first 2 hours are free, charges thereafter are £1.50 for up to three hours and £4.00 over 3 hours.
169	Llandaff Fields/Pontcanna Fields Car Parking	First 2 hours are free. £1.00 for up to 3 hours. £3.50 for over 3 hours	Nil	Nil	1 April 2015	No proposed increase.
170	Leisure Activities (Leisure Centres and Community Halls)	Various	Various	Average of 6%	1 April 2015	An average increase of 6% across leisure activities
171	Cardiff Riding School Charges	Various	Various	Average of 6%	1 April 2015	Cardiff Riding School charges are to be increased by an average of 6%.
172	Food, Drinks & Goods for Resale	See comment	See comment	See comment	See comment	Prices increase as catering costs are based on current market rates.
173	Cardiff Caravan & Camping Charges	Various	Nil	Nil	See comment	No proposed increase.

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Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
	Allotments					
174	Allotments - Full Price	£10.54 to £101.00	£0.32 to £6.00	6.10% average	02 February 2015	Proposed annual charges will be £11.20 per perch Category A, £10.90 per perch Category B, £10.52 per perch Category C, Chalet £107.00, Brick cubicle £25.00.
175	Allotments - Concession	£5.06 to £51.61	£0.31 to £3.00	6% average	02 February 2015	Proposed annual charges will be £5.60 per perch Category A, £5.45 per perch Category B, £5.26 per perch Category C, Chalet £53.50
	Norwegian Church					
176	Exclusive Wedding Package Room Hire	£900.00	Nil	Nil	See comment	No proposed increase
177	Gallery Hire - per hour.	£280.00	Nil	Nil	See comment	No proposed increase
178	Grieg Room Hire	£42.00 to £800.00	Nil	Nil	See comment	No proposed increase.
179	Overhead Projector and Screen Hire	£60.00	Nil	Nil	See comment	No proposed increase.
180	Concert Hire	£216.00	Nil	Nil	See comment	No proposed increase.
	Bereavement & Registration					
181	Cremation Fees Income	£490.00	£25.00	5.10%	1 April 2015	The proposed new charge is £515.00
182	Burial Fee Income	£590.00	£10.00	1.69%	1 April 2015	The proposed new charge is £600.00
183	Grave Purchase Fee Income	£660.00	£15.00	2.27%	1 April 2015	The proposed new charge is £675.00
184	Cremated Remains Burial	£200.00	£20.00	10.00%	1 April 2015	The proposed new charge is £220.00
185	Cremated Remains Purchase	£270.00	£10.00	3.70%	1 April 2015	The proposed new charge is £280.00
186	Registration Ceremony Fees - St David's Room - Weekdays	£140.00	£20.00	14.29%	1 April 2015	The proposed new charge is £160.00
187	Registration Ceremony Fees - St David's Room - Weekends	£160.00	£35.00	21.88%	1 April 2015	The proposed new charge is £195.00
188	Registration Ceremony Fees - Approved Premises - Weekdays	£280.00	£20.00	7.14%	1 April 2015	The proposed new charge is £300.00
189	Registration Ceremony Fees - Approved Premises - Weekends	£370.00	£30.00	8.11%	1 April 2015	The proposed new charge is £400.00
190	Webcast of Ceremony	£65.00	£5.00	7.69%	1 April 2015	The proposed new charge is £70.00
191	DVD of Ceremony	£55.00	£5.00	9.09%	1 April 2015	The proposed new charge is £60.00
192	Webcast and DVD of Ceremony	£85.00	£5.00	5.88%	1 April 2015	The proposed new charge is £90.00
193	Audio recording of ceremony	£45.00	£5.00	11.11%	1 April 2015	The proposed new charge is £50.00
194	Registry Office Ceremony fee	£49.00	Nil	Nil	See comment	These are Statutory fees
195	Notice Fee	£35.00	Nil	Nil	See comment	These are Statutory fees
196	Citizenship ceremonies Fee	£80.00	Nil	Nil	See comment	These are Statutory fees
197	Certificate Fee	£10.00	Nil	Nil	See comment	These are Statutory fees
198	Registrars Certificate	£4.00	Nil	Nil	See comment	These are Statutory fees
199	Copy Certificates Standard service	£15.00	£2.00	13.33%	1 April 2015	The proposed new charge is £17.00
200	Copy Certificates - Priority Service within 24hours)	£28.00	Nil	Nil	1 April 2015	No proposed increase
	Nationality Checking Service					
201	Single adult	£60.00	£10.00	16.67%	1 April 2015	The proposed new charge is £70.00
202	Married couples/registered civil partners	£110.00	£10.00	9.09%	1 April 2015	The proposed new charge is £120.00
203	Married couples/registered civil partners and up to two children	£110.00	£10.00	9.09%	1 April 2015	The proposed new charge is £120.00

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Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
204	Single child	£35.00	£10.00	28.57%	1 April 2015	The proposed new charge is £45.00
205	Settlement checking service	£90.00	£10.00	11.11%	1 April 2015	The proposed new charge is £100.00
Harbour authority						
206	Navigation Fee - per metre	£22.00	£0.66	3.00%	1 April 2015	The proposed new charge is £22.66
207	Permission to Moor - per meter	£15.00	£0.45	3.00%	1 April 2015	The proposed new charge is £15.45
208	Provision of Mooring	£85.00	£5.00	5.88%	1 April 2015	The proposed new charge is £90.00
209		£155.00	£5.00	3.23%	1 April 2015	Proposed new fee is £160.00 for the licence plus £0.10 per passenger carried
210	Launching permits for sailing craft, motor craft or multi person	£11.00	£0.50	4.55%	1 April 2015	The proposed new charge is £11.50
211	Launching permits for single person rowing craft and windsurfers	£5.00	Nil	Nil	See comment	No proposed increase.
212	Use of Harbour Authority landing stages.	£375.00	£12.00	3.20%	1 April 2015	The proposed new charge is £387.00
213	Short stay moorings - Inner Harbour- per hour	£1.00	Nil	Nil	See comment	Fee is paid by coin operated machine.
214	Car parking fees - Havannah Street	Various	£0.50 where applicable	7.14% to 20.00%	1 April 2015	The proposed new charges are £2.00 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. No proposed increases for 7 and 8 hours respectively or monthly charge.
215	Barrage Car Park	Various	£0.50	6.25% to 25.00%	1 April 2015	The proposed new charge are £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.
Strategic Planning and Highways & Transport						
Planning						
216	Tree Preservation Orders-search and copy of information	£10.00 - Extract £20.00 - Full copy	Nil	Nil	See comment	No proposed increase.
217	Admin Fee from Section 106 Agreements	6% of agreement price	Nil	Nil	See comment	No proposed increase.
218	Pre Application Advice	Various	Nil	Nil	See comment	No proposed increase.
219	Building Control Charges Statutory	Various Charges	Nil	Nil	See comment	No proposed increase as covered by statute
220	Building Control Charges	Various Charges	Nil	Nil	See comment	Fee covers the cost of providing the service
Transportation						
221	Road Safety Audits (RSA)	Various - see comment	Nil	Nil	See comment	No proposed increase.

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Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
222	Accident Information	Various - based on request/ complexity currently charges are based on the following: £104 summary £180 summary plus	Nil	Nil	See comment	No proposed increase.
223	Sign Design	Various - based on request	Nil	Nil	See comment	No proposed increase.
224	Traffic Regulation Orders	Emergency notices £415, £690 for Traffic Regulation Orders	Nil	Nil	See comment	No proposed increase.
225	Traffic Data	Various - based on request - no. of man	Nil	Nil	See comment	No proposed increase.
226	Replacement Bus Passes Concessionary Travel (per pass)	£5 per pass	Nil	Nil	See comment	No proposed increase.
227	Heliport Landing Fees (per 500kg)	£10.67 per 500kg.	Nil	Nil	See comment	No proposed increase.
228	Heliport Fuel	BIH at cost price, other customers £0.37 p per litre mark up	Nil	Nil	See comment	No proposed increase.
229	Central Bus Station Departure Charges	£0.65 local and £2.99 long distance	Nil	Nil	See comment	Part of parking strategy decision. No proposed increase.
230	Shopper Park & Ride (Excluding Cardiff East)	£3.00	Nil	Nil	See comment	Part of parking strategy decision. No proposed increase.
231	Shopper Park & Ride - Cardiff East (contract in place with Cardiff Bus)	£3 for shoppers, £1 for commuters	Nil	Nil	See comment	N/A - Cardiff Bus now running this service. No proposed increase
232	Section 38 (Creation of New Public Highways)	This charge is based on 2 elements, a fixed 7% fee applied to a rate of £850 per linear metre	Nil	Nil	See comment	This has been benchmarked with other local authorities in 2014/15 -not able to increase again. Based on cost of unit length of adoptable road within a development - income covers the cost of staff time. Discussion taking place with Legal to ensure fees are received upfront.
233	Section 278 Agreement	7% engineering fee based on total cost of highway works connected with the	Nil	Nil	See comment	This has been benchmarked with other local authorities in 2014/15 -not able to increase again. Based on size of development - income covers the cost of staff time.
234	Hiring Out Vehicles to School Transport	Based on cost of vehicle plus 10% - administration fees	Nil	Nil	See comment	Fee is based on vehicle charge plus 10% will only increase if vehicle charge increases. No proposed increase.

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Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
235	School Transport Bus Passes	£300.00	Nil	Nil	See comment	No proposed increase.
236	Traffic Signal - Switch Offs	£320 per switch on/off plus a £50 admin charge per invoice	Nil	Nil	See comment	Increased significantly in 2014/15. No proposed increase
237	Castle Mews Car Park	Various	Nil	Nil	See comment	No proposed increase
238	Sophia Gardens Car Park	Various	Nil	Nil	See comment	No proposed increase
239	Residents Parking Permits					
240	Resident Parking Permits	Various	Nil	Nil	See comment	No proposed increase.
241	On Street Parking - up to 1 hour	£1.70	Nil	Nil	See comment	No proposed increase.
242	On Street Parking - up to 2 hours	£2.80	Nil	Nil	See comment	No proposed increase.
243	On Street Parking - up to 5 hours	£3.60	Nil	Nil	See comment	No proposed increase.
244	On Street Parking - up to 10 hours	£5.20	£2.80	53.85%	01 April 2015	The proposed new charge is £8.00
245	Norwegian Church Parking	Various	Nil	Nil	See comment	No proposed increase.
246	Canton Car parks	Various	Nil	Nil	See comment	No proposed increase.
247	Butetown on street parking	Various	Nil	Nil	See comment	No proposed increase.
248	Moving Traffic Offences	£35.00	See comment	See comment	See comment	MTO is operational. The charge increases to £70.00 after 21 days.
249	Replacement Blue Badges	£10.00	Nil	Nil	See comment	No proposed increase.
250	Skips License - Standard Charge	£65.00	£2.00	3.08%	1 April 2015	The proposed new charge is £67.00
251	Skips - Illegal - Fine	£230.00	£6.00	2.61%	1 April 2015	The proposed new charge is £236.00
252	Opening Up Notice	£165.00	£4.00	2.42%	1 April 2015	The proposed new charge is £169.00
253	Section 50 - Installation of Equipment, In ,On or Above the Public Highway	£365.00	£9.00	2.47%	1 April 2015	The proposed new charge is £374.00
254	Storage of Building Materials on the Highway	£65.00	£2.00	3.08%	1 April 2015	The proposed new charge is £67.00
255	Containers Sited on the Public Highway	£215.00	£6.00	2.79%	1 April 2015	The proposed new charge is £221.00
256	Cherry Picker/Mobile Elevating Work Platform (MEWP)	£165.00	£4.00	2.42%	1 April 2015	The proposed new charge is £169.00
257	Mobile Cranes	£365.00	£9.00	2.47%	1 April 2015	The proposed new charge is £374.00
258	Tower Crane Oversail	£365.00	£9.00	2.47%	1 April 2015	The proposed new charge is £374.00
259	Permits for Hoardings on the Public Highway	£165.00	£4.00	2.42%	1 April 2015	The proposed new charge is £169.00
260	Scaffold Licences	£215.00	£6.00	2.79%	1 April 2015	The proposed new charge is £221.00
261	Vehicle Crossovers	£165.00	£4.00	2.42%	1 April 2015	The proposed new charge is £169.00
262	Advertising Frame Permits - New Applications	£165.00	£4.00	2.42%	1 April 2015	The proposed new charge is £169.00
263	Advertising Frame Permits - Renewals	£115.00	£3.00	2.61%	1 April 2015	The proposed new charge is £118.00
264	Chairs on the Public Highway (up to 6)	£165.00	£4.00	2.42%	1 April 2015	The proposed new charge is £169.00
265	Chairs on the Public Highway (over 6)	£30.00	£1.00	3.33%	1 April 2015	The proposed new charge is £31.00
266	Charges for Temporary Signs	£65.00	£2.00	3.08%	1 April 2015	The proposed new charge is £67.00
267	Additional Inspections	£50.00	£1.00	2.00%	1 April 2015	The proposed new charge is £51.00
268	RASWA Supervisory Charge	£47.50	Nil	Nil	See comment	Charge set by statute
269	RASWA Income - All Inspections	£50.00	Nil	Nil	See comment	Charge set by statute

