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CYFLWYNIADA

Pwyllgor PWYLLGOR CRAFFU GWASANAETHAU OEDOLION A CHYMUNEDOL

**Dyddiad ac amser
y cyfarfod** DYDD LLUN, 13 CHWEFROR 2017, 2.30 PM

Os gwelwch yn dda gweler ynghlwm y Cyflwyniad(au) a ddarperir yn y Cyfarfod Pwyllgor

7 **Cyflwyniadau** (*Tudalennau 1 - 52*)

Mae'r dudalen hon yn wag yn fwriadol

Scrutiny Committee

February 2017

Cabinet Draft Budget Proposal 2017/18

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Presentation Overview Summarising Report

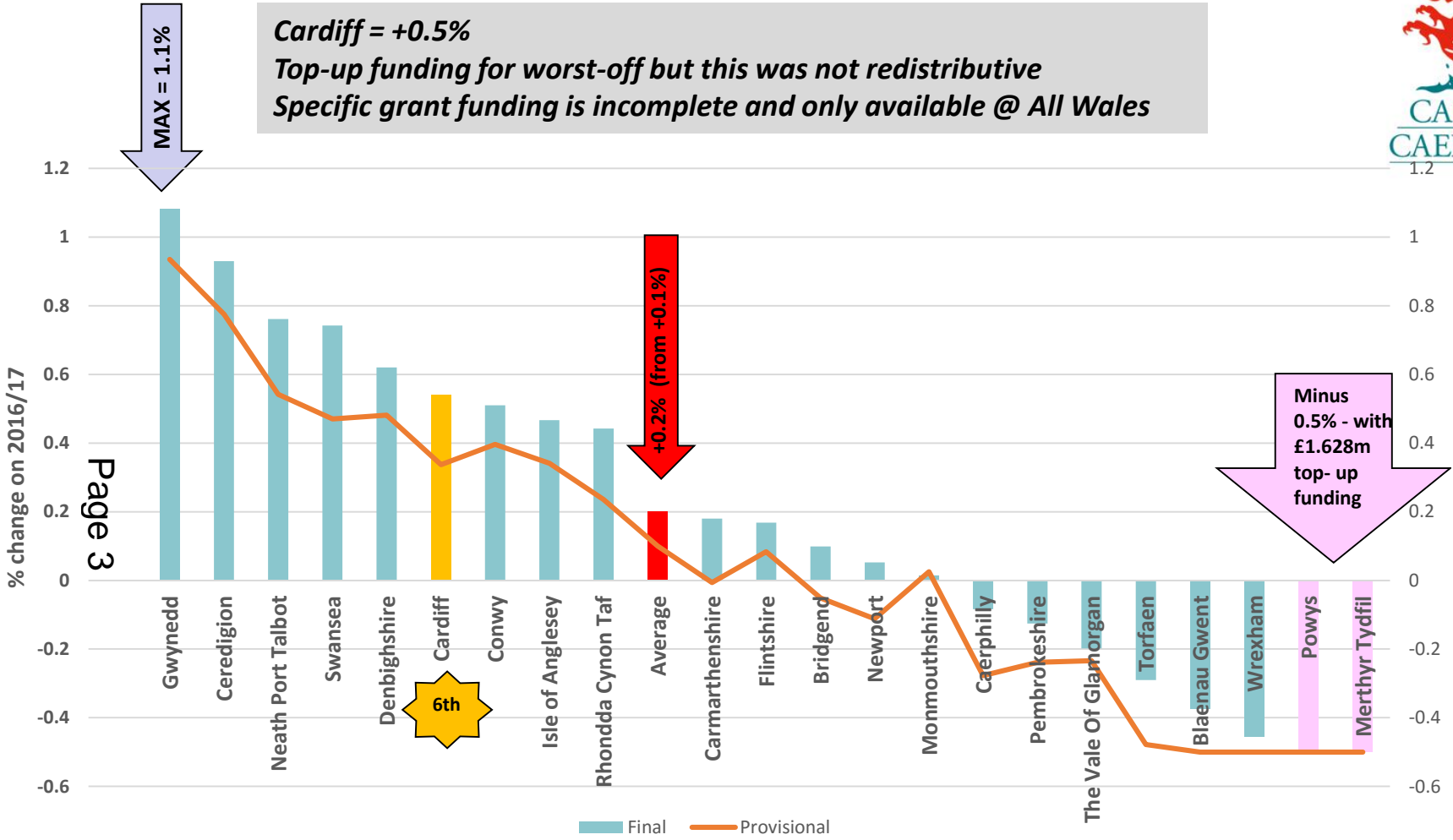


- Final Settlement
- Consultation and Post Consultation Updates
- Page 2 Draft Revenue Budget
- Medium Term Outlook
- Draft Capital Programme

Settlement Overview - Wales



Cardiff = +0.5%
Top-up funding for worst-off but this was not redistributive
Specific grant funding is incomplete and only available @ All Wales



