



DINAS A SIR CAERDYDD
CITY AND COUNTY OF CARDIFF

COUNCIL SUMMONS

THURSDAY, 25 FEBRUARY 2016

GWYS Y CYNGOR

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SUPPLEMENTAL PAPERS

AMENDMENTS TO BUDGET PROPOSALS 2016-17

Item 7 – Budget Proposals 2016-17

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Friday, 25 February 2016

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

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The Proposal in the Budget Report under Agenda item 7 be referred back to the Cabinet in order to recommend a budget with no proposed increase in the rate of Council Tax.

Proposed by Councillor Cowan

Seconded by Councillor McKerlich

Statutory Officers Commentary on the Conservative Budget Proposals 2016/17

Financial Implications

There are no specific financial implications arising from this proposal.

In the event of the 2016/17 budget being referred back to Cabinet with the recommendation of no increase in the rate of Council Tax consideration would need to be given to the achievability of the proposals as well as the impact if any, on the financial resilience of the Council.

In order to balance the budget with no increase in the rate of Council Tax, achievable budget reductions of £4.293 million would need to be identified.

In the event of the budget not being approved at the 25 February Council meeting then consideration will need to be given to the impact on the timing of the billing of Council Tax. Any delay will have an impact on the cash flow of the Council's finances and arrangements will need to be put in place in order to manage any detrimental loss arising.

Legal Implications

The legal implications set out in the Budget Report apply unless otherwise set out below.

The budget and the Council tax must be set before 11th March (i.e. no later than 10th March), although it is not invalid merely because it is set on or after that date. Any decision to refer the Budget proposals back will need to identify a date when the council will reconvene to calculate its Budget and set the Council Tax .

When the Council is considering its budget, it must have regard to the Section 151 Officer's report on the robustness of the estimates and the adequacy of the reserves in the budget proposals (section 25 of the Local Government Act 2003). This ensures that Members make their decision on the basis of authoritative advice. Members should provide clear reasons if they disagree with the professional advice of the Section 151 Officer.

RECOMMENDATIONS

- (a) Recommend to Council that the 2016/17 budget proposal be referred back to Cabinet in order to construct a budget proposal which would require no increase in the rate of Council Tax**
- (b) Propose a specially convened meeting of Council within the statutory timescale in order for Council to receive the revised budget proposal**

CONSERVATIVE GROUP

The Proposal in the Budget Report under Agenda item 7 be amended as below:

Plaid Cymru Group

Reason for this Proposal

1. To enable Council to consider amendments proposed by the Plaid Cymru Group to be considered at Council.
2. The Proposal should be read in conjunction with the Budget Report (Item 7) on this Agenda. The recommendations contained within the Budget Report have been included at the end of this amendment and updated to include the impact of the amendments proposed.

Proposal

Line	Directorate	Description	Savings £000	Cumulative £000
Directorate Savings				
3	City Operations	Alternative delivery for Leisure	850	850
5	City Operations	New model for Children's Play	270	1120
11	City Operations	Victoria Park Paddling Pool improvements	45	1165
75	Economic Development	Cardiff Business Council	(170)	995
93	Education & Lifelong Learning	Youth Service Budget	650	1645
	Corporate management	Core Cities Subscription	(62)	1583
	Council wide	Senior Management restructure	(475)	1108
Use of Reserves				
		Drawdown from General Reserves	(1108)	0

Proposed by Councillor McEvoy

Seconded by Councillor Ford

Statutory Officers Commentary on the Plaid Cymru Budget Proposals 2016/17

The proposals from the Plaid Cymru Group reject a number of savings proposals and find alternative means to ensure that the increase in Council Tax remains at 3.7% for 2016/17. The proposals have not been subject to detailed discussions with directorates nor have equality impact assessments been further reviewed. However, within this constraint they have been reviewed as to their financial achievability.

The alternative budget includes rejections of savings proposals amounting to £1.815 million and an increase to savings proposals of £170,000. The savings proposals now rejected are the alternative delivery model for leisure (£850,000), the new model for children's play (£270,000), reductions to the youth budget (£650,000) and Victoria Park paddling pool wet play improvements (£45,000). The saving in respect of the Cardiff Business School has been increased by £170,000 to a total of £290,000. In addition the amendment proposes withdrawing from the Core Cities network saving the Council £62,000.

There is a new proposal to restructure the senior management of the Council in keeping with employment law and the amendment is predicated on the deletion of all currently vacant operational manager posts. The achievability of this in terms of service delivery has not been tested and is likely to impact on critical functions across the Council.

In order to keep the budget in balance, it is proposed to use £1.108 million of General Reserves which would reduce the estimated level as at 31 March 2016 to £12.439 million. This drawdown would have a significant impact on the strength of the Council's financial resilience and would reinforce the concern that Cardiff's General Reserve is extremely low in comparison with the rest of Wales as published previously by the WLGA.

Legal Implications

The legal implications set out in the Budget Report apply unless otherwise set out below.

In particular the Council must have due regard to the assessment of the robustness of the estimates and adequacy of the reserves allowed for in the budget proposal as set out in the section 151 Officer's review of the proposals. This ensures that Members make their decision on the basis of authoritative advice. Members should provide clear reasons if they disagree with the professional advice of the Section 151 Officer.

There has been no consultation of the proposals contained in this alternative budget proposal. In so far as the proposals relate to reduction in savings by rejecting proposed alternative delivery service reform or withdrawing from the Core Cities network, it is not envisaged that this would in itself create increased risk of challenge.

However, where any changes proposed would reduce current services, service users might reasonably have expected to have been consulted to ensure that the consequences of the proposed changes are fully understood by the decision maker before making an informed decision. Consultation may be statutorily required (in

accordance with the consultation required in connection with the duty to continuously improve under the Local Government (Wales) Measure 2009) or arise by virtue of public law policies, such as legitimate expectation. Such issues may arise in the context of changes such as the proposed reductions in funding for the Cardiff Business Council depending on how those reductions are to be achieved.

Similarly no Equality Impact Assessment will have been undertaken in relation to the changes. If the decision maker is unable to demonstrate that it has understood and properly reflected upon the potential impacts on its public sector equality duty (arising under the Equality Act 2010), then there is a risk that any decision which impacts on protected characteristics of any person may be subject to challenge for failure to comply with that duty.

The proposed Senior Management restructure would involve a requirement for further consultation with the employees affected.

Budget Summary – Plaid Cymru Proposal 2016/17

Resources Available:-	£000	£000
Welsh Government	(426,285)	
Use of Reserves	(3,178)	
Council Tax at 3.7% increase	<u>(149,806)</u>	
		(579,269)
 Resources Needed:-		
2015/16 adjusted Base Budget	573,506	
Commitments, inflation and realignments	31,267	
New Financial Pressures Accepted	2,223	
 Less:		
Council Savings	<u>(27,727)</u>	
		579,269

RECOMMENDATIONS – PLAID CYMRU GROUP

The Plaid Cymru Group have examined the Cabinet budget proposals and considered the responses received to the Budget Consultation. Having taken account of the comments of the Corporate Director Resources, in respect of the robustness of the attached alternative budget and the adequacy of reserves as required under Section 25 of the Local Government Act 2003, the Plaid Group recommend that Council:

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

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

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

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

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

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

a) Aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (d) (including Community Council precepts totalling £296,100).
£1,049,988,100

b) Aggregate of the amounts which the Council estimates for items set out in Section 32(3)(a) and (c).
£473,901,000

c) Amount by which the aggregate at 2.1(a) above exceeds the aggregate at 2.1(b) above calculated in accordance with Section 32(4) as the budget requirement for the year.
£576,087,100

d) Aggregate of the sums which the Council estimates will be payable for the year into its Council Fund in respect of Revenue Support Grant, its Council Tax Reduction Scheme, redistributed Non-Domestic Rates.
£426,284,786

e) The amount at 2.1(c) above less the amount at 2.1(d) (net of the amount for discretionary relief of £300,000), all divided by the amount at 2.0(a) above, calculated in accordance with Section 33(1) as the basic amount of Council Tax for the year.
£1,062.39

f) Aggregate amount of all special items referred to in Section 34(1).
£296,100

g) Amount at 2.1(e) above less the result given by dividing the amount at 2.1(f) above by the amount at 2.0(a) above, in accordance with Section 34(2) of the Act, as the basic amount of Council Tax for the year for dwellings in those parts of the area to which no special items relate.
£1,060.29

h) The amounts given by adding to the amount at 2.1(g) above the amounts of special items relating to dwellings in those part of the council's area mentioned below, divided in

each case by the amount at 2.0(b) above, calculated in accordance with Section 34(3) as the basic amounts of Council Tax for the year for dwellings in those parts of the area to which special items relate.

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

- i) The amounts given by multiplying the amounts at 2.1(g) and 2.1(h) above by the number which in the proportion set out in the Council Tax (Valuation Bands) (Wales) Order 2003 is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D calculated in accordance with Section 36(1) of the Act as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

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

VALUATION BANDS

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

VALUATION BANDS

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

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

Part of Council's Area

VALUATION BANDS

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

2.4 Authorise the Corporate Director Resources to make payments under Section 38 of the Local Government (Wales) Act 1994 from the Council Fund by equal instalments on the last working day of each month from April 2016 to March 2017 in respect of the precept levied by the Police and Crime Commissioner for South Wales in the sum of £29,366,937.

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

2.6 Agree that the Common Seal be affixed to precepts for Port Health Expenses for the period 1 April 2016 to 31 March 2017 namely.

	£
The County Council of the City and County of Cardiff	114,904
The Vale of Glamorgan County Borough Council	12,976

2.7 Agree that notices of the making of the said Council Taxes signed by the Chief Executive be given by advertisement in the local press under Section 38(2) of the Local Government Finance Act 1992.

2.8 In the event that the final settlement figure differs from the provisional figure, the Council approve a proportionate adjustment to the general reserves.

3.0 Approve the Prudential Indicators for 2016/17, 2017/18 & 2018/19 delegating to the Section 151 Officer the authority to effect movement between the limits for borrowing and long term liabilities within the limit for any year.

4.0 Approve the Treasury Management Strategy for 2016/17 in accordance with the Local Government Act 2013 and the Local Authority (Capital Finance & Accountancy) (Wales) Regulations 2003 and subsequent amendments.

5.0 Approve the Minimum Revenue Provision Policy for 2016/17.

6.0 Authorise the Section 151 Officer to raise such funds as may be required to finance capital expenditure by temporary or long term borrowing within the limits outlined above, and to bring forward or delay schemes within the Capital Programme.

7.0 Maintain the current Council Tax Reduction Scheme as set out in the report.

- 8.0 Resolve that the City Deal Document referred to in paragraph 235 to 239 of the report be signed on behalf of the Council (on the understanding that the document will provide that it will be subject to the agreement of the Full Council). Pursuant to the City Deal Document the Council continues to work with the Cardiff Capital Region partner local authorities, UK and the Welsh Government to develop the final City Deal Agreements, and further reports on this matter be submitted to Council as appropriate to keep members apprised of developments.

THE PLAID CYMRU GROUP
23 February 2016

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