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Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
270	Fixed Penalty Notice for New Roads & Street Works Act	£80.00	Nil	Nil	See comment	Charge set by statute
271	Section 74 Notice - Charges for Overstays Charges for Street Numbering of Properties	£100.00	Nil	Nil	See comment	Charge set by statute
272	Developments up to 5 plots	£150.00	£50.00	33.33%	1 April 2015	The proposed new charge is £200.00
273	Developments between 6 to 10 plots	New Charge	New Charge	New charge	1 April 2015	The proposed new charge is £250.00
274	Developments with 10 Plots or more -per application	£250.00	£50.00	20.00%	1 April 2015	The proposed new charge is £300.00
275	Numbering of Flat complex over 5 plots per floor inc. ground floor	£65.00	Nil	Nil	See comment	The proposed new charge is £65.00
276	Change of street name and numbering layout after notification	£500 plus £10 per unit	Nil	Nil	See comment	The proposed new charge is £500.00 plus £10.00 per unit
277	Re-naming street at the residents request	£250.00	£250.00	100.00%	1 April 2015	The proposed new charge is £500.00
278	Creation of new road name	New charge	Nil	New charge	1 April 2015	The proposed new charge is £200.00
279	Change of house name	£40.00	£60.00	150.00%	1 April 2015	The proposed new charge is £100.00
280	Confirmation address to Solicitors, Search agents & Conveyances	£40.00	£10.00	25.00%	1 April 2015	The proposed new charge is £50.00

Appendix 10(b)

Summary of Recommended Increases to Fees and Charges 2015/16 - Housing Revenue Account

Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
		£	£			
1	Pre-assignment enquiries	£100.80	Nil	Nil	6 April 2015	No proposed increase.
2	Landlord consents for leaseholders	£155.00	Nil	Nil	6 April 2015	No proposed increase.
3	Postponement of Right to Buy charge	£100.80	Nil	Nil	6 April 2015	No proposed increase.
4	Administration charge for major works	12% and capped at	Nil	Nil	6 April 2015	No proposed increase.
5	Leaseholders Sub-Letting Charge	£30.00	Nil	Nil	6 April 2015	No proposed increase.
6	Leaseholder Management Fee	£163.08	Nil	Nil	6 April 2015	No proposed increase.
7	Council Dwellings Rent	Variable	2.7% Plus £2.00 flat rate	2.7% Plus £2.00 flat rate	6 April 2015	As perWG guidance
8	All Property Cleaning Charge	£0.37	Nil	Nil	6 April 2015	No proposed increase.
9	Retirement Complex - Community Alarm Full Cover	£3.56	£1.00	28.09%	6 April 2015	The proposed new charge is £4.56.
10	Retirement Complex - Cleaning	£8.56	Nil	Nil	6 April 2015	No proposed increase.
11	Retirement Complex - Service Charge	Variable	Various	Various	6 April 2015	Amend in line with costs
12	Retirement Complex - Warden Charge	£10.31	Nil	Nil	6 April 2015	No proposed increase.
13	Grounds & Pest Control	£1.02	£0.05	-4.90%	6 April 2015	Reduction in line with costs. The proposed new charge is £0.97
14	Flats Service Charge - Communal Maintenance	£1.05	Nil	Nil	6 April 2015	No proposed increase.
15	Flats Service Charge - Reduced Cleaning Charge	£2.32	£0.03	1.29%	6 April 2015	The proposed new charge is £2.35
16	Discretionary Repairs	£1.48	Nil	Nil	6 April 2015	No proposed increase.
17	Sheltered Service Charges - Personal Heating	Various	See comment	See comment	6 April 2015	Charges aligned with costs with increases and decreases
18	Sheltered Housing Rents	Various	2.7% plus £2.00	2.7% plus £2.00	6 April 2015	As per Welsh Government guidance
19	Water Charges / Sheltered complexes	Various	Various	-14.00%	6 April 2015	Decrease in line with costs.
20	Adult Services Furniture Renewal	£62.72	£1.69	2.69%	6 April 2015	The proposed new charge is £64.41
21	Carport	£4.12	£0.11	2.67%	6 April 2015	The proposed new charge is £4.23
22	Garages - Attached	Various	Various	2.70%	6 April 2015	Charges are various.
23	Garage rents - Tenants	£5.27	£0.14	2.66%	6 April 2015	The proposed new charge is £5.41
24	Garage rents - Private Let	£6.59	£0.18	2.73%	6 April 2015	The proposed new charge is £6.77
25	Garage rents with water - Tenants	£7.53	£0.20	2.66%	6 April 2015	The proposed new charge is £7.73
26	Garage rents with water - Private Let	£8.85	£0.24	2.71%	6 April 2015	The proposed new charge is £9.09
27	Garage Rent at sheltered complex (Electricity)	£7.93	£0.21	2.65%	6 April 2015	The proposed new charge is £8.14
28	Hardstandings	£2.25	Nil	Nil	6 April 2015	No proposed increase.
29	Garden Sheds	£0.36 / £0.48	£0.01 / £0.01	2.70%	6 April 2015	The proposed new charge is £0.37 / £0.49
30	Concierge Service Butetown/Arc	£3.88	£0.19	4.90%	6 April 2015	The proposed new charge is £4.07. Service changing to a virtual concierge system.
31	Concierge Service Litchfield Court	£61.62	£0.74	1.20%	6 April 2015	The proposed new charge is £62.36
32	Flats Service Charge - Cleaning	£3.98	£0.05	1.26%	6 April 2015	The proposed new charge is £4.03
33	Flat service charge- landlord lighting & electricity	£1.00	£0.15	15.00%	6 April 2015	The proposed new charge is £1.15

Appendix 10(b)

Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
34	Flats Service Charge - Door Entry	£0.65	-£0.15	-23.08%	6 April 2015	Reduction in line with costs. The proposed new charge is £0.50
35	Beech House heating	£8.26	£0.41	4.96%	6 April 2015	The proposed new charge is £8.67
36	Sycamore House heating	£10.33	£0.52	5.03%	6 April 2015	The proposed new charge is £10.85
37	Clos y Nant communal heating	Various	See comment	See comment	6 April 2015	Charges aligned with costs with increases and decreases
38	Nimrod Furniture Renewal		Nil	Nil	6 April 2015	Charges aligned with costs with increases and decreases
39	Hostel service Charges	Various	Nil or 1.2%	Nil or 1.2%	6 April 2015	
40	TV Licence - Hostels	£0.35	£0.09	25.71%	6 April 2015	Increase in licence fee costs
41	Tai Penlan Drainage	New charge	£6.71	£6.71	6 April 2015	This service has never been charged since the council took ownership of the drainage station from Creigiau and Penttyrch in 1996. 12 properties (8 privately owned) benefit from a Council run drainage service, The charge represents the maintenance and repair.

Summary of Recommended Increases to Fees and Charges 2015/16 - Outdoor Activities

Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
		£				
1	Roath Park Conservatory	Various	Nil	Nil	See comment	No proposed increase. Charges range from £1.50 for school / group visits to £24.00 for family season ticket.
2	Roath Park Experience - per person	£3.50	Nil	Nil	See comment	This is a combined ticket of entry to Roath Park Conservatory and boat hire for the lake.
3	Roath Park -Duck Food	£0.40	£0.20	50.00%	1 April 2015	The proposed new charge is £0.60
4	Roath Park - Fish Food	£0.40	£0.20	50.00%	1 April 2015	The proposed new charge is £0.60
5	Roath Park - Duck and Fish Food	New Charge	New Charge	New charge	1 April 2015	New combined charge. The proposed new charge is £1.00
6	Roath Park Post cards - Individual	£0.50	Nil	Nil	See comment	No proposed increase.
7	Roath Park Post cards - Pack of 6	£2.50	Nil	Nil	See comment	No proposed increase.
8	Boating - Roath Park Lake	Various	Nil	Nil	See comment	No proposed increase.
	Fishing Roath Park Lake.					
11	Bowls - Buy Back of Maintenance of Greens - annual charge	£6,300.00	Nil	Nil	See comment	No proposed increase.
12	Bowls - Season Ticket	£150.00 Adult £100.00 over 60	Nil	Nil	See comment	No proposed increase.
13	Deckchair Hire	£3.50	Nil	Nil	See comment	No proposed increase.
14	Hire of Pavilions half day	£30.00	Nil	Nil	See comment	No proposed increase.
15	Hire of Pavilions whole day	£50.00	Nil	Nil	See comment	No proposed increase.
16	Football Pitch & Changing Facilities	£55.00	Nil	Nil	See comment	No proposed increase.
17	Football Pitch only	£44.00	Nil	Nil	See comment	No proposed increase.
18	Rugby Pitch & Changing Facilities	£75.00	Nil	Nil	See comment	No proposed increase.
19	Rugby pitch only	£60.00	Nil	Nil	See comment	No proposed increase.
20	Cricket Pitch & Changing Facilities	£66.00	Nil	Nil	See comment	No proposed increase.
21	Cricket - Pitch only	£55.00	Nil	Nil	See comment	No proposed increase.
22	Baseball Pitch & Changing Facilities	£66.00	Nil	Nil	See comment	No proposed increase.
23	Baseball - Pitch only	£55.00	Nil	Nil	See comment	No proposed increase.
24	Training area & changing facilities	£25.00	Nil	Nil	See comment	No proposed increase.
25	Golf - Play as you play	Various	Nil	Nil	See comment	No proposed increase.
	3G Football Pitch					
26	Gold/Silver Accredited - per hour	£48.00	£12.00	25.00%	1 April 2015	The proposed new charge is £60.00
27	Bronze/Standard Accredited - per hour	£54.00	£6.00	11.11%	1 April 2015	The proposed new charge is £60.00
28	Non Accredited - per hour	£60.00	Nil	Nil	1 April 2015	No proposed increase.
29	Off Peak - per hour	£24.00	£16.00	66.67%	1 April 2015	The proposed new charge is £40.00
30	Schools - per hour	£20.00	£40.00	200.00%	1 April 2015	The proposed new charge is £60.00

Appendix 10(c)

Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
	Sailing Centre					
31	Windsurfing - 2 day - Adult	£160.00	£5.00	3.13%	1 April 2015	The proposed new charge is £165.00
32	Windsurfing - 2 day - Youth	£115.00	£5.00	4.35%	1 April 2015	The proposed new charge is £120.00
33	Multi Activity - 2 day - Youth	£115.00	£5.00	4.35%	1 April 2015	The proposed new charge is £120.00
34	Supervised Sailing & Windsurfing (3 hour session)	£20.00	£1.00	5.00%	1 April 2015	The proposed new charge is £21.00
35	Supervised Sailing & Windsurfing - 5 Week Session	£95.00	£5.00	5.26%	1 April 2015	The proposed new charge is £100
36	Supervised Sailing & Windsurfing - 10 week Session	£180.00	Nil	Nil	See comment	No proposed increase.
37	Youth Sailing Courses - 2 day	£115.00	£5.00	4.35%	1 April 2015	The proposed new charge is £120.00
38	Youth Sailing Courses - 3 day	£160.00	£0.00	Nil	See comment	No proposed increase.
39	Youth Sailing Courses - 6 week	£170.00	£10.00	5.88%	1 April 2015	The proposed new charge is £180.00
40	Youth Sailing Courses - 10 week	£280.00	Nil	Nil	See comment	No proposed increase.
41	Youth Sailing Courses - After Schools club	£105.00	£15.00	14.29%	1 April 2015	The proposed new charge is £120.00
42	Youth Sailing Taster 1/2 day	£30.00	Nil	Nil	See comment	No proposed increase.
43	Scout Sailing Taster 1/2 day	£15.00	£1.00	6.67%	1 April 2015	The proposed new charge is £16.00
44	Sailing Schools Group	Various	Nil	Nil	See comment	No proposed increase.
	Adult Sailing Courses					
45	Level 1 - 2 day	£165.00	£5.00	3.03%	1 April 2015	The proposed new charge is £170.00
46	Level 2 & 3 - 2 day	£160.00	£5.00	3.13%	1 April 2015	The proposed new charge is £165.00
47	Advanced 2 day	£160.00	£5.00	3.13%	1 April 2015	The proposed new charge is £165.00
48	Level 1 - 6 week	£235.00	£15.00	6.38%	1 April 2015	The proposed new charge is £250.00
49	Level 2 - 6 week	£230.00	£15.00	6.52%	1 April 2015	The proposed new charge is £245.00
50	Advanced - 6 week	£230.00	£15.00	6.52%	1 April 2015	The proposed new charge is £245.00
51	Adult Sailing Taster 1/2 day	£40.00	£5.00	12.50%	1 April 2015	The proposed new charge is £45.00
52	Corporate Sailing Taster 1/2 day	£80.00	£5.00	6.25%	1 April 2015	The proposed new charge is £85.00
53	Corporate Sailing Taster Full day	£140.00	£10.00	7.14%	1 April 2015	The proposed new charge is £150.00
	Sailing/Windsurfing - Private Tuition				1 April 2015	
54	Half day	£110.00	£10.00	9.09%	1 April 2015	The proposed new charge is £120.00
55	Full day	£220.00	£20.00	9.09%	1 April 2015	The proposed new charge is £240.00
	Corporate - Per person				1 April 2015	
56	Sailing, Powerboat, Windsurfing-Half day - per person	£85.00	£5.00	5.88%	1 April 2015	The proposed new charge is £90.00
57	Sailing, Powerboat, Windsurfing- Full day - per person	£140.00	£10.00	7.14%	1 April 2015	The proposed new charge is £150.00
58	Raft Building, Problem Solving & Bell Boating - Half Day	£65.00	£5.00	7.69%	1 April 2015	The proposed new charge is £70.00
59	Raft Building, Problem Solving & Bell Boating - Full Day	£105.00	£10.00	9.52%	1 April 2015	The proposed new charge is £115.00
60	Power Boat Courses	Various	Nil	Nil	See comment	No proposed increase.
	Activity Adventure Program CBWC					
61	Multi Activity half day (8 - 16 people)	£17.50	£2.50	14.29%	1 April 2015	The proposed new charge is £20.00
62	Multi Activity full day (8 - 16 people)	£30.00	£2.50	8.33%	1 April 2015	The proposed new charge is £32.50
63	Bell Boat session Junior (2 hours)	£7.50	£0.00	Nil	See comment	No proposed increase.
64	Bell Boat session Adult (2 Hours)	£12.50	£0.00	Nil	See comment	No proposed increase.