+£10m for Dom Care "separate" - TBC

+£10m for rate relief - "separate" - TBC

**4 Transfers In
1 Transfer Out**

3 new responsibilities

No Schools Protection

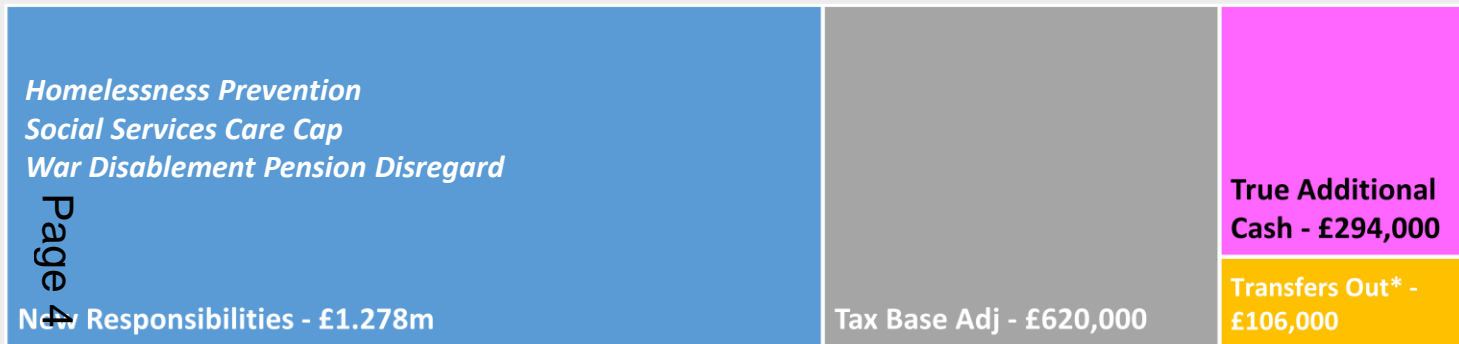
No figures beyond 2017/18

Final Settlement - Cardiff



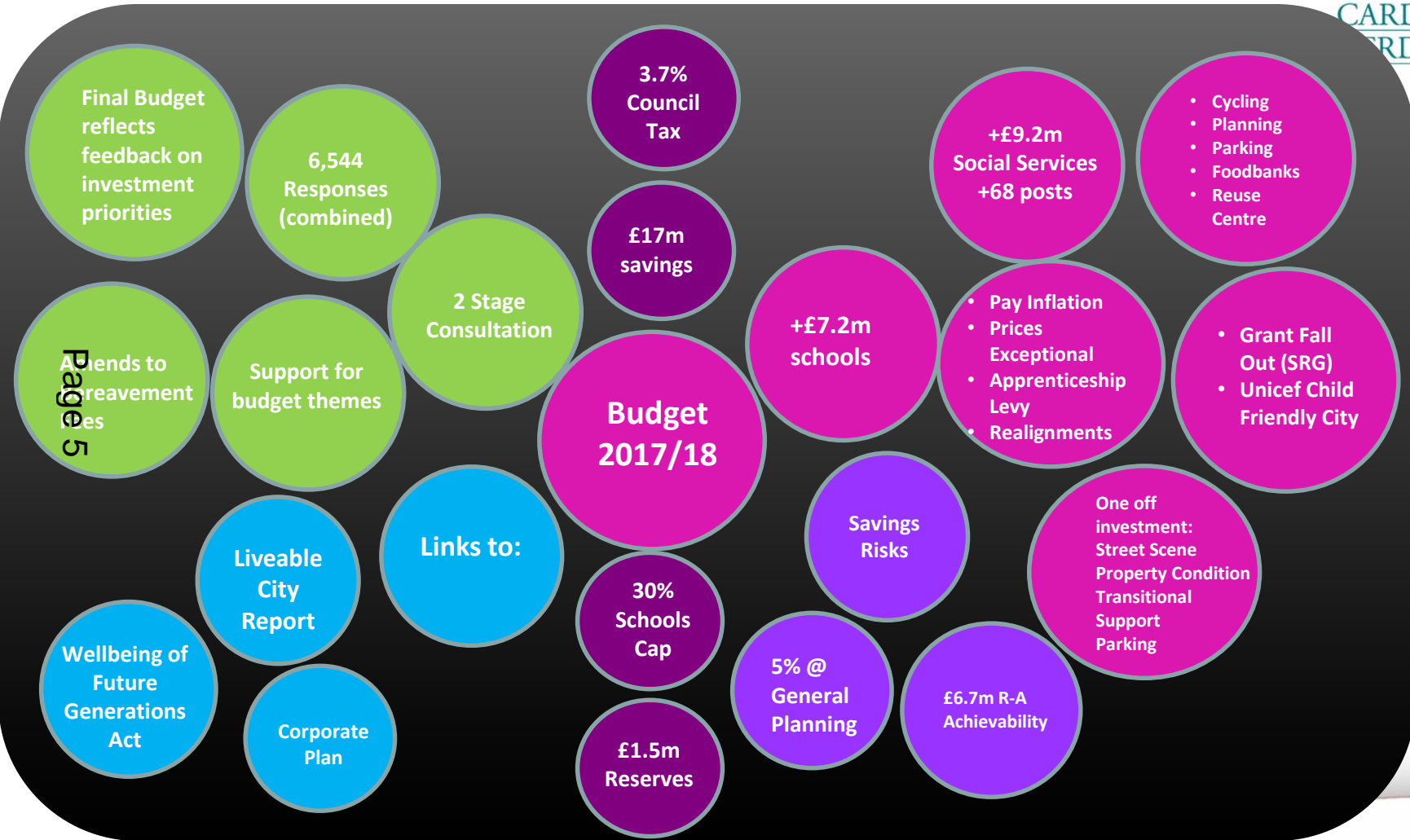
Analysis of Cardiff's 0.5% Settlement Increase - £2.298m Cash

- True Additional Cash - £294,000
- New Responsibilities - £1.278m
- Tax Base Adj - £620,000
- Transfers Out* - £106,000



- Cardiff's 0.5% increase implies cash of +£2.3m
- This reduces to £294,000 when differentiating year on year factors are taken into account (above)
- Additional Specific Grants - with no visibility on the £10m additional Social Services funding, Cardiff has assumed a share in line with the Social Services IBA - £850,000
- The Council has a £4m Financial Resilience Mechanism (FRM) for release if funding is worse than expected
- Release will not be required in 2017/18 and it is therefore available for one off investment

Overview of the Revenue Budget



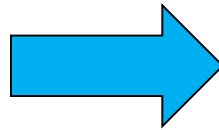
Consultation



Two Stage Consultation	
Ask Cardiff	Budget Specific
General Themes	Detailed Proposals
4,024 Responses	Five Weeks 2,520 Responses



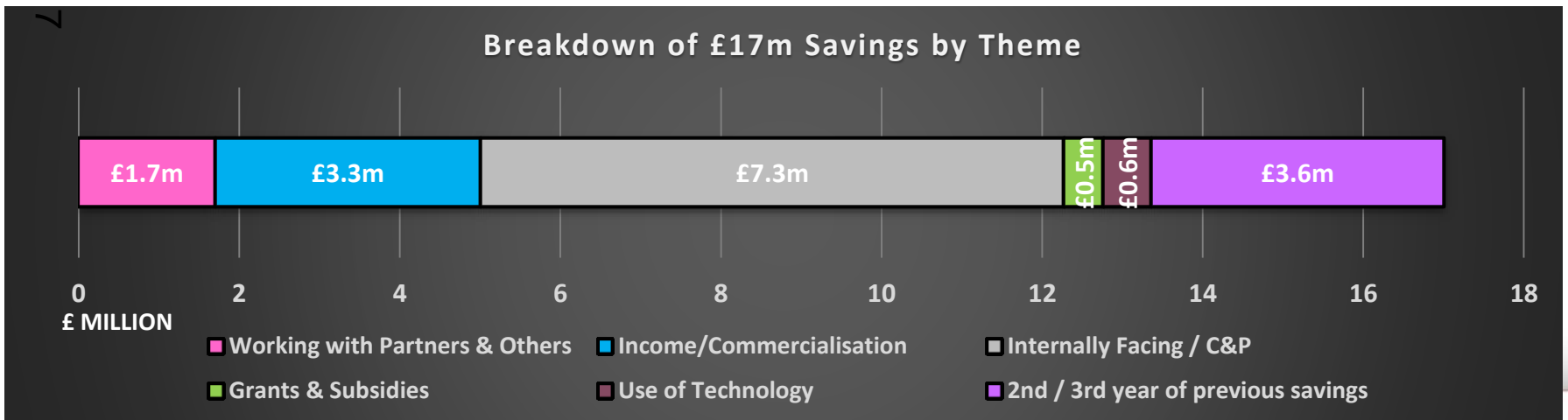
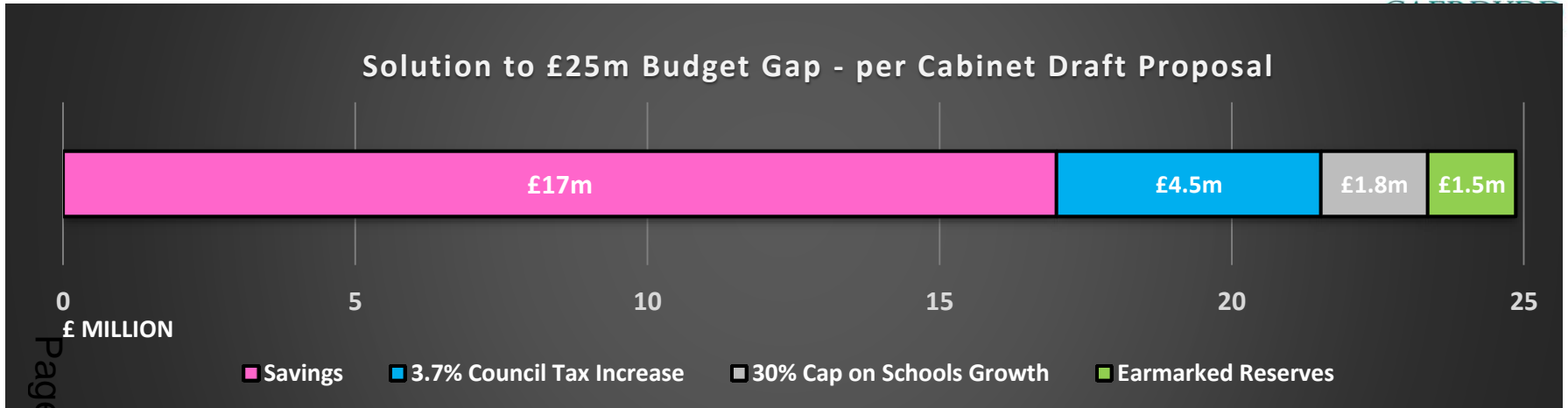
Firstly technical changes to take account of final settlement, emerging pressures and most recent price information – details at Appendix 14 of Budget Report



Summary of Post Consultation Changes	£000
Funding	(1,325)
New Specific Grant Funding Stream	(850)
Technical Updates	(1,131)
Emerging Issues	3,072
Savings Amendments	234
Net Overall Impact	0

- **Secondly** in drafting the final Budget Proposal Cabinet took account of consultation feedback
- There was significant support for key budget assumptions and themes via the consultation
- Changes have been made to final proposal to reflect specific comments – e.g. removal of the charge for child burial and cremation
- The Council's FRM has been invested in a way that support priorities identified during the consultation period, including highways improvement and street scene

Draft Budget – Solution to 2017/18 Budget Gap



2017/18 Savings Themes



Theme	Description
Working with Partners and Others	Considering the way in which we work alongside the public, partner organisations and others. There are opportunities to explore new operating models and alternative delivery arrangements, join up services and consider the sharing of assets and the use of multi-agency teams.
Income/ Commercialisation	Identifying how the Council can make better use of its assets and how to offer its services to the public, third sector, or private sector organisations. Examples include opportunities in respect of income generation (in both existing markets and the exploration of new markets) and alternative delivery arrangements.
Internally Facing / C&P	Reviewing internal business processes, covering the need to realign services downwards in non-front line areas, through business process efficiencies and reductions to more closely reflect available resources. Ensuring that we secure value on all our contracts.
Review of Grants & Subsidies	Reviewing those services which are either subsidised by the Council, or those for which a grant is currently given to an outside organisation in order to provide the service. Examples may include exploring the possibility of private corporate sponsorship of events.
Use of Technology	Understanding the ways in which we can make better use of technology, in our internal functions as well as continuing the shift to online services, customer focus and enabling technology, encouraging people who are able to use digital services to do so.
Second/Third Year of Proposals	Considers those proposals where additional savings are planned beyond the financial year in which it was originally proposed.