Appendix 10(c)

Ref	Income Source	Current Price	Proposed Price Change	% Change	Effective Date	Comment
65	Archery session (1.5 hours)	£20.00	£2.50	£2.50	1 April 2015	The proposed new charge is £22.50
66	Archery course (4 x 1.5 hours)	£60.00	£5.00	8.33%	1 April 2015	The proposed new charge is £65.00
	Fishing Permit Charges - Barrage					
67	Day License - Adult	£8.00	£0.20	2.50%	1 April 2015	The proposed new charge is £8.20
68	Day License - Junior	£4.00	£0.10	2.50%	1 April 2015	The proposed new charge is £4.10
69	Day License - Concession	£5.00	£0.15	3.00%	1 April 2015	The proposed new charge is £5.15
70	Annual License - Adult	£50.00	Nil	Nil	See comment	No proposed increase.
71	Annual License - Junior	£25.00	Nil	Nil	See comment	No proposed increase.
72	Annual License - Concession	£35.00	Nil	Nil	See comment	No proposed increase.
73	Private Tuition - Adult (2.5hrs)	£25.00	Nil	Nil	See comment	No proposed increase.
74	Private Tuition - Junior(2.5hrs)	£18.00	£2.00	11.11%	1 April 2015	No proposed increase.
75	Learn to Fish Course (4*2.5hrs)	£60.00	£5.00	8.33%	1 April 2015	The proposed new charge is £65.00
	Slipway Fees and Charges					
76	Single occupancy launch	£5.00	Nil	Nil	See comment	No proposed increase.
77	Multi occupancy launch	£11.00	£0.50	4.55%	1 April 2015	The proposed new charge is £11.50
78	Sail boat launch	£11.00	£0.50	4.55%	1 April 2015	The proposed new charge is £11.50
79	Motor boat launch	£11.00	£0.50	4.55%	1 April 2015	The proposed new charge is £11.50
80	Boat Launch - Season Tickets per metre	£22.00	£1.50	6.82%	1 April 2015	The proposed new charge is £23.50
	Rowing					
81	Level 1 Blades Junior (3 x 2.5 hours)	£65.00	Nil	Nil	See comment	No proposed increase.
82	Level 1 Blades Adult (3 x 2.5 hours)	£75.00	Nil	Nil	See comment	No proposed increase.
83	Level 2 Blades Junior (3 x 2 hours)	£60.00	Nil	Nil	See comment	No proposed increase.
84	Level 2 Blades Adult (3 x 2 hours)	£70.00	Nil	Nil	See comment	No proposed increase.
85	Private Tuition (1.5 hours)	£30.00	Nil	Nil	See comment	No proposed increase.
86	Recreational Rowing - per hour	£5.00	Nil	Nil	See comment	No proposed increase.
87	Ergo Room Junior - per hour	£2.00	£0.50	25.00%	1 April 2015	The proposed new charge is £2.50
88	Ergo Room Adult - per hour	£2.00	£1.00	50.00%	1 April 2015	The proposed new charge is £3.00
	Cardiff International White Water					
89	Cardiff International White Water	Various	Nil	Nil	See comment	No proposed increase.
90	Sky Trail (Youth)	New Charge	New Charge	New charge	1 April 2015	The proposed new charge is £8.00 - £12.00
91	Sky Trail (Adults)	New Charge	New Charge	New charge	1 April 2015	The proposed new charge is £10.00 - £15.00

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Directorate Revenue Budgets

	2014/15 Adjusted Base	Inflation & Commitments	Savings	Technical Adjustments	Total 2015/16
	£000	£000	£000	£000	£000
City Operations	56,299	6,239	(12,041)	(13)	50,484
Communities, Housing & Customer Services	48,179	1,164	(2,106)	0	47,237
Corporate Management	30,726	1,757	(3,783)	537	29,237
Economic Development	3,338	360	(1,657)	13	2,054
Education & Lifelong Learning	230,650	7,886	(3,395)	0	235,141
Resources	24,503	1,952	(3,788)	(287)	22,380
Social Services	134,003	11,402	(8,710)	0	136,695
Capital Financing etc	38,364	1,362	(300)	(250)	39,176
General & Issue Specific Contingency	7,815	0	0	0	7,815
Total Budget	573,877	32,122	(35,780)	0	570,219

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Appendix 12

Cabinet Member Portfolio Revenue Budgets

	2014/15 Adjusted Base	Inflation & Commitments	Savings	Technical Adjustments	Total 2015/16
	£000	£000	£000	£000	£000
Community, Development, Co-operatives & Social Enterprise	14,036	832	(2,960)	(2)	11,906
Corporate Services & Performance	18,749	1,997	(4,420)	(308)	16,018
Early Years, Children & Families	46,172	3,289	(3,298)	0	46,163
Economic Development & Partnerships	33,992	1,822	(4,377)	537	31,974
Education & Skills	236,686	8,682	(3,472)	0	241,896
Environment	31,849	4,113	(7,863)	0	28,099
Health, Housing & Wellbeing	129,706	8,918	(6,953)	0	131,671
Safety, Engagement & Democracy	3,877	118	(226)	23	3,792
Transport, Planning & Sustainability	12,631	989	(1,911)	0	11,709
Capital Financing etc.	38,364	1,362	(300)	(250)	39,176
General & Issue Specific Contingency	7,815	0	0	0	7,815
Total Budget	573,877	32,122	(35,780)	0	570,219

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Medium Term Financial Plan 2016/17 - 2018/19

	2015/16 £000	Medium Term Financial Plan		
		2016/17 £000	2017/18 £000	2018/19 £000
Adjusted Base Budget Brought Forward	573,877	570,219	556,496	544,344
Pay Inflation	1,859	3,362	3,230	3,178
Increments	1,126	3,375	3,326	3,278
Teachers Pension Scheme - Actuarial Review*		1,150	0	0
Other - Single Tier Pension NI Impact, LGPS etc	239	7,565	850	850
Reinstatement of Workforce Agreement	3,900			
Total Pay Inflation	7,124	15,453	7,406	7,306
Price Inflation				
Adult Fee Increases	625	540	415	400
Non-Domestic Rates	200	200	200	200
Fuel and Energy	470	180	180	180
Other	365	125	245	100
Total Price Inflation	1,660	1,045	1,040	880
Capital Financing	135	515	1,447	(1,183)
Directorate Expenditure and income realignments	7,667	0	0	0
Schools Growth (Net)**	3,573	0	0	0
Commitments				
Precommitments - including fall out of one-off savings	0	3,643	342	(269)
Severance	(350)	1,250	0	0
Other Commitments	1,508	300	100	100
Total Commitments	1,158	5,193	442	(169)
Demographic Growth				
Health and Social Care	1,600	2,000	2,250	2,500
Children's Services	0	1,500	1,500	1,500
Pupil Numbers	3,500	2,554	2,318	1,600
Special School Places & Complex Needs Enhancement	0	1,177	1,177	1,177
Breakfast Initiative & Free School Meals	0	302	194	145
Out of County Placements (Education)	0	500	500	500
Other	0	150	150	150
Total Demographic Growth	5,100	8,183	8,089	7,572
Council Tax Support Scheme adjustment	1,422			
Savings / Budget Reduction Requirement	(35,780)	(50,112)	(36,576)	(32,009)
Financial Pressures	4,283	6,000	6,000	6,000
Resources Required	570,219	556,496	544,344	532,741
Resources Available:-				
Aggregate External Finance	(424,104)	(411,381)	(399,229)	(387,626)
Outcome Agreement Grant	(2,482)	(2,482)	(2,482)	(2,482)
Use of Reserves	(1,000)	0	0	0
Council Tax at 2015/16 level	(142,633)	(142,633)	(142,633)	(142,633)
Total Resources Available	(570,219)	(556,496)	(544,344)	(532,741)

	2016/17 £000	2017/18 £000	2018/19 £000	TOTAL £000
BUDGET REDUCTION REQUIREMENT	50,112	36,576	32,009	118,697

* Included in schools growth figure in 2015/16

** schools growth is shown under the relevant line items for the years 2016/17 - 2018/19



City of Cardiff Council

Future provision of Libraries Services in Cardiff

City of Cardiff Council Libraries

City of Cardiff Council currently invests £3.9 million per annum in its Library Services. Library services are delivered from a network of buildings across the city and through locality-based mobile provision through neighbourhood librarians and the mobile delivery service.

Public library services are regulated by the Public Libraries and Museums Act 1964.

This requires local authorities to provide comprehensive and efficient library services. Within Wales the Deputy Minister for Culture and Sport supervises the library services provided by local authorities through the Welsh Public Library Standards (WPLS).

This is now at the start of the 5th framework.



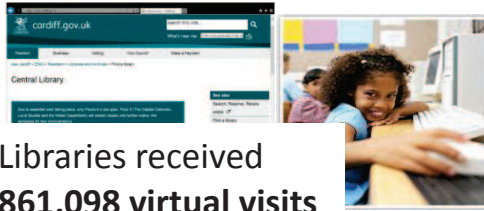
The Library Service aims to:

- Be pivotal in helping communities develop their information literacy skills in order to become digitally included.
- Contribute to the public health agenda by supporting health literacy.
- Support the child poverty agenda by providing gateways out of poverty by inspiring children to enjoy reading.
- Work collaboratively with partners within diverse communities to enhance knowledge and skills through improved literacy, enrich quality of life and empower individuals to realise their full potential.
- Support customers in accessing services in the way they want by embracing developing and emerging technologies outside of the existing building infrastructure.

The Library service in Cardiff will remain committed to these aims and delivery of the benefits they represent for the citizens of Cardiff.



Cardiff Libraries were open for **45,465 hours** last year.



Libraries received **861,098 virtual visits** (i.e. online hits to the web pages and catalogue).

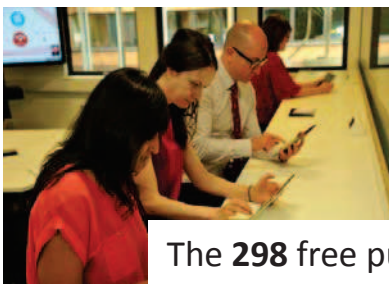


Events held within the library attracted **62,740 visitors**, and a further **41,541** attended external library events.

Loaned **1.8 million books**, plus **17,000 eBooks**, to Cardiff citizens.



City of Cardiff Council Libraries Services



The **298** free public access PCs were used for a total of **324,854 hours**, in additions to the free Wi-Fi at 9 library locations.



The Libraries Service has **184,310 registered users**.

Of these, 82,735 have used their card in the last 12

Why do we need to change?

There are two key reasons for undertaking a review of Library provision in Cardiff.

Reason for change – Financial Pressures

Firstly, the financial pressures facing the council means that the organisation has to **evaluate the services it currently provides**. The Medium Term Financial Plan (MTFP) made clear that in order to achieve financial stability there would need to be a fundamental change in the organisation's approach to delivery.

Additionally, the Welsh Local Government Association (WLGA) Peer Review stated:

'the harsh reality is that not everything can be supported, not everything can be improved and some things will need to be reduced or be discontinued completely. Ultimately choices will revolve around reduction and/or cessation in services, demand management and service innovation.'

Proposals to review the delivery of library services in Cardiff will need to deliver £2 million of savings over the next 3 years in line with the MTFP projection.

Reason for Change – Changing Demand

Secondly, the demands placed on the service are changing and a review is required to not only see how we can meet this demand, but also how we can increase access and encourage more residents to use the service.

Of the active users, 72,282 stated their residential address as being within Cardiff. This represents 21% of the population of Cardiff (351,710) as using their local library within the last 12 months. To put this in perspective of the budgets, **this represents an annual subsidy of £54 per active Cardiff Resident user per year**. There is a massive potential market in Cardiff, which could be accessed by reshaping the service.

In recent years, Library services across Cardiff (in common with national and international trends) have experienced a significant change in the types of service people want. There are clear indications that customers want to access multiple Council services from one location and the previous high demand for PC use is

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being replaced with customers wanting to use open access Wi-Fi. Cardiff will be investing in open access Wi-Fi for all its library buildings and more significantly has tracked the demand for complementary community uses within the library 'space'.

The service has been developing over recent years to meet these needs and has moved away from simply being a building filled with books. The needs of the neighbourhoods will continue to evolve and meeting these demands will require further development. There will be focus on libraries to be a place where people connect including use by community and social clubs, reading groups as well as learning and training sessions. The future model will include space for people to access the Council and partner services that they need including applying for jobs, getting advice and assistance in applying for passports / driving licences.

More Libraries Services are available online through the Digital Library in the form of e-books and e-zines. This means that customers do not always need to visit a library to pick up the latest book. However, the demand will remain to: access literacy and learning opportunities e.g. storytimes and reading groups, socialise through reading groups, use as a space to read, access Council / online services and to benefit from specialist Librarian knowledge



External factors that may affect the changing demands placed on the Library Service.

- Economic changes – library use increases during a recession. If there is a continuing economic improvement it is likely that the traditional approach to library provision will see a decrease in footfall.
- Welfare Reform change – demand may increase amongst those affected by policy changes who are subsequently encouraged to seek work, or required to access central government services online.
- New technology – libraries becoming a place to access technology that is not available at home.
- Mainstreaming of technology – e-readers and tablets becoming standard in most homes.
- An aging population that is more tech-savvy, comfortable using and embracing emerging technology and using social media to keep in touch.