Revenue Budget 2017/18



		£000
Required	2016/17 Restated Base Budget	578,846
	New Responsibilities	1,278
	Employee Costs	2,916
	Demographic Pressures (inc schools)	4,610
	Commitments	840
	Directorate Expenditure & Income Realignments (net)	2,699
	Special Inflation	2,507
	Schools Non Pupil Number Growth (net of 30% Cap)	4,565
	Total Resources Required	598,261
Available	AEF	428,217
	Council Tax (at nil increase)	151,655
	Use of Reserves	1,500
	Total Resources Available	581,372
Balancing	Shortfall Before Pressures and Savings	16,889
	ADD New Directorate Pressures	4,638
	LESS Savings	(17,007)
	Net Amount to be raised from Council Tax (NET)	4,520



- This is a 3.7% Council Tax Increase
- It is net of impact on CTRS budget

Risk Assessment Summary of Savings Proposals



Risk Assessment Summary of 2017/18 Savings Proposals

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Employee Implications of Revenue Budget



	Voluntary Redundancy fte	Vacant fte	Redeployment Fte	New Posts fte	Net Change fte
City Operations	0	0	0	10.0	10.0
Communities, Housing & Customer Service	0	0	(8.0)	11.0	3.0
Economic Development	0	0	(3.4)	4.0	0.6
Education	0	0	(10.0)	0.6	(9.4)
Governance & Legal	0	0	0	3.0	3.0
Resources	(3.0)	(10.5)	0	1.0	(12.5)
Social Services	0	(6.0)	(3.0)	67.8	58.8
	(3.0)	(16.5)	(24.4)	97.4	53.5

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Use of Financial Resilience Mechanism in 2017/18

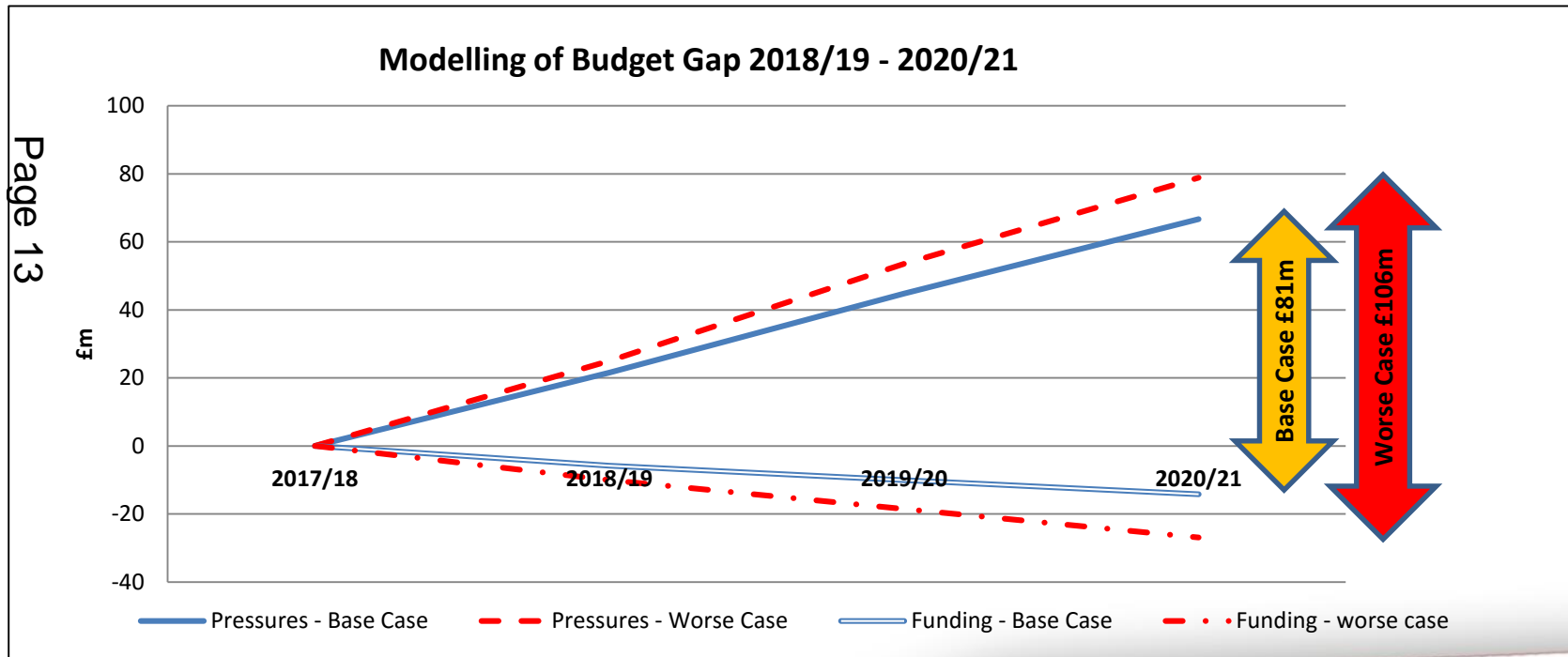


Use of Financial Resilience Mechanism in 2017/18	Total £000
Visible Street Scene Services	1,710
Property Condition	1,000
Transitional Arrangements (grant fall out) etc.)	660
City Centre Enforcement	290
Parking Strategy	340
TOTAL	4,000

Medium Term Outlook - Cardiff



Scenario	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Base Case	27,379	27,457	26,071	80,907
Worse Case	35,059	37,029	33,736	105,824



Addressing the Medium Term Gap



	2018/19 £m	2019/20 £m	2020/21 £m	TOTAL £m
Budget Gap	27,379	27,457	26,071	80,907

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Addressing the Medium Term Gap				
Council Tax (3.7% = 2017/18 level)	4,686	4,860	5,040	14,586
Earmarked Reserves	1,500			1,500
Cap on Schools (Growth 30%)	1,494	1,979	1,348	4,821
Savings*	19,699	20,618	19,683	60,000
TOTAL	27,379	27,457	26,071	80,907

** Savings will be revisited over the Spring – further review of the Base Budget*

Capital Programme Development 2017/18 – 2021/22



- Capital expenditure is money spent on an asset being purchased or created that will last for a number of years e.g. schools, buildings and highway infrastructure.
- ^{Page 15} Five year Capital Programme previously set for the period 2016/17 to 2020/21
- The 2017/18 Budget will update the Capital Programme and move it on to 2021/22

Indicative Capital Programme



5 Year Capital Programme includes:-

- Annual Sums
- Ongoing Capital Schemes
- New Capital Schemes
- Capital Schemes funded from Grants Bids/Contributions (assumptions, even for 2017/18 due to uncertainty of allocations)
- Existing/New Schemes Funded on Assumption of Revenue Savings, Revenue Income or Other Sources of Income (Invest to Save)
- Public Housing (HRA) programme

WG Settlement - Capital 2017/18



- General Fund Capital Allocation
 - £13.531m for 2017/18
 - Decrease of 35% since 2010/11.
- Public Housing Major Repairs Allowance Grant - £9.6m (subject to WG approval of business plan)
- WG grants subject to annual bid process – no certainty for 2017/18 or beyond
- Where capital expenditure is incurred without resource to pay for it, this results in the need to borrow
 - Interest & debt repayment costs impact on Revenue Budget

Capital Programme 2017/18 – 2021/22

Affordability of borrowing to fund capital



Key Messages:

- Council Budget Strategy Report – “As the Council realigns itself strategically to lower funding levels it will need to consider the level of debt and potential financial resilience issues that may be a consequence of increasing borrowing.”
- Council Budget Strategy Report – “Capital financing costs as a percentage of controllable revenue budgets are increasing. 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”
- Borrowing is a long term commitment to the revenue budget – Must be Prudent / Sustainable / Affordable now as well as long term
- Wellbeing and Future Generations Act
- Strategic Long Term Commitments we will need to fund in addition
 - Cardiff City Region City Deal
 - 21st Century Schools Band B from 2019/20
 - Current projects such as Transport Interchange and City Centre Public Realm assumed to be funded by capital receipts and external funding

Draft General Fund Capital Programme - Summary



Capital Programme	2017/18*	2018/19 Indicative	2019/20 Indicative	2020/21 Indicative	2021/22 Indicative	Total
	£000	£000	£000	£000	£000	£000
Annual Sums Expenditure	21,405	14,367	14,192	14,192	13,832	77,988
Ongoing schemes	33,053	38,248	1,285	1,876	243	74,705
New Capital Schemes / Annual Sums	2,942	3,135	2,015	1,715	1,715	11,522
Schemes Funded by External Grants and Contributions	22,684	15,615	285	0	0	38,584
Invest to Save Schemes – Borrowing to be repaid from revenue savings / income	32,960	9,672	500	500	500	44,132
Total General Fund Programme	113,044	81,037	18,277	18,283	16,290	246,931

*Includes estimate of slippage into 2017/18, subject to final outturn 2016/17

Draft Public Housing (HRA) Capital Programme - Summary

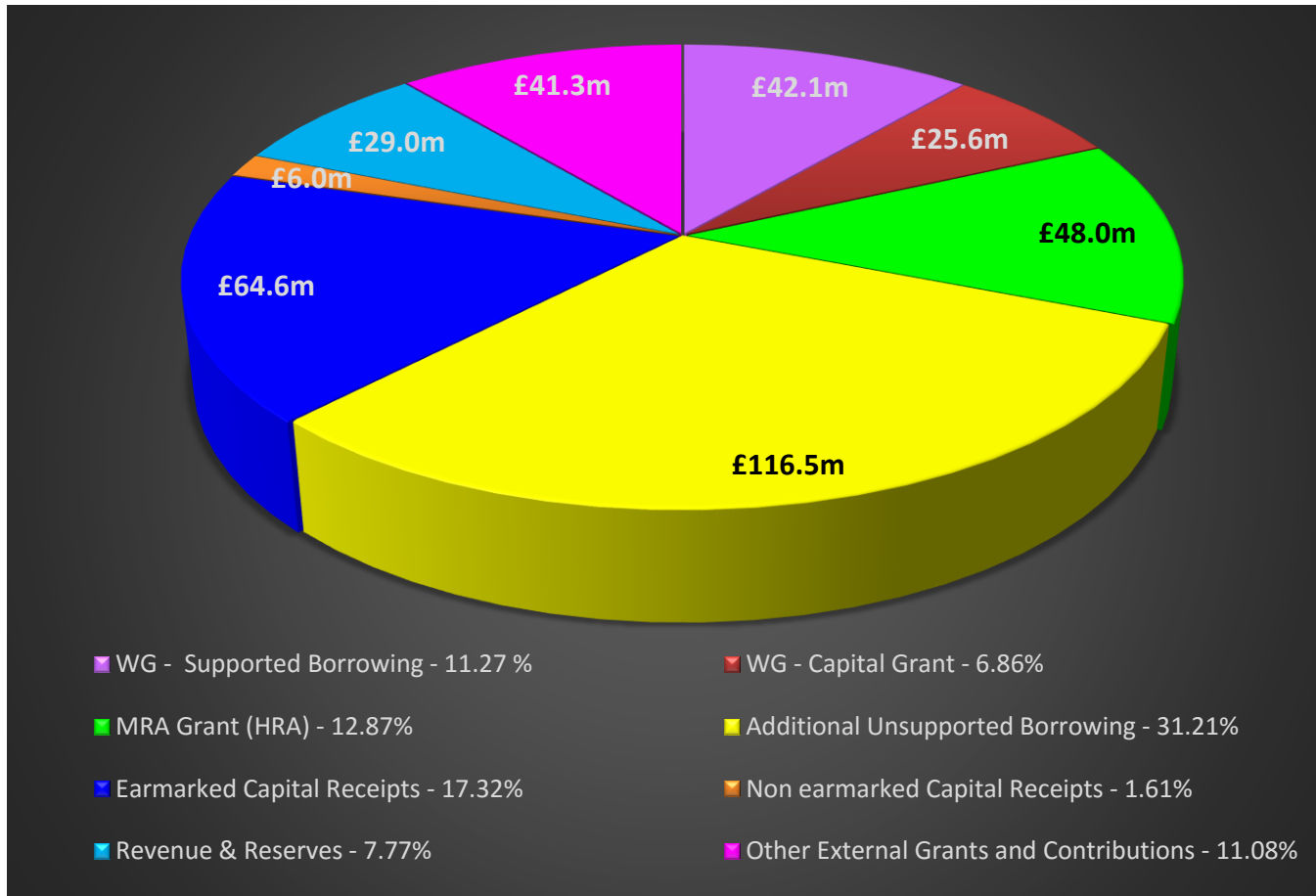


Capital Programme	2017/18*	2018/19 Indicative	2019/20 Indicative	2020/21 Indicative	2021/22 Indicative	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Regeneration and Area Improvement Strategies	4,500	3,400	3,400	3,150	2,400	16,850
External and Internal Improvements to Buildings	14,250	13,100	12,290	10,300	10,150	60,090
New Build Council Housing / Acquisitions	8,500	12,150	6,400	2,400	7,100	36,550
Hub Developments	355	300	0	0	0	655
Disabled Facilities Service	2,300	2,300	2,300	2,300	2,300	11,500
Modernising ICT to Improve Business Processes	100	100	100	100	100	500
Total Public Housing Programme	30,005	31,350	24,490	18,250	22,050	126,145

Capital Programme Expenditure – 5 Years = £373m



Reliance on Borrowing and Earmarked Receipts – almost 50%



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Excludes Schemes we must do – City Deal/Band B Schools

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Community & Adult Services Scrutiny Committee

13th February 2017

Adult Social Services

Tony Young, Director for Social Services

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Social Services Budget – 2017/18



- Additional net budget allocation of £9.2m
- This represents a net increase of 6.3%
- 59 Additional Posts
- This takes account of directorate savings of £4.997m.

Social Services Budget 17/18



- **Pressures**

- Demographic pressures, exceptional cost increases and anticipated fee increases.

- **Prevention & Change**

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- Recognises need for capacity to re-shape, deliver new models - prevention
- Impact of the SSWB Act

- **Budget Management**

- Settlement - increased capital limits on charges for residential care
- Write- out of unachievable savings from previous years.

Savings Proposals 17/18 - Social Services



- **Directorate Total - £4.997m**
- **Adult Social Services Total - £2.158m**
- **Children's Social Services Total - £2.839m**

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Adult Services Savings 17/18



- **Reinforced process for Continuing Health Care (CHC) funding - £350,000**
Identification of primary care needs requiring health funding.
- **Revised Information Advice & Assistance Model - £250,000**
Reduced reliance on statutory services
- **Re-model social work teams - £190,000**
Vacancy deletion
- **Locality based service delivery - £250,000**
Initial pilot indicates opportunities for improved service delivery and reduced costs through service redesign on a locality focused basis.

Adult Services Savings (Cont'd)

- **External Commissioning - £835,000**

Review external commissioning models in mental health supported living, EAS, LD day care, LD college placements, overall domiciliary care.

- **Joint Commissioning with Health - £130,000**

Exploring opportunities for joint working with Health partners to achieve efficiencies, notably in nursing care.

- **Review spend with third sector/External provider efficiencies - £153,000**

Review and work with third sector/external providers to reduce costs and utilise other funding opportunities.

Children's Services Savings 17/18



- **Review children in out of area placements - £1,331,000**
Aim to step down children in residential care to alternative settings
 - **Remodel Children's Services - £150,000**
Review of management and support within FIS and targeted services.
- Prevention and Early Help - £1,128,000**
Range of preventative early support and intervention, to reduce number of children looked after children. Includes:
- Second year impact of the adolescent resource centre
 - ‘Safer Families’
 - Early help and rapid response strategies.

Children's Services Savings 2017/18 (Cont'd)



- **Reduce respite and therapy costs - £80,000**
A combination of re-commissioning and closer working with Health partners to reduce respite and therapy costs.
- **Review level of continuing health care for children's placements - £150,000**
Review with Health partners the relative contributions to placements.

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Social Services – Additional Budgetary Allocations 2017/18



The proposed budget for Social Services in 2017/18 includes additional budgetary allocations for the following:

- **Specific Pressures** - £2,300,000 (Pressure bids submitted by the Directorate)
- **Re-alignment** - £5,583,000 (In recognition of the cost pressures in 2016/17)
- **Write Out of Savings** - £872,000 (Unachievable savings written out)
- **Demographic Growth** - £1,720,000 (Notably to reflect the rise in elderly population)
- **Pay, Inflation, Other Commitments** - £712,000 (largely employee related cost increases)
- **Specific Inflation** - £2,517,000 (In recognition of specific cost pressures such as the NLW and nursing provision that impact on social care)
- **New Responsibilities** - £444,000 (Impact of increase in capital limits on charging for residential care)

Adult Services – Accepted Pressures 17-18



- **Social Services Well-Being Act - £140,000**
Additional resource to enhance FPOC, manage demand and encourage community engagement.
- **Rehabilitation Service for those with registered sight loss - £81,000**
Capacity to ensure needs assessment, rehabilitation and independent living.
- **Carers' Assessments - £53,000**
Additional capacity to deliver carers' assessments and identify support needs.
- **Learning Disabilities – Internal Day Care - £76,000**
Additional resource to respond to increased demand for complex needs day services.
- **Growth in domiciliary and residential care - £105,000**
Increased capacity to deal with increased demand including enhanced brokerage and improved supplier engagement.

Adult Services – Accepted Pressures 2017/18 (cont)



- **Direct Payments - £300,000**
To review the personal assistant and agency rates for direct payments.
- **Enhance Review Function for Learning Disabilities and Mental Health - £105,000**
To support annual reviews which ensure people's outcomes are monitored and achieved in the most appropriate way.
- **Continuing Health Care - £84,000**
To support the review and identification of cases that should be subject to continuing health care.

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Children's Services Accepted Pressures 2017-18



- **Connected Persons Assessments - £100,000**
Capacity to undertake connected persons' assessments (SSWB Act 2014)
- **Child Sexual Exploitation Strategy Prevention Team - £171,000**
A multi-agency team to continue to implement the CSE strategy and address identified need.
- **Placements with Parents Regulations - £222,000**
Enhanced capacity and therapeutic support in relation to children subject to a care order who are living at home subject to PWP regulations.

Children's Services – Accepted Cost Pressures 2017/18 (cont.)



- **Signs of Safety Strategy - Social Work capacity - £419,000**
Increased children's social work capacity to enable implementation of the Signs of Safety strategy and address caseload pressures
- **Sustaining Multi Agency Safeguarding Hub - £186,000**
To sustain the MASH in partnership with South Wales Police to further develop safeguarding

2017/18
2018/19
2019/20
2020/21

Directorate –Wide Accepted Cost Pressures 2017-18



- **Strategic Commissioning** - £36,000
- **Performance Monitoring capacity** - £46,000
- **Translation and Interpretation** - £100,000
- **Complaints and Access to records** - £76,000

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Social Services Budget 17-18 Summary



- **Recognition of Corporate Priorities**
 - Supporting Vulnerable People
 - Working together to transform services
- **Challenging Demand Environment**
- **Positive net growth in budget at 6.3%**
- **Strategic considerations over longer term**
 - Investment to enable prevention
 - Supporting long term aims of SSWB Act
 - Importance of capacity to manage change

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Community & Adult Services Scrutiny Committee

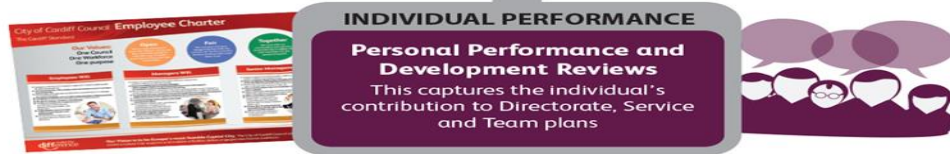
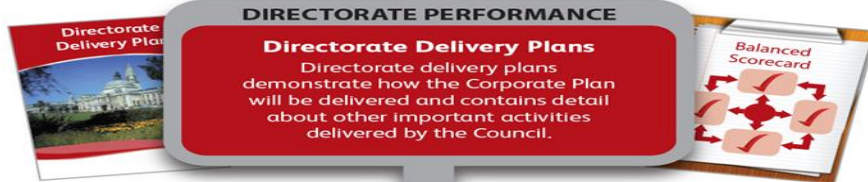
Health, Housing & Wellbeing Portfolio

13th February

Sarah McGill, Director for Communities, Housing and
Customer Services

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Corporate Plan Improvement Objectives



Wellbeing Objective 2.2: People in Cardiff have access to good quality housing

- Implement the Cardiff Housing Strategy 2016-2021 to ensure those in need have access to appropriate, high quality services
 - 1,500 new homes (of which 40% affordable) through the 'Cardiff Living' programme
 - Deliver 100 additional council properties through a range of development and accusation projects by 2022
 - Delivering Independent Living Solutions for Older and Disabled People
 - A new Homelessness Strategy based on a full needs assessment and review of services
 - A range of support to address rough sleeping in the city
 - Continue to develop joint working to mitigate the issues caused by Welfare Reform

Corporate Plan Performance Measures



Wellbeing Objective 2.2: People in Cardiff have access to good quality housing

Performance Measure	Target 2017/18
The number of homes commenced on site through Cardiff Living in year – Council Homes	136
The number of homes commenced on site through Cardiff Living in year – All Homes	353
The percentage of people who experienced successful outcomes through the Homelessness Reconnection Service	50%
The number of rough sleepers assisted into accommodation	144

Corporate Plan Improvement Objectives



Wellbeing Objective 2.3: People in Cardiff are supported to live independently

- Promote and increase the number of adults using the new First Point of Contact Service to access information and signposting to enable them to remain independent in their community and act as a Gateway to accessing advice and assistance
- Further develop the Alarm Receiving Centre including partnership work with stakeholders as well as the use of new technology to assist people to live independently
- Develop Locality Based Working building on the learning of the older person's pilot project to improving citizen engagement and increase opportunities for citizens to have their say and identifying opportunities to be more efficient by operating in an integrated, joined-up manner

Corporate Plan Performance Measures



Wellbeing Objective 2.3: People in Cardiff are supported to live independently

Performance Measure	Target 2017/18
The percentage of new cases dealt with directly at First Point Of Contact with no onward referral to Adult Services	60%
The total number of alternative solutions provided by Independent Living that help people remain independent at home	3,900
The percentage of people who feel reconnected into their community, through intervention from day opportunities.	60%
The percentage of Telecare calls resulting in an ambulance being called out	<10%
The percentage of Assistive Living technology trial participants who think the service helps them remain in their own home	65%

Savings Proposals



- **CHC1 Grants Review: £176,000**

A review of the current grants process including externally funded programmes to identify areas where delivery can be joined up. In addition, a review of grants to realign costs and/or realise efficiencies

- **CHC7 Disabled facilities Fee Income: £114,000**

The council is committed to support residents to remain at home and reduce or delay the need for more costly Residential or Nursing Care. As a result more capital finance has been allocated to delivering disabled adaptations and this will be administered within existing resources enabling an increased target for income generation

- **CHC8 Recharging of Utilities at Rover Way & Shirenewton: £100,000**

At the Gypsy & Traveller sites some utilities cannot currently be allocated to actual pitches. Part of this will require the installation of individual water meters, which will enable usage to be charged directly to the users

Capital Programme - General Fund



- **Disabled Adaptations Grants: 2017/18 £3,800,000**

To provide adaptations such as showers, stair lifts and internal modifications to allow the recipient to live independently within their own home

- **Owner Occupier Costs - Housing Regeneration and External Cladding: 2017/18 £250,000**

A rolling programme with a coordinated approach to improving the City's oldest and worst condition housing stock focusing on energy efficiency. Also to fund owner occupier costs of improvements to housing and boundary walls

- **Day Centre Opportunities Strategy: £1,132,000**

To improve facilities at buildings to be retained to allow reconfiguration of day services for older people including Minehead Road and Grand Avenue. Intermediate Care Fund Grant bids to be made

Capital Programme - HRA

- **Regeneration and Area Improvement Strategies: £4,500,000**

Environmental works including defensible space, demolition, conversion and road/footpath realignment; energy efficiency schemes; improvements to flats, garages, gullies and open spaces

- **External and Internal Improvements to Buildings: £14,250,000**

Improvements include central heating, fencing, roofing, high rise cladding, door entry systems, kitchens and bathrooms, CCTV and improvements to Sheltered Housing

- **New Build Council Housing / Acquisitions: £8,500,000**

Delivery of new build housing as part of the Housing Partnership Project and consideration of options to secure additional sites for development

- **Hub Developments: £355,000**

Public housing contribution to Hub Schemes at St Mellons and Llanishen

- **Disabled Facilities Service: £2,300,000**

To provide adaptations and associated improvements to the homes of disabled persons

- **Modernising ICT to Improve Business Processes: £100,000**

Contribution towards investment in technology to improve business processes

Rent Increase

- Rent Increase proposed **2.5%** + **£2** per week, in line with Welsh Government guidelines

No. of Bedrooms	Market Rent	Local Housing Allowance Rate	Current Average Council Rent
1	£126.00	£103.56	£80.61
2	£161.00	£126.92	£93.78
3	£201.00	£150.00	£108.21
4	£253.00	£190.38	£120.27

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- Consultation took place during January, **2,500** forms sent to tenant groups and a random selection of tenants
- Of the **26** responses received, only **7** were negative about the increase
- On what the Council should use the income for, tenants stated:
 - Improving existing housing **69%**
 - Build new housing **69%**
 - Improving Services **62%**

Supporting People



- Supporting People Programme provides approximately 6,000 units of housing-related support to vulnerable individuals in Cardiff to assist them to live independently and to prevent homelessness
- The WG grant for Supporting People is anticipated to remain unchanged for 2017/18 at £16.2m
- Generic Floating Support services have been recommissioned during the year with the new services commencing from April 2017. This process has released £900,000 in savings, which will be reinvested as follows:
 - Supporting Young People with Complex Needs - £160,000 (9% increase)
 - Supporting Rough Sleepers - £200,000
 - Services for Older People - £31,000
 - Making better Use of Supported and Social Housing - £255,000
 - Innovative schemes “Spend to save” to address the following key priorities
 - ✓ Supporting vulnerable people into suitable accommodation
 - ✓ Reducing rough sleeping
 - ✓ Prevention of homelessness
 - ✓ Helping homeless households to access the private rented sector

Financial Pressures



- **Providing budgeting and income maximisation services for the most vulnerable: £144,000**

Additional funding would take services to where people need them the most, allowing the team to have a presence in all the foodbank distribution centres across the city and in the new Hubs in STAR, Llandaff North and Llanishen as well as working with Flying Start to actively seek out the most vulnerable citizens and ensure they receive the help they need

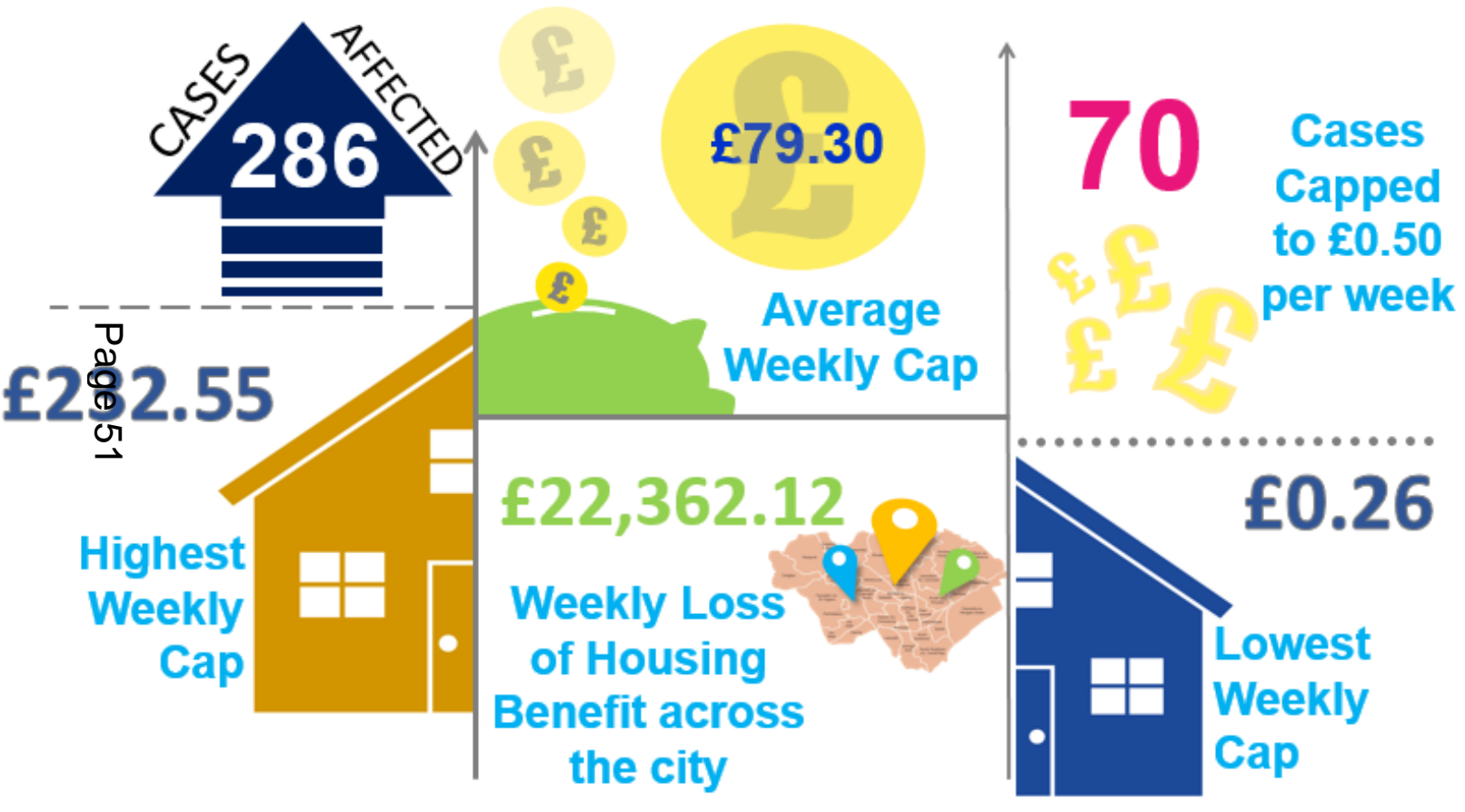
- **Additional Senior Occupational Therapists - Packages of Care reviews: £90,000**

Funding is required for two Grade 8 Senior Occupational Therapists to provide the continuing capacity to deal with new Package of Care reviews - the demand for which is forecast to continue to grow

Benefit Cap



Position as at 30th January 2017



Benefit Cap Expected Position