- The rise in open access learning – as more people take courses and learn outside of the traditional college and university structures, the demand on libraries may increase to provide a learning environment and research facility.

How can we meet this challenge?

City of Cardiff Council in order to meet the challenges is looking to reshape the service by adopting six key themes. These themes inform the evaluation of potential options, set the structure for the future business model and provide the basis on which consultation would take place.

Meeting the challenge – Community Hubs



The Council has embarked on an ambitious Hub Programme with the following aim:

‘Cardiff’s citizens will be able to access the services they need in the way they want to, through joined up services and closer working between Cardiff Council and its partners.’

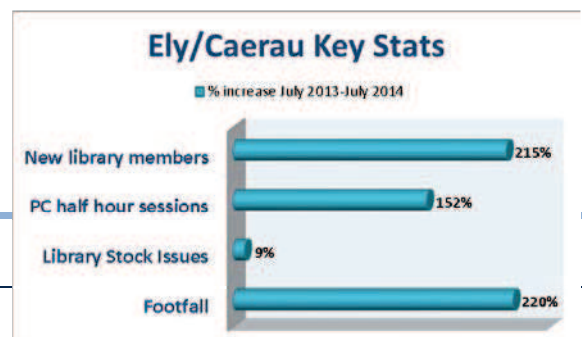
A core of generic Council services would be available at each Hub with options for the delivery of specialist Council and partner services as required by the neighbourhood. The key to future Hub provision is to improve the local service offered by integrating and decentralising services that meet local need, whilst reducing costs by disposing of buildings and sharing facilities.

To test the vision of future service delivery, three Hubs have been running. The first two Hubs opened in Llanrumney and Trowbridge / St Mellons Libraries in the autumn of 2011.

The third Hub opened in May 2012 at Loudoun Square in Butetown. It is based in a building owned by Cardiff Community Housing Association and provided alongside a Health Centre.

Following the success of the pilot, plans are being developed to extend the Hub provision across the

Llanrumney and Trowbridge/St Mellons Hubs 2013/14		
Customer Satisfaction	Overall the hub met my requirements / I got what I wanted	99.7%
	Satisfied with Hub staff	99.9%
	Satisfied with Hub facilities	99.8%



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city. The Ely / Caerau Hub opened on the 23rd June 2014 and has brought the previous Area Housing Office, Library, and Local Training and Enterprise Centre together in one building. Since opening, the Ely / Caerau Hub has proved very popular.

A representative from CyMAL (Welsh Government policy division that covers Libraries) has visited and provided positive feedback stating they will be using the site as an example of good practice. This approach has allowed for the closure of the old library and housing office achieving £127,000 general fund savings on non-employee related costs.

There is scope to roll out the approved Hub programme to continue to bring public services together and make savings. However, it is to be noted that in line with the agreed Hub Strategy it is not possible for all branch libraries to become Hubs due to: either the suitability of the building or a lack of opportunity to bring existing public sector revenue streams together due to current patterns of service delivery.

Meeting the challenge – Mobilisation of the Library Service

As part of Libraries' aim to 'support customers in accessing services in the way they want by embracing developing and emerging technologies outside of the existing building infrastructure'. There has been a trial of additional services through a qualified Neighbourhood Development Librarian (NDL).

Areas that have traditionally used mobile library services could follow the targeted provision model, with managed collections being made available by NDLs in selected community buildings. In these Communities Buildings, the NDLs could support volunteers to provide a service.

There is a need to maintain and improve the housebound service, which provides a vital service to the most vulnerable in Cardiff. It is proposed that the service would link in with the Independent Living Project and in particular with the development of a Gateway Service, so that this client group is aware of, and can access the libraries' services. In parallel with this it is proposed for libraries to work with other Council services or volunteer groups that are already visiting this vulnerable client group.

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This will ensure that there is sufficient resource to meet the new client groups on a regular basis.

Meeting



The Library Service is highly valued by the community in Cardiff. Through building on community relationships, opportunities exist to work collaboratively in order to build a sustainable library service. It is acknowledged that the local authority does not have all the solutions in meeting the challenges identified. This will require support of local residents and community groups in both generating innovative solutions and supporting the delivery of certain services.

A community/commercial café library approach may provide an innovative solution to enable the library service to be delivered with a greatly reduced financial base. The council would maintain support from:

- the supply of books, audio books, large print book.
- the transfer of IT provision including
 - Computers
 - Public Accessible Wi-Fi to at least April 2020
 - Self-serve kiosks
- a training package for volunteers/host organisation
- professional support from the Neighbourhood Development Librarian

Potential locations where this could be successful:

- Already busy Library locations
- Areas of high passing footfall
- Libraries near parks/set within gardens
- Existing community buildings that community groups are looking to increase footfall

A Community Asset Transfer Toolkit has been developed that will help community and volunteer groups understand the mutual benefits of a transfer and assist them with the process.

Meeting the challenge – Alternative Delivery

There are a variety of potential new delivery models that have been researched and considered. This includes the whole transfer of the service to a Trust (as has taken place in other authorities). The benefits include saving in Non-Domestic Rates payments and the potential for limited efficiency savings. This option would require the budget to be transferred to the new organisation and the process can take over three years to implement. Therefore, the proposal for Cardiff is that the Library Service aims to achieve savings and expand delivery through an integrated Council and community delivery offer (where appropriate).

Meeting the challenge – Use of Technology

The increase in available technology has changed the pattern of demand for Library services. Service users are more frequently using their own mobile device within Libraries and public wireless internet is currently available in Central Library and nine branch libraries. It is proposed that over the next eighteen months this will be extended to all branch libraries. This will be delivered through the externally funded 'Super Connected Cardiff' project that aims to improve broadband and wireless infrastructure in the city. Additionally, it is proposed that where possible the layout and furniture in libraries will be altered to accommodate customers using their own devices.

The Library Service is also engaging with Electronic Data Interchange software to assist with the purchase of its stocks. This is enabling the service to become more efficient and the service more 'customer-focused' through the development of more efficient processes. Electronic Data Interchange capability is currently being developed to enable the service to partner with suppliers to deliver stock directly to branch libraries, and thus reduce the space required for central storage. This will deliver improvements to customers by speeding up access to requested stock.

Cardiff Libraries also utilise Radio Frequency Identification Device technology for stock management, self-service and security purposes. By utilising this technology, there are opportunities to provide stand-alone self-service kiosks that can be located in community buildings. These would provide a basic library provision and minimise the administrative tasks associated with delivering the service. This would free up qualified library staff to deliver more specialist services. Additionally, a locker system

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could be implemented in non-library locations and offer a 24/7 service where they are filled and emptied, and the library user presents their card and the correct locker door opens to allow access.

Meeting the challenge – Commercialisation

The fundamental principle of the Library Service is that it is open to all and free at the point of access and there is no proposal to change this. However, there is potential to explore the possibility of other sources of income from additional non-core services to support the financial sustainability of the service. This may include:

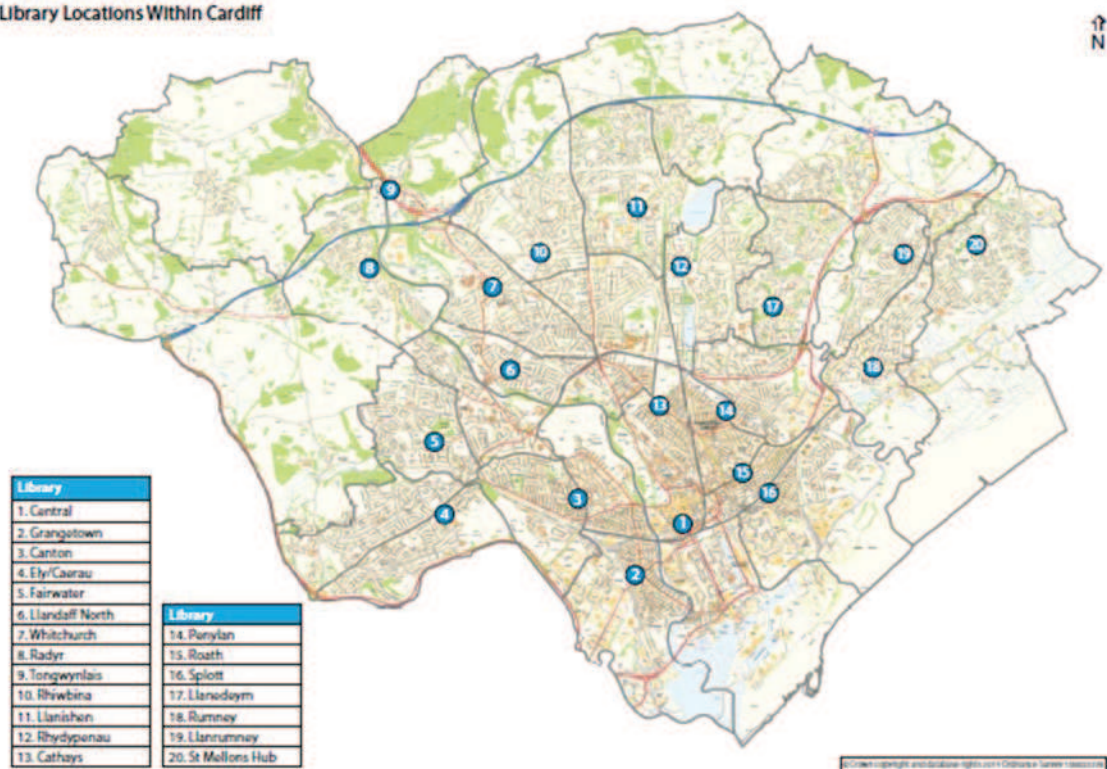
- **Sale of additional items in Libraries** This could include stamps, or e-readers with the benefit of having trained staff able to demonstrate and set up the software link with uses library membership.
- **Charging for specific courses** - This could include charging for specific courses, eg family history, e-reader courses.
- **Advertising / Commercial Sponsorship** - This could range from wholesale sponsorship of the service, to local sponsorship of a branch library, to the sale of advertising space on the delivery vans/mobile service or from the sponsorship of specific initiatives such as 'Summer Reading Challenge etc'. Also other options include, specific online advertising such as Google Pay per click from the online library.
- **Donations of money** - Opportunities for large scale philanthropist donations, to individuals leaving money in their wills, to small scale donations within the Libraries.
- **Cafes** - Where possible cafes can be installed in Libraries. Although, where either there is little space or the employee costs would restrict any income, there maybe options to locate the latest coffee vending machines inside libraries.
- **Further rental of space** - This could include photo booths or self service delivery lockers.

It is acknowledged that not all these opportunities are open to the Council and at this stage are included to understand the public perception to some of these ideas and to stimulate discussion with community groups to consider how they could support the delivery of a library service.

Review of current provision

Following the key themes of integrated service provision, community involvement, mobilisation, use of technology and commercialisation; a preferred option has been identified for each library building in the city. A detailed options appraisal document providing financial information, key data and the full range of options for each site can be viewed in the Libraries Options Appraisal appendix.

Library Locations Within Cardiff



Recommended Options ^{Appendix 13(b)}

Area	Recommendation
Central Library	To be transformed into a 'Super-Hub' creating a state of the art city centre location where the public can access a wide variety of public services as well as traditional library facilities
Grangetown	Continue with plans to be delivered through a Hub based approach
Canton	Actively seek commercial, community and partner involvement with the continued supply of books, IT equipment (incl self serve kiosks) and support of the Neighbourhood Development Librarian.
Ely	Continue to be delivered through a Hub based approach
Fairwater	To be delivered through a Hub based approach
Llandaff North	To be delivered through a Hub based approach
Radyr	Actively seek commercial, community and partner involvement with the continued supply of books, IT equipment (incl self serve kiosks) and support of the Neighbourhood Development Librarian.
Tongwynlais	Expand the service in the area from the current 4 hours per week at no extra cost
Whitchurch	Actively seek commercial, community and partner involvement with the continued supply of books, IT equipment (incl self serve kiosks) and support of the Neighbourhood Development Librarian.

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Llanedeyrn	To be delivered through a hub based approach
Llanishen	To be delivered through a hub based approach
Rhiwbina	Actively seek commercial, community and partner involvement with the continued supply of books, IT equipment (incl self serve kiosks) and support of the Neighbourhood Development Librarian.
Rhydypenau	Actively seek commercial, community and partner involvement with the continued supply of books, IT equipment (incl self serve kiosks) and support of the Neighbourhood Development Librarian.
Rumney	Actively seek commercial, community and partner involvement with the continued supply of books, IT equipment (incl self serve kiosks) and support of the Neighbourhood Development Librarian. in an alternative location should a more suitable and accessible facility be available
Llanrumney Hub	Continue to be delivered through a hub based approach
St Mellons Hub	Continue to be delivered through a Hub based approach
Cathays	Actively seek commercial, community and partner involvement with the continued supply of books, IT equipment (incl self serve kiosks) and support of the Neighbourhood Development Librarian.
Roath	Actively seek commercial, community and partner involvement with the continued supply of books, IT equipment (incl self serve kiosks) and support of the Neighbourhood Development Librarian in an alternative location if the condition of the property means that retaining the existing library building is unsustainable
Penylan	Continue to be delivered through a Hub based approach
Splott	Creation of a STAR Hub, inclusive of a library on the Splott Park site

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Mobilisation of the Service	To review the mobilisation of the service including: <ul style="list-style-type: none">•Neighbourhood Development Librarians in each area•Self-serve kiosks•Council/Partner and Volunteer groups for housebound clients<ul style="list-style-type: none">• Enhance the mobile library offer
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The recommendations above mean that the authority will no longer support the delivery of the Library service through stand-alone provision, and will deliver integrated services on a Hub model. Where a public service Hub is not a viable option, community support will be sought to continue the service alongside either community or commercial led activities in a community Hub. These Hubs will receive continued council funded support to meet the cost of the supply of books, ICT equipment (including self serve kiosks), training and professional librarian support from the Neighbourhood Development Librarian. Funding in excess of this offer would be withdrawn. The objective is that a library service will still be delivered from existing Library buildings, supported by community and commercial involvement except in those circumstances where condition or accessibility of that building makes this objective unachievable.

It is acknowledged that for the savings to be realised against the branch libraries it may take some time to consider and implement the proposals from community or commercial interests.

If the decision, informed by the consultation, is to adopt these recommendations where community or commercial partners are to be sought, the council would be looking for a partner who could:

- Demonstrate that they are a credible organisation
- Provide a deliverable and sustainable business case
- Implement the changes in a timely manner
- Deliver the provision with minimal council assistance

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- Retain a council supported library service either in the current building or nearby location should the condition or accessibility of the existing building make such a move necessary

Neighbourhood Development Librarian

In order to assist with the recommendations it is proposed for the Library Service to be mobilised to reach a wider customer base. In particular, this includes the targeting of those 'harder to reach' groups. This will be achieved through

- Each Neighbourhood Partnership Area to have their own NDL.
- All NDL's to be qualified librarian
- Provide outreach to develop links with local community groups, schools, partners and individuals.
- Active promotion of library services to areas with the aim of increasing take up of these services.
- Creative and imaginative delivery of reading, ICT and information sessions in the community.

The financial savings linked to the strategy include ensuring the provision of Neighbourhood Development Librarians in each Neighbourhood Partnership area of the city.

Community Self Serve Kiosks

Cardiff Libraries are committed to the accessibility of services to our customers. We are proposing to develop services within our community to ensure that customers retain access to services by developing new and innovative platforms of delivery. We will be working with Community partners to develop community drop off points in various locations and buildings within the Neighbourhood Partnership Areas.

Community Partners will be supported with the books, electronic kiosk and assistance from the Neighbourhood Development Librarian.

Implementation

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The implementation of the strategy will be subject to a specific Cabinet report outlining the business case for change in respect of each library building.

Themed Opportunities for savings in 2016/17 and 2017/18 in Directorate clusters

Theme	2016/17			2017/18				
	Communities and Wellbeing £000	Place £000	Corporate £000	TOTAL £000	Communities and Wellbeing £000	Place £000	Corporate £000	TOTAL £000
Being a Commercially Minded Council	3,703	5,677	2,105	11,485	4,891	5,241	1,185	11,317
Ensuring Public Services are accessible	800	1,161	0	1,961	0	60	0	60
Greater Alignment of Our Services	5,399	30	3,067	8,496	3,832	0	2,191	6,023
Involving & Empowering the Community	1,533	382	0	1,915	250	0	0	250
Reflecting changes in Society	0	310	131	441	0	47	141	188
Targeting Service & Early Intervention	5,318	5	0	5,323	3,222	0	0	3,222
TOTAL	16,753	7,565	5,303	29,621	12,195	5,348	3,517	21,060

Key to Directorate Clusters

Directorate Clusters	Key
Communities and Wellbeing	Children's Services, Communities, Housing and Customer Services, Health and Social Care, Education and Lifelong Learning
Place	Environment, Sport, Leisure and Culture and Strategic Planning, Highways and Transport
Corporate	Corporate Management, County Clerk and Monitoring Officer, Economic Development and Resources

Being a Commercially Minded Council				
No	Directorate Clusters	Progression of themes identified in 2015/16	2016/17 £000	2017/18 £000
Being a Commercially Minded Council- Income Generation			2016/17 £000	2017/18 £000
1	Corporate	Additional Cardiff Bus Dividend - Negotiate payment of dividend based on performance	120	0
2	Corporate	Strategic Estates Income - generate additional income - Strategic Estates will continue to ensure that the maximum revenue returns are secured from the management of the Investment Property Estate by vigorously pursuing periodic rent reviews, minimising voids by adopting a streamlined re-lettings policy, and chasing outstanding rental debt income at all times.	100	100
Sub Total			220	100
Being a Commercially Minded Council - New Operating Models and Alternative Delivery Arrangements			2016/17 £000	2017/18 £000
3	Place	Infrastructure Alternative Delivery Model - The future delivery of infrastructure services through one or a combination of the following models: modified in house; Council owned trading company; joint venture with another public organisation; joint venture with a private organisation, and outsourcing. The savings identified will be achieved through the services in scope and also overheads and central support services.	2,275	2,049
4	Place	Waste Disposal interim contract & Prosiect Gwyrdd - The Prosiect Gwyrdd (PG) 25 year residual waste treatment contract with Viridor formally commences on 1st April 2016, when revenue funding support from Welsh Government commences and a guaranteed 100% landfill diversion will bring about further savings per tonne for 16/17.	759	0
5	Corporate	Commissioning and Procurement Local Authority Trading Company - To allow the strategic commissioning team to trade through the creation of an alternative trading company.	60	70
Sub Total			3,094	2,119
Being a Commercially Minded Council - Reshaping Services			2016/17 £000	2017/18 £000
6	Communities & Wellbeing	Schools Catering – Examining alternative model of delivering a school meals service to enable the Council to completely withdraw the current subsidy.	400	500
7	Place	Early termination of Automated Public Conveniences contract - The Council has seven Automated Public Convenience (APC) Units, which are on a 20 year contract which ends 20 April 2025. This saving relates to the proposed decision in February 2015 to give the required 12 months notice to terminate the contract and close / remove all units.	176	0
8	Place	Revised Waste Strategy - The full effect of restricting black residual waste with weekly recycling, weekly food collections. Recycling collections split into twin stream (2 bag types) at the kerbside and further vehicle efficiencies by combining food and recycling on the same vehicles.	159	159
9	Place	Renewable Energy Generation - The full year effect of a number of renewable energy schemes arising through the Energy Prospectus which will become operational by or 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.	125	30
10	Communities & Wellbeing	Review External Supported Living services for people with Learning Disabilities - Working with support providers and continued care package review of needs of individuals with a view to supporting them to greater independence and a reduction in intensive support where this is feasible.	300	300

11	Place	Highways Street Lighting - LED conversion main routes - This is an Invest to Save Scheme which involves the replacement of strategic road lighting with LED to reduce long term energy expenditure and maintenance costs. The business plan is currently being developed and works are programmed from September 2015 – September 2017.	100	50
12	Place	Highways - Dimming of Street Lights - This is an Invest to Save Scheme which involves the dimming of 24,000 street lights over a 3 year period. Implementation is underway and completion is expected early 2017/18.	35	5
13	Corporate	Office Rationalisation Efficiencies - Saving from the effective use of the council is administrative property estate.	293	0
Sub Total			1,588	1,044

Being a Commercially Minded Council - Commissioning, Procurement and Third Party Spend			2016/17 £000	2017/18 £000
14	Communities & Wellbeing	Improve efficiencies in strategic commissioning across all Health and Social Care services	1,950	1,700
15	Corporate	2% reduction in all precepts, levies and contributions	349	349
Sub Total			2,299	2,049

TOTAL			7,201	5,312
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Greater Alignment of our Services				
No	Cluster	Progression of themes identified in 2015/16	2016/17 £000	2017/18 £000
16	Communities & Wellbeing	Review of Care Management across Health & Social Care - Review of the service commenced in 14/15 and this work continues with the intention of making the service more efficient, with defined roles of key staff within the teams. Savings can be achieved from post deletions.	1,803	2,586
17	Communities & Wellbeing	Recomission Day Services for Older People - This saving is the full year effect of savings initially proposed from 15/16 and is achieved through a phased closure of Day Centres with services for those who continue to need them commissioned externally.	400	0
18	Corporate	Finance Service Review - To be developed in line with the outcomes of the Service Review	622	341
19	Corporate	HRPS Service Review - To be developed in line with the outcomes of the Service Review	437	315
20	Corporate	ICT Service Review - To be developed in line with the outcomes of the Service Review	280	257
21	Place	Withdrawal of non statutory primary school transport - Withdrawal of non statutory primary school transport from Sept 2015.	73	0
22	Place	Phased withdrawal of Welsh and Faith Primary School Transport - New pupils attending Welsh and Faith schools from Sept 2016 will not receive school transport.	9	15
23	Place	Phased withdrawal of Welsh and Faith Secondary School Transport - New pupils attending Welsh & Faith schools from Sept 2016 will not receive school transport.	79	135
24	Place	Park Rangers - Full year effect of 2015/16 proposals.	30	0
TOTAL			3,733	3,649

Involving and Empowering the Community				
No	Cluster	Progression of themes identified in 2015/16	2016/17 £000	2017/18 £000
25	Communities & Wellbeing	Admissions and Education Welfare - A further review of the Admissions and Education Welfare teams and functions of the Education Service.	200	0
26	Communities & Wellbeing	Implementation of the Library and Community Hub Strategies - 2016/17 saving from the Libraries Strategy Paper and further efficiencies from the creation of the City Centre Library Hub.	933	0
27	Communities & Wellbeing	Youth Service - Further savings from review initiated in 2015/16.	400	250

28	Place	Canton Community Centre - Alternative operator - the 15/16 savings proposals contained a half year saving on the net cost for the Council of Canton Community Centre through securing a new operator by September 2015. Hence the remaining portion of the saving would be made in 16/17.	54	0
29	Place	New Model for Children's Play - full year effect of 2015/16 proposals	231	0
TOTAL			1,818	250

Targeting Services and Early Intervention

No	Cluster	Progression of themes identified in 2015/16	2016/17 £000	2017/18 £000
30	Communities & Wellbeing	Payment by Results Looked After Children & Rehabilitation Project - Scheme to reduce reliance on externally purchased care by returning children to Cardiff at significantly lower cost.	775	1,164
31	Communities & Wellbeing	Schools Inter Authority Recoupment changes - Reducing the need to place pupils with statements of SEN in Education settings outside of the City.	1,250	400
32	Communities & Wellbeing	Staffing Realignments and Restructure in Education - Further reductions in central Education Service staff.	360	0
33	Communities & Wellbeing	Reshaping the Internal Supported Living Service for people with learning disabilities - This is further review of those people using the internal service and disinvestment from supported housing schemes.	350	0
34	Communities & Wellbeing	Improve efficiency in the re-ablement service - This is the full year effect of service efficiencies and improvements in 15/16 and a review of service following the mobile working and scheduling project.	938	938
35	Communities & Wellbeing	Re-shape the Internal Day Opportunity Service for people with learning disabilities - This is a continuation of the changes to the services which will have been delivered in 15/16.	200	0
36	Communities & Wellbeing	"Closer To Home" service for people with Learning Disabilities - This is a continuation of the work started in 14/15, continued throughout 15/16 and 16/17 to support people, following a review of their needs and who wish to and are able to move to supported living options back in the City.	350	300
37	Communities & Wellbeing	Review of Third Sector Commissioned Services - This is the continuation of the recommissioning of third sector contracts and full year effect for 16/17.	70	0
TOTAL			4,293	2,802

Ensuring Public Services are Accessible

No	Cluster	Progression of themes identified in 2015/16	2016/17 £000	2017/18 £000
38	Communities & Wellbeing	Alarm Receiving Centre Income - target from security, CCTV and key-holding services	600	0
39	Place	Transfer of Cardiff Story Museum Ownership - Proposal to transfer to a new Cardiff heritage Trust resulting in costs and new revenue streams being shared across a number of venues leased to that Trust. This will allow Council budgets for the Museum to be withdrawn over time.	100	60
40	Place	Alternative Delivery Model for Cardiff International Sports Stadium - Remainder of savings initiated in 2015/16.	155	0
41	Place	New Operating Model for Leisure Centres - This saving relates to the procurement process for the Council's Leisure Centres on the assumption that the centres will be under new management by early 2016.	706	0
TOTAL			1,561	60

Reflecting Changes in Society

No	Cluster	Progression of themes identified in 2015/16	2016/17 £000	2017/18 £000
42	Place	Regulatory Collaboration - The savings are as a result of the creation of a single shared service comprising the Environmental Health, Trading Standards and Licensing functions of Cardiff, Bridgend and The Vale of Glamorgan Councils under a single management structure, with all relevant staff employed by the host authority The Vale of Glamorgan Council during 2015/16. The Single Service gives the Councils service resilience in the face of substantial budget cuts and significant opportunities to increase revenues by adopting a more commercial approach.	310	47
TOTAL			310	47

TOTAL			18,916	12,120
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Appendix 14

Housing Revenue Account	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Employees	13,174	13,600	14,000	14,300
Premises - Council House Repairs	14,000	14,300	15,142	15,300
Premises - Other Repairs and Maintenance	1,192	1,300	1,600	1,650
Premises - Other Premises Costs	2,550	2,700	3,000	3,000
Transport	139	200	250	250
Supplies & Services	3,980	4,800	5,000	5,500
Support Services	5,764	6,500	7,000	7,200
Capital Financing	27,299	25,503	25,939	27,690
Contribution to HRA Reserves	0	1,300	600	0
Gross Expenditure	68,098	70,203	72,531	74,890
Rents	(65,991)	(67,891)	(70,070)	(72,279)
Interest - On Sale of Council Houses	(2)	(2)	(1)	(1)
Interest - On Balances	(50)	(60)	(60)	(60)
Fees & Charges	(438)	(550)	(600)	(650)
Other Income	(1,617)	(1,700)	(1,800)	(1,900)
Total Income	(68,098)	(70,203)	(72,531)	(74,890)
Net Expenditure	0	0	0	0

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Appendix 15

SCHOOL ORGANISATION PLAN RESERVE

Estimated Movements	Projected 2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Planned Balance B/Fwd	8,394	6,800	6,795	7,640	7,150	2,661
<u>Contributions to Reserve</u>						
Revenue Release Savings:	6,562	7,797	8,197	8,197	8,197	8,197
<u>Drawdown From Reserve</u>						
Organisational Restructuring	(5,227)	(3,370)	(3,073)	(2,627)	(5,462)	(2,531)
Capital Financing Requirement *	(2,929)	(4,432)	(4,279)	(6,060)	(7,224)	(7,106)
Total Drawdown from Reserve	(8,156)	(7,802)	(7,352)	(8,687)	(12,686)	(9,637)
Planned Balance C/Fwd	6,800	6,795	7,640	7,150	2,661	1,221
Movement on Reserve	(1,594)	(5)	845	(490)	(4,489)	(1,440)
<u>Movements on Reserve in Relation to Voluntary Severance**</u>						
Prior year borrowing (2013/14) ***	(3,112)					
Borrowed from Reserve to fund VS	(7,314)	(2,043)	(3,071)	(3,243)	0	0
Repaid from Revenue to replenish reserve	5,508	5,254	4,291	3,730	0	0
Revised Balance C/Fwd	1,882	5,088	7,153	7,150	2,661	1,221

* 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, reducing the 2014/15 opening Reserve Balance.

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Appendix 16

Civil Parking Enforcement Reserve Projections 201/16 to 2018/19

2014/15 £000		2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
(121)	Parking Account Balance 1 April	(154)	(215)	(276)	(337)
	Income				
(4,041)	On Street Car Parking Fees	(4,305)	(4,325)	(4,345)	(4,365)
(263)	Residents' Parking Permits	(268)	(268)	(268)	(268)
(690)	Off Street Car Parking Fees	(697)	(697)	(697)	(697)
(2,188)	Penalty Charge Notices	(2,328)	(2,388)	(2,448)	(2,508)
(733)	Moving Traffic Offences	(1,824)	(1,824)	(1,824)	(1,824)
(36)	Other	0	0	0	0
(7,951)	Total Income	(9,422)	(9,502)	(9,582)	(9,662)
	Expenditure				
1,373	TRO Staff and Operational Costs/Parking Account	1,281	1,301	1,321	1,341
2,619	Enforcement Service	3,589	3,649	3,709	3,769
3,992	Total Expenditure	4,870	4,950	5,030	5,110
(3,959)	CPE Annual (Surplus)/Deficit	(4,552)	(4,552)	(4,552)	(4,552)
(4,080)	Revised Balance after (Surplus)/Deficit	(4,706)	(4,767)	(4,828)	(4,889)
	Commitments/Eligible Expenditure				
3,926	Contribution to overall provision for Transportation	3,926	4,491	4,491	4,491
0	Additional contribution to overall provision for Transportation:2015/16	565	0	0	0
3,926	Total Commitments	4,491	4,491	4,491	4,491
(154)	Estimated Balance at 31 March	(215)	(276)	(337)	(398)

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Appendix 17

Capital Resources 2015/16 - 2019/20

	<u>2015/16</u> £000	Indicative <u>2016/17</u> £000	Indicative <u>2017/18</u> £000	Indicative <u>2018/19</u> £000	Indicative <u>2019/20</u> £000	<u>Total</u> £000
Unhypothecated Supported Borrowing	(8,361)	(8,361)	(8,361)	(8,361)	(8,361)	(41,805)
General Capital Grant	(5,088)	(5,088)	(5,088)	(5,088)	(5,088)	(25,440)
Additional Borrowing to Cover Estimated Slippage from 2014/15	(15,093)	0	0	0	0	(15,093)
Updated Additional Borrowing to Balance existing Capital Programme	(12,302)	(7,832)	(1,295)	(18)	655	(20,792)
Additional Borrowing for New Capital Schemes	(6,766)	(3,960)	(875)	(875)	(875)	(13,351)
Earmarked Capital Receipts	(315)	(1,660)	(3,350)	(5,000)	(9,000)	(19,325)
Specific Contributions for Central Square - Public Realm	0	(350)	(900)	0	0	(1,250)
School Organisation Plan Earmarked Capital Receipts	(25)	(3,201)	(9,383)	(10,000)	0	(22,609)
Non Earmarked Capital Receipts	(2,500)	(1,000)	(1,000)	(1,000)	(1,000)	(6,500)
Direct Revenue Financing - Facilities Management Support	(210)	(210)	(210)	(210)	(210)	(1,050)
Bereavement Reserve	(145)	(140)	(140)	(140)	(140)	(705)
Total funded from identified General Fund resources	(50,805)	(31,802)	(30,602)	(30,692)	(24,019)	(167,920)
External Funding Estimates and Contributions	(24,040)	(35,473)	(17,359)	(9,710)	(44,235)	(130,817)
Invest to Save Schemes - Additional borrowing to be repaid from specific resources	(14,163)	(34,748)	(22,251)	(6,697)	(4,867)	(82,726)
Total General Fund	(89,008)	(102,023)	(70,212)	(47,099)	(73,121)	(381,463)
Public Housing Resources						
Additional Borrowing - Housing Partnership Project	(1,700)	(5,125)	(7,600)	(8,100)	(9,200)	(31,725)
Additional Borrowing to Balance Programme	(2,880)	(3,410)	(1,900)	(600)	(500)	(9,290)
Additional Borrowing - Housing Subsidy Settlement Payment	(188,000)	0	0	0	0	(188,000)
Major Repairs Allowance Grant	(9,600)	(9,600)	(9,600)	(9,600)	(9,600)	(48,000)
Direct Revenue Financing / Reserves	(5,000)	(4,000)	(3,500)	(4,500)	(5,000)	(22,000)
External Contributions	0	(2,275)	0	0	0	(2,275)
Capital Receipts - Dwelling Sales & Other Contributions	(1,070)	(1,310)	0	0	0	(2,380)
Total Public Housing	(208,250)	(25,720)	(22,600)	(22,800)	(24,300)	(303,670)
Total Capital Programme Resources Required	(297,258)	(127,743)	(92,812)	(69,899)	(97,421)	(685,133)

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Appendix 18

Capital Programme 2015/16 - 2019/20

General Fund Capital Programme

			<u>2015/16</u>	<u>Indicative</u>	<u>Indicative</u>	<u>Indicative</u>	<u>Indicative</u>	<u>Total</u>
			<u>Including</u>					
			<u>Slippage</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	
			<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Annual Sums Expenditure								
1	Disabled Facilities Service (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	2,800	2,800	2,800	2,800	2,800	14,000
2	Financial Assistance for Older People (Targeted Elderly)	A financial assistance package of grants to repair the city's oldest and worst condition private sector housing stock. Options to be considered for alternative provision in conjunction with Welsh Government	270	270	0	0	0	540
3	Private Housing Group Repair	A rolling programme with a coordinated approach to improving the City's oldest and worst condition housing stock focusing on energy efficiency	130	130	130	130	130	650
4	Neighbourhood Renewal Schemes	City wide local generation schemes based on ward Member priorities. Schemes to be reviewed in 2017/18 subject to affordability.	685	595	280	0	0	1,560
5	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	571	360	360	360	360	2,011
6	Alleygating	To prevent anti-social behaviour with other benefits such as reduced street cleansing and highway maintenance costs	145	155	50	50	50	450
7	Housing Regeneration Schemes - Owner Occupier Costs	To fund owner occupier costs of improvements to housing and boundary walls	150	150	150	150	150	750
8	Materials Recycling Facility	To establish a planned regime for upgrades to minimise downtime at the Materials Recycling Facility	45	45	45	45	45	225
9	Property Asset Renewal - All Council Buildings	To address the condition of the property stock within the Council in accordance with Directorate Asset Management plans and priority works	4,000	4,000	4,000	4,000	4,000	20,000
10	Asset Renewal Facilities Management Fee	Facilities Management additional fee on property asset renewal schemes - funded from revenue	210	210	210	210	210	1,050
11	Legionella Works	Capital works arising from legionnaires surveys	60	0	0	0	0	60

Appendix 18

			<u>2015/16</u> <u>Including</u> <u>Slippage</u> <u>£000</u>	<u>Indicative</u> <u>2016/17</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>Total</u> <u>£000</u>
12	ICT Refresh/SAP Landscapes	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
13	Vehicle Replacement	Annual sum for vehicle replacement	250	250	250	250	250	1,250
14	Parks Infrastructure	To improve existing parks infrastructure (drainage, footpaths etc)	140	140	140	140	140	700
15	Play Equipment	Replacement of existing play equipment in parks	90	90	90	90	90	450
16	Bereavement Strategy	Improvement of facilities at Thornhill Crematorium and other bereavement infrastructure funded by reserves	145	140	140	140	140	705
17	Highway Resurfacing	Allocation for highways resurfacing	1,350	1,350	1,350	1,350	1,350	6,750
18	Footway Resurfacing	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
19	Highway Structures	The strengthening or replacement of sub standard bridges, culverts and other highways structures as part of the Highway Infrastructure Asset Management plan	924	500	750	750	750	3,674
20	Street Lighting Renewals	To replace structurally unsound and install new street lighting columns	270	270	270	270	270	1,350
21	Traffic Management and Public Transport	Strategic and local network improvements including junction and pedestrian safety improvements, with a focus on securing matchfunding	670	670	670	670	670	3,350
22	Telematics / Butetown Tunnel	To undertake a long term programme of infrastructure replacements required for the ongoing operation of the tunnel and transportation infrastructure	330	330	330	330	330	1,650
23	Strategic Cycle Network Development	Implementation and matchfunding of the cycling strategy	250	400	400	400	400	1,850
24	Heritage Enhancement Programme	Schemes arising from conservation area appraisals and historic buildings	90	90	90	90	90	450
TOTAL ANNUAL SUMS			14,570	13,940	13,500	13,220	13,220	68,450

Ongoing Schemes / Amendments to Ongoing Schemes								
25	Children's Services Accommodation Strategy	Capital receipt from disposal of 150 Thornhill Road funds to be ring fenced for the direct benefit of children	0	560	0	0	0	560
26	Maelfa Centre	Enabling works for the regeneration Maelfa Centre and Council contribution towards the development of a viable local shopping centre scheme	293	1,100	0	0	0	1,393

Appendix 18

			<u>2015/16</u> <u>Including</u> <u>Slippage</u> <u>£000</u>	<u>Indicative</u> <u>2016/17</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>Total</u> <u>£000</u>
27	Citizens Hubs	Development of Citizen Hubs approved as part of Hub Strategy	1,490	1,146	0	0	0	2,636
28	Pentwyn Community Facilities	Works to include accessibility improvements to Pentwyn Leisure Centre and improvements at the Powerhouse as part of Hub proposals	315	0	0	0	0	315
29	STAR Hub	A new multipurpose hub replacing STAR centre and Pool, providing community services such as housing, advice, leisure and library services, with a further £1.24 million being funded by HRA	3,552	1,000	0	0	0	4,552
30	Subway Renewal	To commence a cost effective programme of subway closures, footpath realignment and alternative crossing provisions	0	0	0	0	250	250
31	Eastern Leisure Centre	The redevelopment of Eastern Leisure Centre	4,794	1,500	0	0	0	6,294
32	Economic Development Infrastructure including Economic Development Schemes linked to the Cardiff Enterprise Zone	Scheme development and balance of purchase price for Wood Street car park	9,036	0	0	0	0	9,036
33	Central Square - Public Realm	Public realm improvements as part of the Council's Central Square regeneration	180	1,000	4,250	0	0	5,430
34	Central Square - Bus Station	Delivery of a new bus interchange	0	0	0	5,000	9,000	14,000
35	Cardiff Capital Fund (Subject to Matchfunding Approval)	Support for Small Medium Enterprises in the form of equity and loans	150	300	300	300	150	1,200
36	Cardiff Social Innovation Fund	Grants to support social enterprises	70	0	0	0	0	70
37	Household Waste Recycling Centres	Enable two large sites to be completed and upgraded as needed.	1,562	0	0	0	0	1,562
38	Carbon Reduction Schemes	Carbon reduction and energy efficiency measures across Council buildings including schools	200	0	0	0	0	200
39	Greener Grangetown Matchfunding	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	570	130	0	0	0	700

Appendix 18

			<u>2015/16</u> <u>Including</u> <u>Slippage</u> <u>£000</u>	<u>Indicative</u> <u>2016/17</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>Total</u> <u>£000</u>
40	Schools Organisation Plan	This represents the Councils capital programme contribution to the SOP and 21st century schools financial model. It includes capital receipts to support the costs of the Schools Organisation Plan and is in addition to the contributions from revenue release savings from schools (Invest to Save) and grants which are shown elsewhere in the programme	2,025	5,201	10,383	10,000	0	27,609
41	Penarth Learning Community	Contribution to the Vale of Glamorgan Council in return for the Council gaining access to special education needs and residential respite places at the new facility	1,330	0	0	0	0	1,330
42	Office Accommodation Rationalisation Contribution	Strategic property and accommodation rationalisation to allow efficient use of properties	441	0	0	0	274	715
43	CCTV at Council Sites	CCTV cameras at Council sites	50	0	0	0	0	50
44	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.	1,066	1,585	944	1,047	0	4,642
45	Insole Court	Balance of Council capital contribution to facilitate community asset transfer of Insole Court and matchfunding towards renovation costs	145	0	0	0	0	145
46	Bishops Palace and Llandaff Bell Tower	Conservation of Bishops Palace and Llandaff Bell tower, in order to reduce further damage to these Scheduled ancient monuments and remove them from the 'at risk' register (Subject to grant approval)	90	0	0	0	0	90
47	Public Open Space, Hywel Dda	Completion of safe, accessible public open space on a disused site which is to be dedicated to the 'Fields in Trust'	30	0	0	0	0	30
48	Parc Cefn Onn	Council matchfunding contribution to Heritage Lottery Fund bid subject to successful award	0	30	100	0	0	130
49	Flood Risk Prevention	A phased programme of works at various locations where water flows from parks and open spaces onto adjacent land causing flooding	180	100	0	0	0	280
50	Contingency	To address unforeseen pressures in the capital programme that arise in year to be reported in budget monitoring reports.	400	250	250	250	250	1,400
TOTAL ONGOING SCHEMES			27,969	13,902	16,227	16,597	9,924	84,619

Appendix 18

		<u>2015/16</u> <u>Including</u> <u>Slippage</u> <u>£000</u>	<u>Indicative</u> <u>2016/17</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>Total</u> <u>£000</u>
New Capital Schemes (Exc Invest to Save)							
51	Community Hubs Programme	0	985	0	0	0	985
52	Leisure Centres	750	0	0	0	0	750
53	Whitchurch High School	200	2,000	0	0	0	2,200
54	Schools Suitability and Sufficiency	500	500	500	500	500	2,500
55	Regionalising Regulatory Services	216	0	0	0	0	216
56	Household Wheeled Bin and Reusable Garden Sack Expansion	395	0	0	0	0	395
57	Water Play Park at Victoria Park	185	0	0	0	0	185
58	Restricting Residual Waste Changing the Current 240L Bins to 140L	2,400	0	0	0	0	2,400
59	Community Asset Transfer	100	100	0	0	0	200
60	New Theatre	295	0	0	0	0	295
61	St David's Hall	350	0	0	0	0	350
62	Transport Grant Matchfunding	375	375	375	375	375	1,875
63	Capitalisation Direction from Welsh Government	2,500	0	0	0	0	2,500
TOTAL NEW SCHEMES		8,266	3,960	875	875	875	14,851

Appendix 18

			<u>2015/16</u>	<u>Indicative</u>	<u>Indicative</u>	<u>Indicative</u>	<u>Indicative</u>	<u>Total</u>
			<u>Including</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	
			<u>Slippage</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
			<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Schemes funded by Grants and Contributions (subject to approval of bids)								
64	Regional Transport Plan (Welsh Government)	Bus Corridors	5,850	1,400	2,500	2,000	2,000	13,750
65	Regional Transport Plan (Welsh Government)	Strategic Cycle Network	755	510	370	390	260	2,285
66	Regional Transport Plan (Welsh Government)	Walkable Neighbourhoods	490	460	450	350	370	2,120
67	Regional Transport Plan (Welsh Government)	Highway Junction Improvements	50	1,500	2,500	3,000	9,435	16,485
68	Regional Transport Plan (Welsh Government)	Infrastructure Plan	0	300	450	2,550	30,800	34,100
69	Regional Transport Plan (Welsh Government)	Local railway station improvements	30	30	90	70	20	240
70	Regional Transport Plan (Welsh Government)	To support the achievement of targets for road safety casualty reduction	100	500	500	500	500	2,100
71	Transport Grant (Welsh Government)	Safe routes in communities	540	400	400	400	400	2,140
72	Greener Grangetown (Dwr Cymru, Welsh Government, Landfill Tax & Natural Resources Wales)	Rainwater recycled through new drainage systems, producing environmental and economic benefits	790	760	0	0	0	1,550
73	Vibrant and Viable Places (Tackling Poverty) - Grangetown (Welsh Government)	Community Hub	165	0	0	0	0	165
74	Vibrant and Viable Places (Tackling Poverty) - Grangetown (Welsh Government)	District Centre and Commercial Business Improvements	465	138	0	0	0	603
75	Cymru Museum Archives and Libraries (CYMAL)	Bid for improvements to libraries as part of Citizen Hubs programme	100	100	100	100	100	500
76	Harbour Authority Grant (Welsh Government)	Approved asset renewal programme	323	346	350	350	350	1,719
77	21st 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	9,918	25,660	6,847	0	0	42,425
78	Flying Start (Welsh Government)	Support for early years education facilities across Cardiff	149	297	446	0	0	892
79	Planning Gain (S106) and other contributions	Various schemes such as improvements to open space, transportation, public realm and community facilities	2,441	2,322	2,356	0	0	7,119
80	Insole Court (Heritage Lottery Fund, CADW, Welsh Government, Trust)	Renovation of Insole Court to facilitate community asset transfer	1,562	0	0	0	0	1,562
81	Urban Broadband (Department for Culture, Media, Sport & Leisure)	Allowance for completion of broadband connectivity vouchers scheme from 2014/15 programme with potential to bid for further grants in 2015/16	312	0	0	0	0	312
82	Gypsy and Traveller Sites Grant (Welsh Government)	Bid to develop additional pitches	0	750	0	0	0	750
TOTAL SCHEMES FUNDED BY GRANTS AND CONTRIBUTIONS (SUBJECT TO APPROVAL OF BIDS)			24,040	35,473	17,359	9,710	44,235	130,817

Appendix 18

			<u>2015/16</u>	<u>Indicative</u>	<u>Indicative</u>	<u>Indicative</u>	<u>Indicative</u>	<u>Total</u>
			<u>Including</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	
			<u>Slippage</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Additional borrowing undertaken by the Council to be repaid from specific resources (Invest to Save - Subject to Business Case)								
Existing Schemes								
83	Energy Retrofit of Buildings	Retrofit of suitable Council buildings for energy efficiency measures to provide revenue energy reduction savings and carbon reduction savings	590	0	0	0	0	590
84	Hydro Power (Radyr Weir)	Radyr Weir facility where income would be generated from feed in tariff	2,150	0	0	0	0	2,150
85	Street Lighting Energy Use Reduction	The installation of dimmer units onto circa 24,000 lamp units in residential areas, in order to facilitate dimming at off peak hours and thereby reduce energy usage	1,175	0	0	0	0	1,175
86	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
87	Cardiff Enterprise Zone	A range of property, economic development, transport and public realm schemes aiming to bring growth and new jobs to the City and region as well as other benefits to citizens, business and visitors	0	0	7,500	7,500	0	15,000
88	School Organisation Plan & 21st Century Schools including Schools Local Government Borrowing Initiative	Strategic investment programme to be paid back from revenue release savings and WG grant	7,588	27,908	14,251	(1,303)	4,367	52,811
New Bids								
89	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	5,000	0	0	0	7,000
90	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	1,000	0	0	0	1,000
91	Salix Loans	Energy efficiency measures in schools and Council buildings funded by Salix loans subject to approval by Salix and Council Energy Management team	160	340	0	0	0	500
TOTAL INVEST TO SAVE			14,163	34,748	22,251	6,697	4,867	82,726
TOTAL GENERAL FUND			89,008	102,023	70,212	47,099	73,121	381,463

Appendix 18

<u>2015/16</u> <u>Including</u> <u>Slippage</u> £000	<u>Indicative</u> <u>2016/17</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>Total</u> £000
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Public Housing Capital Programme (HRA)

92	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	4,750	4,500	4,500	4,500	4,500	22,750
93	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	11,550	10,000	7,800	8,150	8,550	46,050
	<i>Housing Partnerships Project (HPP)</i>							
94	New Build Council Housing - HPP 1	Delivery of new build housing as part of the Housing Partnership project	1,700	2,400	2,600	2,600	3,200	12,500
95	New Build Council Housing - HPP 2		0	5,000	5,000	5,500	6,000	21,500
96	Hub Developments	Public housing contribution to Hub Schemes including STAR, St Mellons, Llandaff North, Pentwyn and Grangetown	150	1,770	650	0	0	2,570
97	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
98	Housing Finance Reform Settlement Payment to WG	Estimated settlement obligation to Welsh Government in order to buy out from the Housing Revenue Account Subsidy system on 2 April 2015. As payment required will be subject to interest as at 31 March 2015. The payment amount will be subject to change	188,000	0	0	0	0	188,000
99	Modernising ICT to Improve Business Processes	Contribution towards investment in technology to improve business processes	300	250	250	250	250	1,300
TOTAL PUBLIC HOUSING			208,250	25,720	22,600	22,800	24,300	303,670
TOTAL CAPITAL PROGRAMME EXPENDITURE			297,258	127,743	92,812	69,899	97,421	685,133

Glossary of Terms 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 364 days

This indicator measures the exposure of a local authority to investing for periods of greater than 364 days.

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.

Revised accounting guidance from Wales Audit Office on accounting for Landfill Obligations requires a provision to be created and charged to capital. As this is for future spend, this is not incurred expenditure, hence caution needs to be adopted when comparing the latter figure compared to external borrowing to ensure borrowing in advance of need does not take place.

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 in 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 accountants 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 in 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.

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 in accordance with guidance issued by WG. This has the effect of reducing the Capital Financing Requirement.

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.

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.

Yield

The annual rate of return paid out on an investment, expressed as a percentage of the current market price of the relevant investment.

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Approved list of Counterparties (as at 31/12/14)

	£	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		
Deutsche Bank	10m	1 Year
DZ Bank (Deutsche Zentral-Genossenschaftsbank)	10m	1 Year
Landesbank Baden Wuerttemberg	10m	1 Year
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		
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	12m	2 years
Bank of Scotland	15m	2 Years
Lloyds Bank	15m	2 Years
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
Ignis Sterling Liquidity	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



COUNCIL:

26 FEBRUARY 2015

REPORT OF THE CHIEF EXECUTIVE

AGENDA ITEM: 8

SENIOR MANAGEMENT REVIEW

Reason for this Report

1. To seek the approval of Council to the creation, public advertisement and remuneration of three new Director posts, which form part of the new Tier 1 Senior Management Team structure that was agreed by Cabinet on 19 February 2015.

Background

2. The new Tier 1 Senior Management Team structure was approved by Cabinet on 19 February 2015. The review of senior management forms part of the specific budget proposal (number 198) to save £650,000 in 2015/16 from 'Management and Related Savings', which is being considered as part of a separate item on the agenda.
3. The Cabinet agreed on 19 February 2015 to refer the matter of the statement of the duties required for the new posts; the required qualifications or qualities to be sought in the person appointed; the terms & conditions and remuneration of the new posts to the Council's Employment Conditions Committee on 25 February 2015 for determination as appropriate.
4. The Cabinet also agreed to refer the proposed creation and advertisement of the new posts to Full Council on 26 February 2015.

Issues

5. The Local Authorities (Standing Orders) (Wales) Regulations 2006 (as amended in 2014, which came into force on 1 July 2014) require all decisions on the remuneration of chief officers to be taken by resolution of the Authority itself (i.e. by Full Council) and all vacant posts with a salary of £100,000 per annum or greater must be advertised externally.
6. Council approval is therefore sought for the creation and public advertisement of the following three Director posts within the agreed new Tier 1 Senior Management Team structure:

- Director of City Operations
 - Director of Governance & Legal Services
 - Director of Social Services
7. On 25 February 2015, the Council's Employment Conditions Committee will consider the duties, role profiles (including any qualifications or qualities to be sought in the person to be appointed) and terms & conditions of the three new Director posts. The Committee will also consider the proposed level of remuneration of the new Director posts, which is subject to approval by Council. Details of the decisions arising from that meeting, including the recommended level of remuneration, will be tabled at the meeting of Council on 26 February 2015.
 8. The appointment and dismissal of Chief Officers, Assistant Directors, Directors, Corporate Directors and the Chief Executive is delegated to the Council's Appointments Committee. Appointments to the three new Director posts will therefore be made by the Appointments Committee, which must also make the decision to dismiss redundant Directors.

Financial Implications

9. Subject to the approval of the recommended terms and conditions by the Employment Conditions Committee, the proposal in relation to the re-modelling of the Tier 1 Senior Management Team will provide budget savings of £647,000 in a full year. It is anticipated that there will be a part year effect of this saving in 2015/16 reflecting the timescales for the appointment process and the implementation of new service structures. There will also be costs associated with the advertising and appointment process and in relation to any severance costs that are incurred. The proposed budget saving of £650,000 in 2015/16 will therefore be achieved through a combination of savings on the Tier 1 Senior Management Team, a realignment of support and secretarial costs and from the re-modelled structure including Tier 2 and Tier 3 managers.

Legal Implications

10. It is the responsibility of the Cabinet to decide on employment strategy and policy in so far as this has not been further delegated. The Cabinet may therefore determine the broad Senior Management arrangements of the Council. However, this is subject to a number of specific requirements set out in the Local Authorities (Standing Orders) (Wales) Regulations 2006, as amended in 2014. These requirements are set out in the Employment Procedure Rules contained within the Council's Constitution.
11. The Employment Procedure Rules state under Rule 2 that:

2. Recruitment of Chief Officers

- (a) A vacancy for the post of Chief Officer must be reported to the Council or body delegated to do so which will consider whether the post should be

filled, and if so, subject to Rule 2A, the terms and conditions of employment and method of appointment.

(b) Where the proposed remuneration of the Chief Officer post is £100,000 or more per annum, the Council will arrange for the following to be prepared:-

(i) A statement of the duties of the officer concerned and the required qualifications or qualities to be sought in the person appointed, which is sent to any person on request; and

(ii) Public advertisement of the post to bring it to the attention of people who are qualified to apply, unless the proposed appointment is for a period of 12 months or less.

(c) Following advertisement, the Council will arrange for either all qualified candidates to be interviewed; or a shortlist to be prepared of qualified applicants and those candidates interviewed. If no suitably qualified person has applied, or if the Council decides to re-advertise the appointment, the post will be re-advertised in accordance with paragraph (b) above.

2A. Remuneration of Chief Officers

Any decision to determine or vary the remuneration of Chief Officers (or those to be appointed as Chief Officers) must be made by full Council.

12. On 25th February 2015, the Employment Conditions Committee will, within the scope of its terms of reference, consider statements specifying the duties of the proposed new posts and the qualifications and qualities to be sought in the persons to be appointed; the terms and conditions of the proposed new posts; and, subject to Council, the remuneration for the proposed new posts.
13. It will then be for the Council, at its meeting on 26th February 2015, to consider approving the creation, public advertisement, and proposed level of remuneration of the proposed new posts.
14. Under the Regulations and the Employment Procedure Rules the appointment or dismissal of various officers, including Directors and the Monitoring Officer, must be made by the Council or by a Committee of members delegated by the Council to make the appointment or dismissal, which Committee must contain at least one Cabinet member, but not more than half of the members of that Committee shall be Cabinet members.
15. The dismissal of redundant Directors, and appointments to newly created posts, are within the terms of reference of the Appointments Committee.

HR Implications

16. This report contains significant HR implications which will need to be managed in accordance with the recommended legal principles, the employment legislative framework and the requirements set out by Welsh Government. There will need to be ongoing discussions with impacted employees and Trade Union colleagues, with work done to minimise any

disruption to the organisation, should Council agree the amended structure as part of the budget process.

RECOMMENDATIONS

Council is recommended to:

1. approve the creation and public advertisement of the three new Director posts set out in Paragraph 6 of this report on the basis of the duties, role profiles and terms & conditions agreed by the Employment Conditions Committee on 25 February 2015; and
2. approve the remuneration of the three new Director posts in accordance with the recommendation of the Employment Conditions Committee on 25 February 2015.
3. note that responsibility for the appointment of suitable candidates to the three new Director posts is delegated to the Appointments Committee.

PAUL ORDERS

Chief Executive

20 February 2015

The following background papers have been taken into account:

- Employment Conditions Committee Report, 25 February 2015: 'Senior Management Review'
- Cabinet Report, 19 February 2015: 'Senior Management Review'
- Cabinet Report, 26 January 2015: 'Senior Management Arrangements'
- Cabinet Report, 20 November 2014: '2015/16 Budget Proposals – For Consultation'
- Equality Impact Assessment
- Responses to Consultation

COUNCIL:

26 FEBRUARY 2015

REPORT OF THE COUNTY CLERK & MONITORING OFFICER

AGENDA ITEM: 10

**DECISIONS TAKEN UNDER SCRUTINY PROCEDURE RULE 13 (a) –
EASTERN HIGH SCHOOL**

Reason for this Report

1. In accordance with the Council's Constitution Scheme of Delegations and the Scrutiny Procedure Rule 13(a) Officer Decisions taken relating to Eastern High School are attached for information.

Issues

2. Decision No: SMT/14/068 Eastern High School – Intervention and Suspension of Delegated Budget was taken on 19 December 2014 and the reasons for urgency are set out in the Officer Decision attached as Appendix A.
3. Decision No: SMT/14/069 Eastern High School – Intervention and Appointment of additional Governors was taken on 4 February 2015 and the reasons for urgency are set out in the Officer Decision attached as Appendix B.
4. The Officer Decisions were taken in consultation with the Cabinet Member with portfolio responsibility for Education. The Monitoring Officer in consultation with the Chair of the Children & Young People's Scrutiny Committee certified that both the decisions should be taken on an urgent basis for the reasons set out in the Decision Notice

Reasons for Recommendations

5. This report is submitted for information in accordance with the rules contained within the Council's Constitution.

Financial Implications

6. There are no direct financial implications arising from this report.

Legal Implications

7. There are no direct legal implications arising from this report. Legal implications were considered and included as part of the Officer Decision process.

RECOMMENDATION

That Council receives the report for information.

Marie Rosenthal
COUNTY CLERK & MONITORING OFFICER
19 February 2015

The following report is attached:

Appendix A - Officer Decision SMT/14/068 Eastern High School – Intervention and Suspension of Delegated Budget

Appendix B – Officer Decision SMT/14/069 Eastern High School – Intervention and Appointment of Additional School Governors

Background Papers

Decision Register No 26 – 6 February 2015

Officer Decision Report Eastern High School – Intervention and Suspension of Delegated Budget

Officer Decision Report Eastern High School – Intervention and Appointment of Additional School Governors

OFFICER DECISION

Item 10 - Appendix A

DECISION UNDER THE SCHEME OF DELEGATIONS

NOT FOR PUBLICATION ;paragraph 17 of Schedule 12A Part 4 LGA 1972.

Delegation Reference No: 4B, 1.1

TITLE OF REPORT: EASTERN HIGH SCHOOL – INTERVENTION AND SUSPENSION OF DELEGATED BUDGET

Report date: 17/12/14

Report reference: KA/MR/Eastern High ODR 17 12 14

The Monitoring Officer and the Chair of the Children and Young People's Scrutiny Committee have agreed the decision should be taken on an urgent basis, and is therefore not subject to call-in in accordance with the Scrutiny Procedure Rules, Rule 13.

DECISION:

The recommended decision is to:

1. Agree to intervene in Eastern High School pursuant to the School Standards and Organisation (Wales) Act 2013; and
2. Agree to Suspend the right of the Governing Body to a delegated budget pursuant to Section 8 of the School Standards and Organisation (Wales) Act 2013.

REASON FOR DECISION:

The reason for the recommended decision is:

1. That one or more of the statutory grounds for intervention by the local authority exists, and there is a related risk to health and safety that calls for urgent intervention (pursuant to Section 4(3) of the School Standards and Organisation (Wales) Act 2013); and
2. Suspension of the delegated budget will allow the Council to control significant spending decisions to support improvement priorities (pursuant to Section 8 of the School Standards and Organisation (Wales) Act 2013).

- (a) The answer is "Yes" to each and every question in the current Report Verification Rules.
- (b) I have read and taken into account the attached report (bearing reference KA/MR/ Eastern High ODR 17 12 14 and dated 19/12/14), the documents appended to it and all other material considerations; and

(c) I have made the decision set out above for the reason(s) stated in exercise of powers delegated made to me under and in accordance with the Council's Scheme of Delegations

Signed:



Designation:

Director of Education

Date:

15/12/14

A copy of this decision must be sent as follows:

- (a) in the case of an Executive decision by the Chief Executive or a Director to the Head of Executive Business
- (b) in the case of a Council decision by the Chief Executive or a Corporate Director to the Clerk to the Council
- (c) in the case of a decision by any other officer to the person designated in accordance with the procedure of the relevant service area
- (d) where there are budgetary implications to the Chief Financial Services Officer

For Executive Business Office use:

Received on..... (date).

Decision allocated reference:

**OFFICER DECISION : REPORT
NOT FOR PUBLICATION - paragraph 17 of Schedule 12A Part 4
LGA 1972.**

ADDRESSED TO: Director of Education, Nick Batchelar

PREPARED BY OR ON BEHALF OF Kumi Ariyadasa, Solicitor, Democratic Services

The delegation to be exercised is numbered 4B, 1.1 in the Council's Scheme of Delegations

**TITLE OF REPORT: EASTERN HIGH SCHOOL – INTERVENTION AND
SUSPENSION OF DELEGATED BUDGET**

PROPOSAL:

The recommended decision is to:

1. Intervene in Eastern High School pursuant to the School Standards and Organisation (Wales) Act 2013; and
2. Suspend the right of the Governing Body to a delegated budget pursuant to Section 8 of the School Standards and Organisation (Wales) Act 2013.

The reason for the recommended decision is:

1. That one or more of the statutory grounds for intervention by the local authority exists, and there is a related risk to health and safety that calls for urgent intervention (pursuant to Section 4(3) of the School Standards and Organisation (Wales) Act 2013); and
2. Suspension of the delegated budget will allow the Council to control significant spending decisions to support improvement priorities (pursuant to Section 8 of the School Standards and Organisation (Wales) Act 2013).

PURPOSE

This report is to ensure that a proper and reasonable decision can be taken on the above proposal and

- (a) contains and/or appends all the information necessary to make a proper decision;
- (b) contains or appends all the advice given in relation to the proposal; and
- (c) has been prepared in accordance with the Council's Scheme of Delegations

BACKGROUND and ISSUES

1. The relevant background and issues in this matter are set out in the draft intervention letter at **Appendix A** and documents referred to therein.
2. As the problems at the school justify urgent intervention in the interests of health and safety (pursuant to section 4(3) of the School Standards and Organisation (Wales) Act 2013), any delay in implementation of the decision is not in the public interest and could seriously prejudice the Council. It is therefore recommended that the decision be taken on an urgent basis.

CONSULTATION

3. The Cabinet Member with portfolio responsibility for Education has been consulted and is content that intervention is necessary and appropriate.
4. The Monitoring Officer and the Chair of the Children and Young People's Scrutiny Committee have agreed the decision should be taken on an urgent basis, and is therefore not subject to call-in, but should be reported for information to the next available Council meeting, in accordance with the Scrutiny Procedure Rules, Rule 13.

ADVICE

The following advice has been sought on the proposal

5. Nature of advice: Finance.

Consideration needs to be given to clearly defining the roles and responsibilities of officers of the Council in carrying out any duties as a result of suspension of delegation.

An initial review of the financial controls of the school needs to be taken in order to provide assurance of the robustness of the financial administration of the school.

The LFM officer will act as a liaison between the school and the designated senior Education officer allocated responsibility for overseeing the school budget. The key financial decisions to be taken points are in respect of staff and investment decisions. All other financial transactions must be in line with the school spending plan for 2014/15. The LFM officer will contact the Resources & Partnership manager on a weekly basis and receive a full account of any expenditure incurred.

It needs to be noted that any costs arising from this intervention of the Council must be met from within existing budget allocations.

Ian Allwood

Date given: 18/12/14

6. Nature of advice: Legal.

The Council has power under sections 2 – 9 of the School Standards and Organisation (Wales) Act 2013 to authorise the proposed intervention in Eastern High School

Under the Council's Scheme of Delegations, the Director for Education has delegated authority to take the recommended decisions, pursuant Section 4B, 1.1 of the Scheme.

This decision qualifies as an exempt decision as it relates to information which reveals that the council is making an order or direction under an enactment , paragraph 17 of Schedule 12A Part 4 LGA 1972.

BACKGROUND PAPERS

The following are the background papers:
Documents referred to in **Appendix A**.

Signature: 

Designation..... 

Report Reference: KA/MR/Eastern High ODR 17 12 14

Report date: 19 December 2014

OFFICER DECISION

Item 10 - Appendix B

DECISION UNDER THE SCHEME OF DELEGATIONS

Delegation Reference No: CE1

TITLE OF REPORT: EASTERN HIGH SCHOOL – INTERVENTION AND APPOINTMENT OF ADDITIONAL GOVERNORS

Report date: 03/02/15

Report reference: KA/MR/Eastern High ODR 03 02 15

The Monitoring Officer and the Chair of the Children and Young People's Scrutiny Committee have agreed the decision should be taken on an urgent basis, and is therefore not subject to call-in, but should be reported for information to the next available Council meeting, in accordance with the Scrutiny Procedure Rules, Rule 13.

DECISION:

The recommended decision is:

To appoint 4 Additional Governors pursuant to Section 6 of the School Standards and Organisation (Wales) Act 2013.

REASON FOR DECISION:

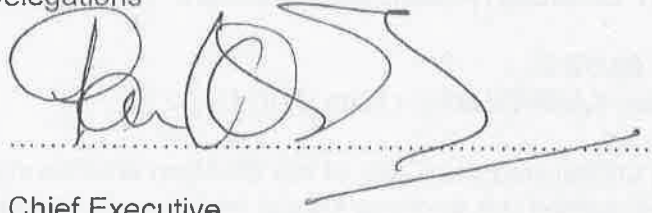
The reason for the recommended decision is:

1. That one or more of the statutory grounds for intervention by the local authority exists, and there is a related risk to health and safety that calls for urgent intervention (pursuant to Section 4(3) of the School Standards and Organisation (Wales) Act 2013); and
2. Appointing additional governors will ensure that the governance arrangements at the school are able to properly support the work of remedying the serious risks currently existing and then maintaining a suitable environment for the pupils (pursuant to Section 6 of the School Standards and Organisation (Wales) Act 2013).

The recommended decision is to:

Appoint 4 Additional Governors pursuant to Section 6 of the School Standards and Organisation (Wales) Act 2013.

- (a) The answer is "Yes" to each and every question in the current Report Verification Rules.
- (b) I have read and taken into account the attached report (bearing reference KA/MR/Eastern High ODR 030215 and dated 3 February 2015), the documents appended to it and all other material considerations; and
- (c) I have made the decision set out above for the reason(s) stated in exercise of powers delegated made to me under and in accordance with the Council Scheme of Delegations



Signed:

Designation: Chief Executive

Date: 4 February 2015

A copy of this decision must be sent as follows:

- (a) in the case of an Executive decision by the Chief Executive or a Corporate Director to the Head of Executive Business
- (b) in the case of a Council decision by the Chief Executive or a Corporate Director to the Clerk to the Council
- (c) in the case of a decision by any other officer to the person designated in accordance with the procedure of the relevant service area
- (d) where there are budgetary implications to the Chief Financial Services Officer

For Executive Business Office use:

Received on..... (date).

Decision allocated reference: