DINAS A SIR CAERDYDD
CITY AND COUNTY OF CARDIFF

COUNCIL SUMMONS	THURSDAY, 23 FEBRUARY 2017
GWYS Y CYNGOR	DYDD IAU, 23 CHWEFROR 2017,

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, County Hall, Atlantic Wharf, Cardiff on Thursday, 23 February 2017 at 4.30 pm to transact the business set out in the agenda attached.

Davina Fiore
Director of Governance & Legal Services

County Hall
Cardiff
CF10 4UW

Friday, 17 February 2017

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

Item		*Approx Time*	*Max Time Allotted*
1	**Apologies for Absence** *To receive apologies for absence.*	4.30 pm	5 mins
2	**Declarations of Interest** *To receive declarations of interest (such declarations to be made in accordance with the Members Code of Conduct)*		
3	**Minutes** *To approve as a correct record the minutes of the meeting 26 January 2017 – to follow.*	4.35 pm	5 mins
4	**Public Questions** *To receive previously notified questions from Members of the Public.*	4.40 pm	15 mins
5	**Petitions** *To receive petitions from Elected Members to Council.*	4.55 pm	5 mins
6	**Lord Mayor's Announcements** *To receive the Lord Mayor's announcements including Recognitions and Awards.*	5.00 pm	5 mins
7	**Corporate Plan 2017 - 2019** *(Pages 1 - 84)* *To receive the Cabinet Report and approve the Corporate Plan.*	5.05 pm	40 mins
8	**Budget Proposals 2017 - 18** *(Pages 85 - 430)* *To receive the Cabinet Budget Report.*	5.45 pm	155 mins
9	**Wales Investment Pool - Joint Governance Committee** *(Pages 431 - 482)* *Report of the Director Corporate Resources and Section 51 Officer.*	8.20 pm	15 mins
10	**Urgent Business**		

Unopposed Council Business			
11	**Appointment of Local Authority School Governors** *(Pages 483 - 486)* *To approve the recommendation of the Local Authority Governor Panel 15 February 2017.* *Report of Director Governance and Legal Services.*	8.35 pm	5 mins
12	**Political Balance and Allocation of Committee Seats** *(Pages 487 - 494)* *Report of Director Governance and Legal Services.*	8.40 pm	5 mins
13	**Urgent Decision Taken in respect of Glyn Derw and Michaelston Federation - Appointment of Additional Governor** *(Pages 495 - 496)* *Reported to Council for information under Scrutiny Procedure Rule 13(a) of the Cardiff Constitution* *Report of the Director Governance and Legal Services*		

This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg

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CITY & COUNTY OF CARDIFF
DINAS A SIR CAERDYDD

COUNCIL: 26 MARCH 2015

CARDIFF
CAERDYDD

CABINET PROPOSAL

CORPORATE PLAN 2017-2019

Reason for this Report

1. To enable the Cabinet to consider the draft Corporate Plan for 2017-19 and recommend it to Council for approval.

Background

2. The Corporate Plan forms part of the strategic policy framework set out within the Council's Constitution and is considered annually by the Council. The document outlines the organisation's strategic policy priorities and forms part of the required statutory improvement framework as it discharges the Council's obligations under the Local Government (Wales) Measure 2009 to publish a stage one plan, which sets out how the Council plans to achieve its priorities for improvement. The Corporate Plan usually covers a 3-year period and is subject to an annual refresh.

3. The Wales Audit Office (WAO) Corporate Assessment report of the City of Cardiff Council, which was published in September 2014, found that the Corporate Plan 2014-17 lacked "sufficiently clear measures of success". The Corporate Assessment also noted that "variation in the way in which directorates describe outcomes, confused use of terminology and lack of clarity about the improvement sought…mean that the Plan does not provide a clear reference point from which performance can be evaluated in the future." However, the report also noted that "the Council produced a more concise document with the aim of establishing a clearer focus on priorities".

4. In October 2014, Cabinet considered the report entitled, "Repositioning Cardiff as Europe's Most Liveable Capital City: Vision, Values and Corporate Planning". The report outlined the Council's approach to strengthening corporate and partnership planning in order to deliver the organisation's vision and address key organisational issues including those identified in the previous Wales Audit Office Corporate Assessment. The Corporate Plan 2015-17 was developed in this context and has continued to provide the plan template in subsequent years. This reflects the previous recognition by the Wales Audit Office that the Council "made a step change in improving the quality of its 2015-16 Improvement Plan [Corporate Plan] when compared to the previous year."

5. The Well-being of Future Generations (Wales) Act, which was passed by the National Assembly for Wales in April 2015, places a duty on public bodies to carry out sustainable development which means that the Authority must set and publish well-being objectives, supported by a well-being statement, which make progress towards meeting the seven national well-being goals that are set out below:

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh Language
- A globally responsible Wales

6. The Council must also act in accordance with the 'sustainable development principle' by embedding the following five ways of working:

- Long Term
- Prevention
- Integration
- Collaboration
- Involvement

7. The Council also has to develop the Corporate Plan for 2017-19 in the context of sustained severe financial pressures. The Council is facing an estimated budget reduction requirement of £25.1 million in 2017/18 and £81 million over the three year Medium Term Financial Plan period to 2019/20. This follows over £220 million in savings having already been made by the Council since 2006/07, with over 50% of these savings having been achieved between 2013/14 and 2016/17.

Issues

Corporate Priorities

8. In support of the Cabinet's vision for Cardiff to be "Europe's most liveable capital city", the Council has previously set out four clear corporate priorities, which originally formed the basis of the Corporate Plan 2015-17. The majority of these priorities have been maintained in subsequent plans, but the Corporate Plan 2017-19 includes an amendment to Priority 3 to reflect the Council's commitment to securing inclusive and sustainable economic growth. The four priorities are also consistent with the organisation's co-operative values and are set out below:

- Priority 1 – Better education and skills for all
- Priority 2 – Supporting vulnerable people
- Priority 3 – An economy that benefits all our citizens
- Priority 4 – Working together to transform services

Well-being Objectives

9. In accordance with the statutory requirements of the Well-being of Future Generations (Wales) Act 2015, the Council must agree and publish well-being objectives by 31 March 2017 that are designed to maximise the Council's contribution to achieving each of the 7 national well-being goals set out previously in Paragraph 5 of this report.

10. In defining these draft well-being objectives, an integrated corporate approach has been developed in order to combine the Council's well-being and improvement objectives. This has been based on a comprehensive audit and self-assessment by directorates, which was undertaken to explore the extent to which the directorates contribute to each of the well-being goals, what more could be done and what further action could be taken to make progress towards the goals.

11. The Corporate Plan has been reviewed and developed in the context of the Well-being of Future Generations (Wales) Act 2015, including examining all council services and identifying areas where the Council can increase its contribution to achieving the national well-being goals. As a result, further commitments around health, leisure and sustainability have been developed and the well-being objectives have a clear focus on space, environment and overall 'liveability' for our citizens.

12. Following on from this exercise, a number of well-being objectives have been developed for each priority within the Corporate Plan 2017-19, which are supported by a number of commitments and performance indicators in order to measure progress. Directors have also agreed 5 strategic improvement objectives, which will be taken forward within their respective Directorate Delivery Plans.

Well-being Statement

13. The Council must publish a 'statement' about its well-being objectives at the same time as the objectives are published. Both requirements should be contained in the Corporate Plan and the well-being statement must explain:

- Why the Council considers that its well-being objectives will contribute to the achievement of the well-being goals;

- Why the Council considers that its well-being objectives have been set in accordance with the sustainable development principle, including an explanation of how the Council will involve people with an interest in achieving the well-being goals. Those people must also reflect the diversity of Cardiff's population;

- The steps to be taken to meet the well-being objectives in accordance with the sustainable development principle;

- How the Council will govern itself to meet its well-being objectives;

- How the Council will keep the steps it takes to meet its well-being objectives under review;

- How the Council will ensure that resources, including financial, are allocated annually for the purpose of taking steps to meet its objectives;

- When the Council expects to meet its well-being objectives;

- Any other information about the well-being objectives that is considered to be relevant.

Consultation and Engagement

14. The development of the Corporate Plan 2017-19 has also been informed by the findings of the annual Ask Cardiff survey and the consultation on the budget proposals for 2017/18.

15. All Councillors were invited to a member engagement session to help inform the development of both the Liveable City report and draft Corporate Plan 2017-19, which was held on 23 January 2017. This also provided an opportunity for Members to learn more about the development of the Corporate Plan 2017-19 in the context if the Well-being of Future Generations (Wales) Act 2015 and in advance of formal consideration by all Scrutiny Committees in February 2017. The Corporate Plan 2017-19 has also been reviewed and endorsed by the lead Peer Advisor on performance issues from the Council's Challenge Forum.

16. The Policy Review and Performance Scrutiny Committee was provided with an early opportunity to help inform the development of the Corporate Plan 2017-19 when it considered a draft version of the Plan on 17 January 2017. Members were briefed on the approach undertaken to 'refresh' the Corporate Plan for 2017-19 and were able to comment on the draft well-being objectives and related commitments. A draft version of the Corporate Plan 2017-19 was also provided to each of the Council's five Scrutiny Committees for consideration alongside the draft budget proposals for 2017/18 at meeting held between the 13th and 15th February 2017. A copy of the letter from the Chair of the Policy Review and Performance Scrutiny Committee detailing any comments on the Corporate Plan 2017-19 following the meeting held on 15 February 2017 is expected to be circulated at the Cabinet meeting on 16 February 2017.

17. Following the publication of Quarter 3 performance results for 2016/17 in late January 2017, proposed targets for inclusion in the Corporate Plan 2017-19 were reviewed as part of a target setting exercise. The Corporate Plan 2017-19 includes a basket of performance measures with clear targets, which consist of a mixture of (statutory) National Strategic Indicators (NSIs) and Public Accountability Measures (PAMs) as well as "Local" indicators selected for their particular relevance to directorates. The Appendix to the Corporate Plan includes details on past performance to enable trend analysis, benchmarking information on the Council's relative position (where available) and agreed targets for 2017/18 that were agreed previously and contained within the Corporate Plan 2016-18. It should be noted that many of the statutory indicators are subject to change, with a number likely to be abandoned. The Council

will continue to recognise the importance of statutory indicators and respond to the demands of the external performance landscape; however, an emphasis will also be placed on selecting measures of success which are relevant for Cardiff.

18. A copy of the Corporate Plan 2017-19 will be published on the Council's website by 1 April 2017, together with an interactive and more accessible version of the Corporate Plan that will assist in communicating the Council's priorities and objectives.

Directorate Delivery Plans

19. The "business as usual" and more service focused commitments will be included in Directorate Delivery Plans to be prepared by Q1 2017. The Directorate Delivery Plans will continue to provide an important link between the Corporate Plan, the work of directorates and the objectives set for individual employees. Directorate Delivery Plans will also further integrate financial and service planning, more detailed action about progressing Corporate Plan improvement objectives, as well as details of other important activities not included in the Corporate Plan. The Balance Scorecard approach, also being developed, is intended to provide a sharper focus on the key issues.

20. In addition, Directorate Delivery Plans will provide clear lines of responsibility, increased accountability and be subject to effective management challenge and scrutiny. This will ensure that team and individual employee objectives are aligned with Council's key strategic priorities. This will support the Council's continued drive to improve compliance with organisational performance management requirements, including Personal Performance and Development Reviews (PPDRs). In this way, the Council will maintain an overview and manage the key organisational functions of:

- identification and delivery of priorities;
- service and financial planning;
- timely performance management integrating financial and service performance; and
- objective setting for, and performance of, individual members of staff.

Reason for Recommendations

21. To enable the draft Corporate Plan 2017-19 to be considered by the Council on 23 February 2017 and to be published thereafter, subject to any consequential amendments that may be required.

Financial Implications

22. This report sets out the Council's Corporate Plan for the period up until 2019. Implementing these strategic priorities and improvement objectives will need to be in accordance with the amounts set out in the February 2017 Budget Report which included the revenue and capital budgets for 2017/18, the indicative Medium Term Financial Plan for the period up to 2020/21 and the indicative Capital Programme for the period up until 2021/22.

23. Some of the objectives contained in this report will need to be the subject of further reports so that detailed financial implications can be determined when further financial information is known. The Plan clearly identifies the demand and financial pressures within which the Council is operating in terms of both revenue and capital budgets with associated impact on the level of borrowing. As such, it is important that the financial implications and risks of actions in the Corporate Plan are considered as part of robust business cases. This is particularly the case for proposals which are not yet fully developed to be included in the current budget proposals and these will need to be carefully appraised for the financial impact, affordability and considered as part of the Council's Medium Term Financial Plan for future years.

Legal Implications

24. The Local Government Measure 2009 sets out the Council's obligations to ensure continuous improvement in the exercise of its functions. The Corporate Plan is part of the Policy Framework and a decision on whether to adopt the draft Corporate Plan is a matter for full Council.

25. Effective consultation is required for lawful decision making on policy matters. This Report sets out the steps taken in identifying and consulting on the improvement objectives contained in the draft Corporate Plan 2017-2019.

26. The Council has to satisfy its public sector duties under the Equality Act 2010. The Council's decisions must have due regard to the need to (a) eliminate unlawful discrimination (b) advance equality of opportunity and (c) foster good relations on the basis of the protected characteristics defined in the Act.

27. 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

28. The Well-Being of Future Generations (Wales) Act 2015 places a well-being duty on public sector bodies to take action to achieve seven well-being goals in accordance with the 'sustainable development principle'.

29. The seven well-being goals are: "a prosperous Wales", "a resilient Wales", "a healthier Wales", "a more equal Wales", "a Wales of cohesive communities", "a Wales of vibrant culture and thriving Welsh language" and "a globally responsible Wales"; and a description of each goal is given in the Act. Decision makers should consider how the proposed

decision may contribute towards, or impact upon, achievement of the well-being goals.

30. The Council must set well-being objectives to achieve the well-being goals and publish these objectives by 31st March 2017. Reference to this obligation is made in paragraphs 9 and 13 of this Report. Once the Council's well-being objectives have been set, decision makers must have regard to the same, and must be satisfied that all reasonable steps have been taken to meet those objectives.

31. In order to comply with the well-being duty, the Council must act in accordance with the 'sustainable development principle', which is defined as meaning that the Council must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take into account the impact of their decisions on people living their lives in Wales in the future. There are a number of factors which the Council must take into account in this regard, specifically, decision makers must:

- Look to the long term
- Focus on prevention by understanding the root causes of problems
- Deliver an integrated approach to achieving the seven well-being goals
- Work in collaboration with others to find shared sustainable solutions
- Involve people from all sections of the community in the decisions which affect them

32. In considering the above, due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below: http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en

CABINET PROPOSAL

Council is recommended to

1. approve the Corporate Plan 2017-19 as set out in **Appendix A**; and

2. recommend to Council that authority be delegated to the Chief Executive, in consultation with the Leader of the Council, to make any consequential amendments to the Corporate Plan 2017-19 following consideration by Council on 23 February 2017.

THE CABINET
17 February 2017

The following Appendix is attached:

Appendix A: Corporate Plan 2017-2019

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The City of Cardiff Council

Corporate Plan

2017 - 2019

Mae'r ddogfen hon ar gael yn Gymraeg hefyd /
This document is also available in Welsh

make the difference

CARDIFF
CAERDYDD

make the difference

Contents

Foreword:
The Leader of the City of Cardiff Council

Over the last 5 years we have delivered for Cardiff. Jobs are being created, unemployment is down and visitor numbers are up. With the Champions League Final coming in June we can expect these figures to be higher again this year.

We have invested in schools. Education performance is getting better and better each year and skill levels across the board compare well to other cities.

It's clear to me that, despite the uncertainty in the world economy, there are solid foundations in place for a period of success for Cardiff's own economy. A strong economy does not exist in isolation from other aspects of city life. It is built on a bedrock of investment in education, transport, housing, green spaces, culture and care services.

That is why when I took the role as City Leader I set out a vision to make **Cardiff Europe's most liveable capital city**. I believed that we needed to take a broad approach to thinking about and developing the city, not simply a narrow focus on GVA and economic growth at all costs. A strong economy and a fairer society have for too long been presented as being in conflict with one another. In truth, you cannot have one without the other.

And so, first and foremost, economic growth is only good if the benefits are felt by all our citizens. That is why we have worked hard to safeguard some of the Council's most highly valued services. The national austerity agenda has taken millions out of the Council's budget but by working with our partners, and people in the community, we have found new ways of delivering.

Co-locating a range of services in brand new community hubs, using new technology to allow social workers to spend more time with the people they support and helping more people continue to live independently by making adaptations to their home. These are but some of the examples of how services are transformed.

Cardiff is also one of Britain's fastest growing 'core cities.' Successful cities of the 21st Century will be those that can attract and keep people but this growth must be managed in a sustainable and inclusive way. We are therefore working with partners across the city to ensure that we have the infrastructure and services in place to support a successful city. This will involve, for example, accommodating the growth in demand for education, encouraging people to use sustainable forms of transport, and delivering new and high quality business premises.

That is why we have put in place a Local Development Plan and agreed a City Deal that will be focused on sustainable transport. It is also why this Corporate Plan sets out important investment in schools, plans for a new cycling strategy and a commitment to developing a Resilience Plan to address a range of issues, including tackling air pollution and promoting energy efficiency.

The consequence of the decisions taken today will be felt for generations. We need to get them right. Raising our eyes to the future it's clear that our natural resources and environment will move to the front and centre of political debates, at both the local and global levels. Approaches to energy, water, clean air, food – the fundamentals of city-living where failure often hits the poorest hardest – will require fresh thinking and innovative solutions.

I want Cardiff to be at the forefront of this agenda. To do so, we will need to continue to connect with and learn from the most progressive, forward thinking cities in Britain, Europe and the world.

And Cardiff's future is bright. Over the years ahead our story must be one which tells of giving all our citizens a standard of living and a way of life equal to any European capital. A capital city with an open mind and an open heart, connected to Wales and to the wider world. A city which embraces creativity, technology and new ways of thinking and doing, values equality and fairness, the natural environment and, most importantly, a city which values its people.

A city we can all be proud to call home.

Cllr Phil Bale
Chair, Cardiff Public Services Board
Leader, City of Cardiff Council

The Corporate Plan: What is the Corporate Plan and how does it help deliver our vision?

What is the Corporate Plan?

The Corporate Plan is the Council's road map, setting out our vision and priorities for the next two years.

What is our vision?

The Council's vision is for Cardiff to become "Europe's most liveable capital city".

The need to prioritise

With reduced funding and increased demand, the City of Cardiff Council can no longer do everything it has done in the past. In order to ensure the Council delivers for Cardiff, the organisation must focus on those actions that will have the greatest impact. The Council's priorities are:

- Better education and skills for all
- Supporting vulnerable people
- An economy that benefits all our citizens
- Working together to transform services

The Corporate Plan therefore demonstrates the Council's contribution to achieving its vision but it is not an expression of everything the Council does. It is a statement on the strategic priorities of the organisation.

Directorate Delivery Plans, sitting underneath the Corporate Plan, will provide greater detail on all the other activities and services which the Council is responsible for delivering.

Statutory requirements

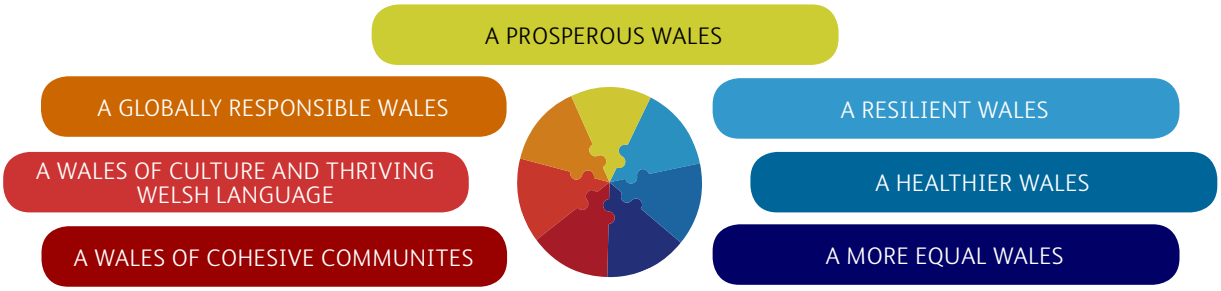
The Corporate Plan meets the Council's duty to publish well-being objectives and a well-being statement as set out in the **Well-being of Future Generations (Wales) Act 2015**. Our well-being objectives also represent our improvement objectives, as required by the **Local Government (Wales) Measure 2009.**

The Council is committed to all its statutory obligations, such as the duties expressed within, but not limited to, the:

- Equality Act 2010
- Welsh Language (Wales) Measure 2011
- Social Services & Well-being (Wales) Act 2014
- Environment (Wales) Act 2016
- Planning (Wales) Act 2015
- Housing (Wales) Act 2014

The Planning and Policy framework

National Well-being Goals



Cardiff Public Services Board shared outcomes

- People in Cardiff are Safe and Feel Safe
- People Achieve their Full Potential
- Cardiff has a Prosperous Economy
- Cardiff is Fair, Just and Inclusive
- People in Cardiff are Healthy
- Cardiff is Clean and Sustainable
- Cardiff is a Great Place to Live, Work and Play

The City of Cardiff Council

Co-operative Council: Delivering the Vision

We will be a Co-operative Council, **connected to the citizens and communities** of Cardiff

Cardiff will **connect Wales to the world** and be a **Capital city that attracts business, investment, talent and tourism**

Co-operative Values: We Are Cardiff

Open
We are open and honest about the difficult choices we face, and allow people to have their say on what's important to them and their communities

Fair
We champion fairness, recognising that with less resource we need to prioritise services for those who need them most.

Together
We work with our communities and partners across the city to deliver the best outcomes for the people of Cardiff

Our Priorities:

- Better education and skills for all
- Supporting vulnerable people
- An Economy that benefits all our citizens
- Working together to transform services

The Well-being of Future Generations Act

The Well-being of Future Generations Act

The Well-being of Future Generations Act provides a framework for developing a balanced approach to the way Cardiff grows as a city and delivers services. It also encourages the Council to make sure that today's solutions are not tomorrow's problems.

The Act aims to ensure the economic, social and environmental well-being of Wales and places a statutory duty on public bodies to work towards the achievement of seven national well-being goals whilst embedding the sustainable development principle and five ways of working.

The seven national well-being goals are:

- A Prosperous Wales
- A Resilient Wales
- An Equal Wales
- A Healthy Wales
- A Wales of Cohesive Communities
- A Vibrant Culture & Thriving Welsh Language
- A Globally Responsible Wales

The five ways of working are:

- Long-term
- Prevention
- Integration
- Collaboration
- Involvement

The Council welcomes the Act and takes its obligations under the Act seriously. We believe there are areas where we are very well positioned to meet and exceed the requirements, but we are also committed to working with all partners including Welsh Government, Local Authorities, Future Generations Commissioner for Wales, UK Core Cities and others to further develop our approach where appropriate.

Cardiff Public Services Board

The Act establishes Public Services Boards (PSBs) for each local authority area in Wales. The Members of each Public Services Board must include:

- The local authority
- The Local Health Board for an area any part of which falls within the local authority area
- The Welsh Fire and Rescue Authority for an area any part of which falls within the local authority area
- The Natural Resources body for Wales

Cardiff has established its Public Services Board, which builds on over a decade of collaboration with our public service partners. The PSB has adopted seven outcomes that will ensure progress towards the national well-being goals.

The seven outcomes are:

- People in Cardiff feel safe
- People achieve their full potential
- Cardiff has a prosperous economy
- Cardiff is fair, just and inclusive
- People in Cardiff are healthy
- Cardiff is clean and sustainable
- Cardiff is a great place to live, work and play

The Well-Being Assessment

To understand the challenges facing the city and help identify the areas where the Council can have a positive impact on life in Cardiff, a Liveable City Report was published. The Liveable City Report captures how the city is performing against a range of high level indicators and represents the City's well-being assessment which is required by the Act.

A well-being plan, which is also required by the Act, will be developed by the PSB for the city to provide a strategy for improvement against key indicators by May 2017.

The Corporate Plan

The Corporate Plan sets out the Council's well-being objectives, which show how we will address the challenges revealed by the Liveable City Report under each of our four priorities.

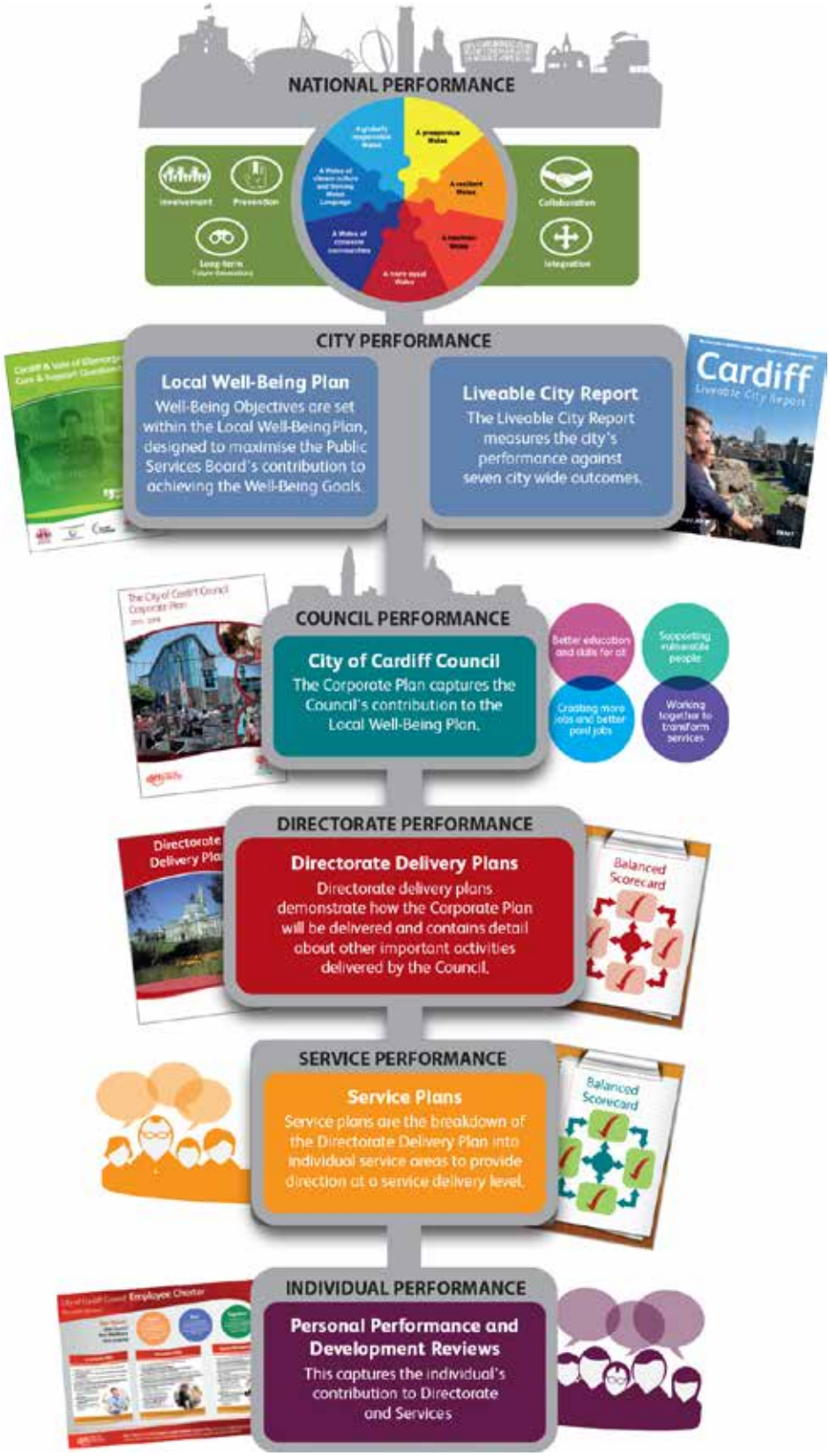
City Performance (measured by outcomes)

The Liveable City Report is an important guide to the overall well-being of the city. It captures the city's performance and benchmarks Cardiff against other appropriate areas where data is available. The Liveable City Report therefore captures city performance by measuring high level outcomes.

Council Performance (measured by outputs)

The Corporate Plan states what the Council will do to help achieve our vision of becoming Europe's most liveable capital city by delivering against the four priorities. The Corporate Plan therefore focuses on performance indicators which more accurately measure how effectively the Council delivers its services.

Delivering our vision:
The hierarchy of plans



Delivering our vision: How the Council's well-being objectives contribute to the national well-being goals

The Council has developed thirteen well-being objectives which represent our commitment to delivering the national well-being goals. This table indicates which of the well-being goals our objectives will deliver against.

	Prosperous	Resilient	Equal	Healthy	Cohesive Communities	Vibrant Culture & Thriving Welsh Language	Globally Responsible
Priority 1: Better education & skills for all							
Every Cardiff school is a great school							
Looked after children in Cardiff achieve their potential							
Supporting people into work and education							
Priority 2: Supporting vulnerable people							
People at risk in Cardiff are safeguarded							
People in Cardiff have access to good quality housing							
People in Cardiff are supported to live independently							
Priority 3: An economy that benefits all our citizens							
Cardiff has more and better paid jobs							
Cardiff has a high quality city environment where population growth and transport needs are managed sustainably							
All young people in Cardiff make a successful transition into employment, education or training							
Ensure high quality and sustainable provision of culture, leisure and public spaces in the city							
Priority 4: Working together to transform services							
Communities and partners are involved in the redesign, development and delivery of local public services.							
The Council has effective governance arrangements and improved performance in key areas							
Our services are transformed to make them more accessible, more flexible and more efficient							

Delivering our vision:
Embracing the five ways of working

The five ways of working represent a shift in focus that the Council has been pursuing for a number of years. Here are some examples of how we have changed the way we deliver our services and how we will continue to develop our approach as we move forward.

	Way of Working	Examples of actions the Council has taken forward
	Long-term Thinking far enough ahead so that today's solutions are not tomorrow's problems.	• The Liveable City Report considers long term trends in the city across a range of indicators. • We have considered the impact of predicted growth in the city with plans now based on an expected population increase of 20% over the next 20 years alongside a budget reduction of £81m over the next 3 years. • The development of medium term financial planning will ensure decisions consider the impact on future generations. • Our workforce strategy will ensure the Council develops workforce skills for the future.
	Prevention Acting to stop problems happening in the first place, or getting worse	• Our approach to collaboration will ensure a focus on prevention with public service partners. • We have already begun the shift towards prevention in our Independent Living Service, our approach to housing and homelessness and support offered for young people Not in Employment, Education or Training. As we move forward, we will consider what further action we can take to ensure we shift from a reactive to a preventative approach.
	Integration Considering how our actions may impact on others	• Our new Liveable City Policy Forum facilitates cross-departmental working to ensure strategy and policy is integrated and can achieve the best outcomes. • A city-wide policy forum has also been launched to provide a space for policy development and integration across public service in Cardiff. • Our Future Generations Champions Network ensures well-being goals and objectives are integrated across the organisation and are at the forefront of service planning.
	Collaboration Acting together with others	• Successful collaboration is key to delivering effective and efficient public services. • One major example of our work with partners includes the Cardiff Capital Region City Deal which involves 10 Local Authorities, Welsh Government and UK Government. • Other successes include our Hubs programme which ensures the provision of public and third sector advice and support services in the heart of the community. • Working with local housing associations to mitigate the impact of welfare reform which includes providing into work support
	Involvement The importance of involving people in what we do	• Our approach to engagement with residents over the last three years shows our commitment to involving the citizens of Cardiff in developing our services. • We recognise, however, that there is always room for improvement and as such are reviewing our approaches to ensure all voices are heard.

Delivering for Cardiff:
Our core business

Everyone in Cardiff uses public services and many of them are provided by the Council. It is sometimes easy to forget about all the important services that the Council delivers - every day - to residents and visitors to the city.

Each year the Council delivers **around 700 services to over 357,000 residents in 151,000 households,** helping to support local communities and improve the lives of local people. Many will be aware that the Council is responsible for collecting bins, cutting grass and cleaning streets, but it also provides support for older people and people with disabilities, it runs schools and manages high quality housing stock, as well as looking after children who are in care.

The Council has a commitment to make a positive impact on the health and well-being of communities. **Parks and green spaces -** which are a huge part of the city's appeal - are maintained by the Council. We will continue to work with "friends groups" to make the best use of important natural assets and vital recreational areas. This is in addition to working with partners to improve community engagement and local management of green spaces and community facilities.

Cardiff has a long and successful track record of delivering **major sporting events**. Hosting **Rugby World Cup matches, Ashes Cricket test matches and the World Half Marathon** again demonstrated the city's capacity to deliver globally recognised events. In June the city will host the biggest sporting event in the world in 2017 - the **Champions League Final.** In 2018 the **Volvo Round the World Race** will stop in Cardiff for the first time in its history – and the first time the race will have returned to Britain for 12 years.

Cardiff has a strong cultural offer but, due to budgetary pressures, the Council needs a new model to support art and culture in the city. By working with artists and communities, art and culture are being taken out of museums and galleries and into the communities of Cardiff. It is an exciting agenda and a real demonstration of how the Council can support the Arts in the future.

As well as those living in the city, over 80,000 people commute into Cardiff every day from across the city-region. This represents over one third of the city's workforce. Keeping the city and the city-region moving is therefore a top priority. This will require planning and delivering with our neighbours across the Cardiff Capital Region.

Within the city boundaries, the Council plays a crucial role as it **maintains roads and highways** as part of a wider strategy for dealing with traffic and congestion. Other important issues, like fixing potholes, are also addressed whilst a joined up transport strategy to keep the city moving during peak traffic is taken forward by the Council. This includes encouraging a shift towards more sustainable modes of travel, enabling people to get around Cardiff in a convenient, safe and more environmentally friendly way.

Council staff continue to work every day to keep Cardiff's streets clean and the Council also **monitors air quality and noise** and ensures that **public and consumer safety** is upheld to the highest standards.

While the financial pressures are undoubtedly challenging, the Council will continue to deliver and support a wide range of public services on behalf of citizens and communities across the city. Doing so will be fundamental to delivering the vision of becoming ***Europe's most liveable capital city.***

Shaping the Corporate Plan:
Sustainable and inclusive management of growth

The city is preparing for significant growth over the next 20 years with a considerable number of people expected to move to the area, representing one of the biggest population increases (in percentage terms) of any major British city. This growth represents the success of Cardiff, as the city becomes a place that people want to live and work.

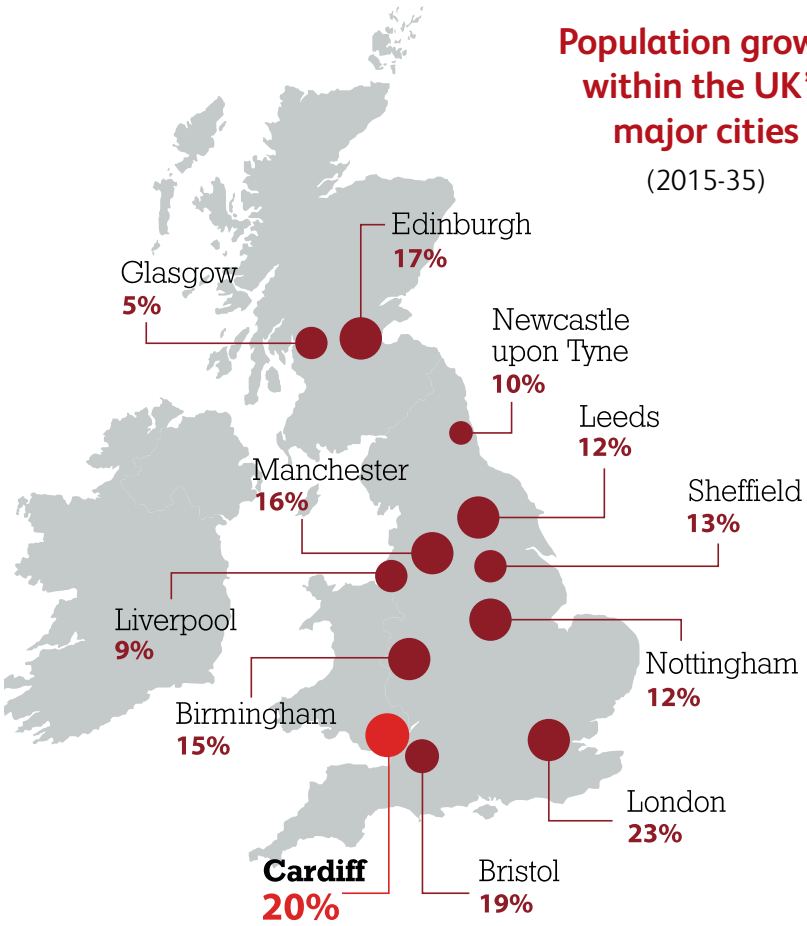
Growth, however, also brings a number of challenges such as ensuring we meet the growing demand for services in a way that protects the economic, social, environmental and cultural well-being of Cardiff.

Amongst other things, we will need to build new homes whilst ensuring that we protect the environment. We will need to create new jobs, whilst ensuring that all our citizens can contribute to a prosperous economy. And we will need to provide more school places, ensuring that all children can reach their potential.

At the same time, we face continued financial pressures as budgets shrink further each year. The Council faces a budget shortfall of £81m over the next 3 years, in addition to the £213 million in savings identified over the last decade.

The challenge now is to deliver a liveable city whilst managing growth and austerity. This will require close partnership working with other public and third sector organisations to ensure we use the money that is available to us in the most effective way. This balanced approach to development is consistent with the spirit of the Well-being of Future Generations Act.

OVER THE NEXT 3 YEARS



Developing Our Workforce

Developing a resilient workforce that can adapt to the changes ahead is important to us. Our people are a valuable asset and as such, we want to ensure they are able to deliver services that meet the needs of all service users.

This is important, not least because the Well-being of Future Generations Act sets out a cultural change that begins with the workforce having the right skills and support to achieve the transformation expected.

We are currently working to ensure that our workforce is fully engaged in achieving the aims of the Act and are able to adapt to the changing needs of society.

This includes working with our teams to embed the five ways of working and develop delivery mechanisms accordingly.

Source: Welsh Government /ONS / NRS 2014 - based population projections

Shaping the Corporate Plan:
Representing Our Communities

In developing the Corporate Plan, we have involved a wide range of citizens who have put forward their views by taking part in our Ask Cardiff survey or budget consultation.

In order to ensure the best responses, we have taken action to boost the response rates from under-represented groups through targeted marketing and engagement activities. This has included delivering additional paper copies and facilitating engagement sessions in the areas of City & Cardiff South and Cardiff East, and collaborating with the three universities in Cardiff to increase the number of under 35s participating in our consultation activities, ensuring our large student population is able to inform priorities for the city.

We also piloted some engagement sessions with the Welsh Refugee Centre to gather the views of refugees and asylum seekers. This allowed us to trial a model that we can use with under-represented groups to ensure we are engaging with people who reflect the diversity of our communities.

Over 4,000 people took part in Ask Cardiff, with 2,520 participating in the Changes for Cardiff budget consultation and their views have helped us to decide what is important for the Council to focus on in 2017-18.

Key terms

Well-being goals
Seven national well-being goals set out in the Well-being of Future Generations (Wales) Act 2015

Well-being objectives
Strategic objectives that will ensure the Council is contributing to the delivery of the well-being goals. For each priority, 3-4 objectives have been set that will enhance and protect the economic, social, environmental and cultural well-being of Cardiff.

Improvement objectives
Our well-being objectives also represent our improvement objectives. As such, they set out clearly and simply what we want to achieve and are therefore outcome focused.

Ways of working
Five ways of working set out in the Well-being of Future Generations (Wales) Act 2015 that must characterise the way the Council delivers activities.

Sustainable development principle
The way a public body must act to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

Council priorities
The Council's priorities recognise the most important areas to address in the short to medium term.

Commitments
Commitments are specific initiatives that the Council will undertake to deliver the well-being objectives and contribute to the well-being goals.

Measures
Measures are indicators which we have agreed will measure our performance against our well-being objectives.

Our Priorities and Well-being Objectives

Better education and skills for all

Priority 1

1.1 Every Cardiff school is a great school
1.2 Looked after children in Cardiff achieve their potential
1.3 Supporting people into work and education

Supporting vulnerable people

Priority 2

2.1 People at risk in Cardiff are safeguarded
2.2 People in Cardiff have access to good quality housing
2.3 People in Cardiff are supported to live independently

An economy that benefits all our citizens

Priority 3

3.1 Cardiff has more and better paid jobs
3.2 Cardiff has a high quality city environment where population growth and transport needs are managed sustainably
3.3 All young people in Cardiff make a successful transition into employment, education or training
3.4 The Council has high quality and sustainable provision of culture, leisure and public spaces in the city

Working together to transform services

Priority 4

4.1 Communities and partners are involved in the redesign, development and delivery of local public services.
4.2 The Council has effective governance arrangements and improved performance in key areas
4.3 Our services are transformed to make them more accessible, more flexible and more efficient

Priority 1:
Better education and skills for all

The Council is committed to ensuring excellent educational achievement in all sectors, from the early years, through school, to post 16 and adult learning. A city in which all citizens have equal opportunities to access effective and relevant learning, throughout life, is essential to building skills for the future, social inclusion and economic well-being and prosperity.

We will continue to work in partnership with schools, parents, communities, further and higher education providers, the third sector, business and enterprise in the city, to develop a workforce ready to respond to the challenges of the 21st century.

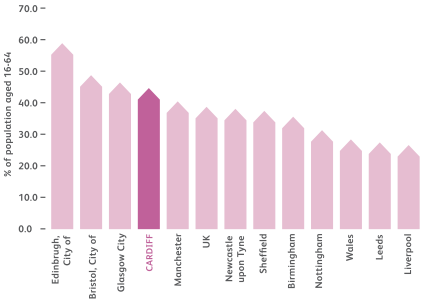
Better Education and Skills for All

Cardiff is a well-educated city with a high proportion of people qualified to degree-level or equivalent (NVQ Level 4). With a strong university sector and major employers in the region, Cardiff attracts and retains a highly skilled workforce. The city also has a low number of people with no qualifications compared to other major UK cities.

As Cardiff's economy expands, it is increasingly important that its citizens are equipped to take advantage of the opportunities this growth offers.

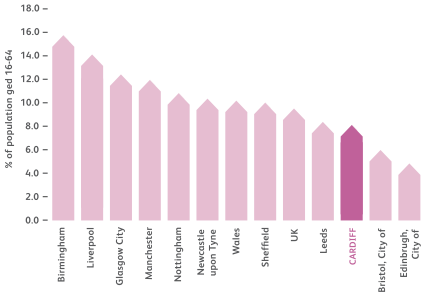
43.5% of Cardiff's working-age population are qualified to degree level or equivalent

Percentage of population Aged 16-64 Qualified NVQ4+, Jan-Dec 2015



Only 8.8% of working-age residents have no qualifications

Percentage of population Aged 16-64 with No Qualifications, Jan-Dec 2015



School Performance

The performance of Cardiff schools continues to accelerate across all phases of education, with further improvements at each key stage at the end of the academic year 2015-2016.

In primary schools, the proportion of pupils achieving the Foundation Phase Indicator has increased to 88.9%, exceeding the Wales average of 87.0%. The proportion of pupils achieving the Key Stage 2 Core Subject Indicator has also increased to 89.5%, again above the Wales average of 88.6%. The number of high performing schools is increasing and variation between schools is reducing.

In secondary schools, at the end of Key Stage 4, a higher proportion of pupils achieved the Level 2+ threshold (Five GCSEs A* - C, including English/Welsh first language and Mathematics), increasing performance to 62.53%, a 14 percentage point increase since 2011-12. The number of secondary schools where less than 50% of pupils achieved the Level 2+ threshold has decreased from eight in 2015, to four this year.

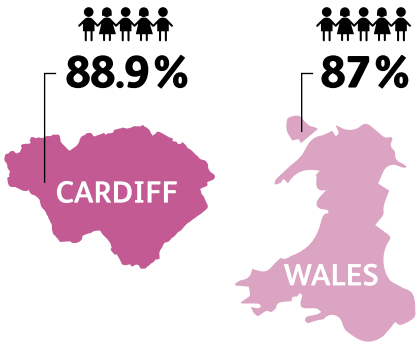
The performance of pupils eligible for free school meals has improved at each key stage, narrowing the gap between these pupils and their peers. However, this gap remains too wide, particularly in the secondary sector.

The proportion of pupils with special educational needs achieving headline measures has improved at every key stage.

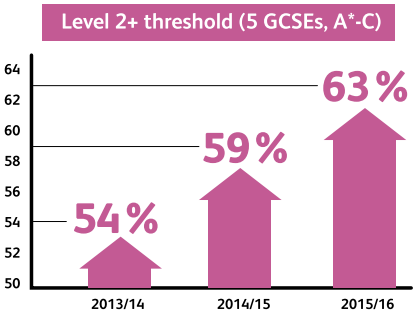
Priority improvement areas in the year ahead are:

- Improving pupil outcomes at the minority of secondary schools that are causing concern
- Improving performance in Key Stage 4 at the Level 1 threshold (5 GCSEs A* - G)
- Tackling the variation in standards achieved by schools with comparable pupil demographics
- Developing improved provision for young people who are educated other than at school
- The review and development of provision and practice in relation to special educational needs across Cardiff
- Improving outcomes for looked after children, both educated within and beyond the Cardiff school system

Percentage of pupils achieving the Foundation Phase Indicator



In secondary schools at the end of Key Stage 4:



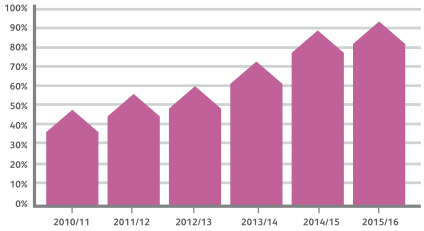
For the first time, this indicator is in the top 25% in terms of performance

Supporting Lifelong Learning

We also want to ensure that adults have the skills they need to enter and remain in employment. Our Adult Community Learning and Into Work Advice services provides employment related advice and courses to individuals in Cardiff who are actively seeking work or are looking for skills to further progress to better paid jobs.

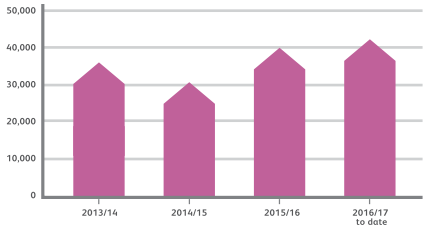
Since 2010-11 there has been a marked increase in the number of people completing Learning for Work courses

Adult Community Learning Success Rate



Since the Into Work Advice Service was launched, we have provided advice to almost 150,000 people

Total number who received Into Work Service Advice



Well-being objective 1.1:
Every Cardiff school is a great school

1 What do we want to achieve?

During 2016, the Council and its partners launched 'Cardiff 2020 – A renewed vision for education and learning in Cardiff', which underlines a shared commitment to ensure that:

'All children and young people in Cardiff attend a great school and develop the knowledge, skills and characteristics that lead them to become personally successful, economically productive and actively engaged citizens'. Cardiff 2020 recognises that a strong school system is a key foundation for a prosperous economy and society. Our schools are pivotal in raising the skills and competencies of the future workforce, and to empowering young people to respond to the rapidly changing needs of a dynamic labour market.

Cardiff 2020 also acknowledges the essential role our schools and early years settings have to play in preventing and tackling poverty, enabling social inclusion, promoting mutual respect for each other and building the foundations for an open and democratic society upon which active citizenship rests. These are essential contributors to the goals of the Well-being of Future Generations (Wales) Act.

Building upon the strengthening picture of school performance in Cardiff in recent years, Cardiff 2020 outlines five key goals:

- Excellent outcomes for all learners
- A high quality workforce
- 21st Century learning environments
- A self-improving school system
- Schools and Cardiff in Partnership

2 Commitment

	Lead Member	Lead Directorate
Improve educational outcomes for all children and young people, particularly at Key Stage 4, through improved school leadership, teaching and learning and curriculum development	**Cllr Sarah Merry**	**Education**
Close the attainment gap for pupils from low income families, looked after pupils, pupils educated other than at school and pupils entering Cardiff schools with English as an additional language	**Cllr Sarah Merry**	**Education**
Improve provision for children and young people with additional learning needs, through the implementation of the new Statutory Framework for Additional Learning Needs	**Cllr Sarah Merry**	**Education**
Ensure there are sufficient and high quality school places to meet the population growth in the city, through planned expansion and the upgrade of the existing school estate via the School Organisation Programme	**Cllr Sarah Merry**	**Education**
Recruit, retain and develop the best people to lead and work in our schools and education settings to secure a high quality workforce at all levels	**Cllr Sarah Merry**	**Education**
Work with the Central South Consortium to further develop the capacity of the school system to be self – improving	**Cllr Sarah Merry**	**Education**
Build effective partnerships between schools, business, the voluntary sector and wider public services and communities to enrich the school curriculum and strengthen school governance	**Cllr Sarah Merry**	**Education**

3 Measuring Progress

	Target
The percentage of Cardiff schools categorised as 'Green' in the annual Welsh Government School Categorisation process: • Primary Schools • Secondary Schools • Special Schools	**Primary = 35%** **Secondary = 27%** **Special = 86%**
The percentage of pupils achieving the Core Subject Indicator (expected levels in English or Welsh first language, Science and Mathematics) at the end of Key Stage 2: • All pupils • Pupils eligible for free school meals • Pupils not eligible for free school meals	**All Pupils = 90%** **eFSM = 80.6%** **Not eFSM = 93%**
The percentage of pupils in Year 11 achieving the Level 2 + threshold (5 GCSEs at grades A*-C including English or Welsh first language and Mathematics) at the end of Key Stage 4: • All pupils • Pupils eligible for free school meals • Pupils not eligible for free school meals	**All Pupils = 65%** **eFSM = 43%** **Not eFSM = 70%**
The percentage of pupils in Year 11 achieving the Level 2 threshold (5 GCSEs at grades A*- C) at the end of Key Stage 4	**85%**
The percentage of pupils in Year 11 achieving the Level 1 threshold (5 GCSEs at grades A*- G) at the end of Key Stage 4	**97%**
Percentage Attendance at secondary school	**95%**
Percentage Attendance at primary school	**95.5%**
The new Capped Points Score (Capped 9) - Year 11 pupil results from nine of the qualifications available in Wales	**New indicator for 2017-18**
The percentage of children securing their first choice of school placement: • Primary school • Secondary school	**Primary = 80%** **Secondary = 70%**
The percentage of children securing one of their three choices of school placement: • Primary school • Secondary school	**Primary = 90%** **Secondary = 90%**

Well-being objective 1.2:
Looked after children achieve their potential

1 What do we want to achieve?

The Council is committed to providing high quality care and support for looked after children to help them achieve their potential.

An integrated approach which promotes greater collaboration across Council Directorates, Cardiff schools and partner organisations is crucial. The Corporate Parenting Advisory Committee, delivering within a framework provided by our Corporate Parenting Strategy, helps ensure that our approach is as joined up as possible. This response also encourages us to concentrate on providing support that seeks to address problems before they arise and deliver positive long term outcomes for children and young people.

A good proportion of looked after children achieve their aspirations and succeed educationally, including at university but there remain significant challenges for the authority in improving educational outcomes for looked after children overall. The award winning Looked After Children Traineeship Scheme has been successful in offering work placement opportunities to Looked After Children and care leavers, some of whom have since taken up apprenticeships within the Council.

The shared vision of the City of Cardiff Council and the Cardiff & Vale University Health Board is to continue to work together to ensure the best possible outcomes for children who are looked after or who have left care, so that they can be happy and lead fulfilling lives.

2 Commitment

	Lead Member	Lead Directorate
Deliver the Corporate Parenting Strategy by 2019 to ensure that the Council and partners collectively fulfil their responsibilities to all children and young people who are in their care by seeking exactly the same positive outcomes that every good parent would want for their own children	**Cllr Sue Lent**	**Social Services**

3 Measuring Progress

	Target
The percentage of looked after children returned home from care during the year	**12%**
The percentage attendance of looked after pupils whilst in care in primary schools	**98%**
The percentage attendance of looked after pupils whilst in care in secondary schools	**93%**
The percentage of children looked after at 31 March who have experienced one or more changes of school, during a period or periods of being looked after, which were not due to transitional arrangements, in the 12 months to 31 March	**9%**
The percentage of children looked after on 31 March who have had three or more placements during the year	**9%**
The percentage of children looked after by the City of Cardiff Council, as at the annual pupil census date, achieving: • The Core Subject Indicator (expected levels in English or Welsh first language, Science and Mathematics) at the end of Key Stage 2 • The Level 1 threshold (5 GCSEs at grades A* - G) at the end of Key Stage 4 • The Level 2 threshold (5 GCSEs at grades A*- C) at the end of Key Stage 4	**Core subject indicator = 73%** **Level 1 = 57%** **Level 2 = 33%**
The percentage of children looked after by the City of Cardiff Council, as at the annual pupil census date, achieving the Level 2 + threshold (5 GCSEs at grade A*- C including English or Welsh first language and Mathematics) at the end of Key Stage 4.	**7%**
The percentage of all care leavers in education, training or employment at 12 months after leaving care	**TBC**
The percentage of all care leavers in education, training or employment at 24 months after leaving care	**TBC**

Well-being objective 1.3:
Supporting people into work and education

1 What do we want to achieve?

The Adult Community Learning service is delivered in collaboration through the Cardiff and Vale Community Learning Partnership and offers a broad range of adult education courses that help support the citizens of Cardiff to meet their learning aspirations, enhancing prospects and quality of life.

The Council is especially focused on supporting those on low income because income poverty can have a profound impact on people's aspirations as well as broader effects on the health, wellbeing and safety of citizens. The Council's contribution to Adult Community Learning in Cardiff focuses on two key areas: Learning for Work and Learning for Life. In 2015-16 the Learning for Life programme achieved a 94% success rate, which was up from 88% in 2014-15.

As part of our Into Work service we are working to widen digital inclusion within communities by helping people 'get online' through learning basic computer skills. The digital inclusion agenda is also assisting preparations for the full rollout of Universal Credit across the city and the Council will be supporting all new claimants and helping people to maintain their Universal Credit account online.

The Into Work Advice Service provides one to one support to individuals. We offer help with CVs, job application forms, universal job-match and digital inclusion. As we know that helping individuals to get online is crucial, we deliver a range of digital sessions across the city. We can also offer a range of free accredited training courses to individuals looking to upskill. In 2015-16, over 40,000 people received Into Work Advice with 98% of people stating that they felt more 'job ready' as result of attending a work preparation course.

2 Commitment

	Lead Member	Lead Directorate
Further develop Adult Community Learning and the Into Work Advice Service to support vulnerable people to maximise their employment opportunities	**Cllr Dan De'Ath**	**Communities, Housing & Customer Services**

3 Measuring Progress

	Target
The number of people receiving Into Work Advice	**41,000**
The number of people successfully engaging with the Into Work Advice Service and completing accredited training	**1,200**
The number of people who have been affected by The Benefit Cap and are engaging with The Into Work Advice Service	**150**
The number of Into Work Advice Service customers supported with their claims for Universal Credit	**800**
Maintain the success rate at or above the Adult Community Learning National Comparator (Cardiff specific return)	**90%**
Adult Community Learning enrolment rate for learners within deprivation deciles one and two	**45%**

Priority 2:
Supporting Vulnerable People

How we treat people in most need of support is a real test of the values of our city. As Cardiff grows, it is more important than ever that no one is left behind because of their circumstances. This must involve a joined-up approach that supports the person rather than treating problems in isolation.

Supporting Vulnerable People

Supporting Vulnerable Adults and Children

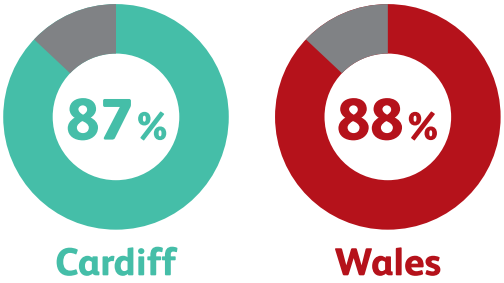
The services we are responsible for delivering are crucial to the well-being of some of the most disadvantaged in the city and helping people who, from time to time are in need of our support. Our performance in these areas is therefore a priority for the organisation. We will prioritise the integration of our services to ensure vulnerable adults and children are supported and kept safe. Safeguarding is everybody's business so we will ensure that, together with partners, we protect the vulnerable from child sexual exploitation, human trafficking, abuse and neglect.

In addition, we will improve the provision of Adult Social Services through collaboration with partners in health and housing, ensuring that people in Cardiff receive the care and support they need, with an emphasis on maintaining independence where appropriate.

Whilst we have made strong progress in this area, we recognise that there is further work to be done. Our detailed planning in preparation for the Social Services and Well-being (Wales) Act 2014 has initiated a tangible cultural shift in our approach to the delivery of care and support whilst housing also remains a priority.

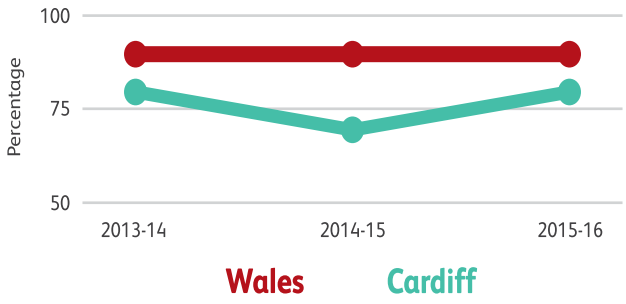
Council Performance: Children

87% of required visits to looked after children took place in 2015/16, only one percentage point behind the average for Wales



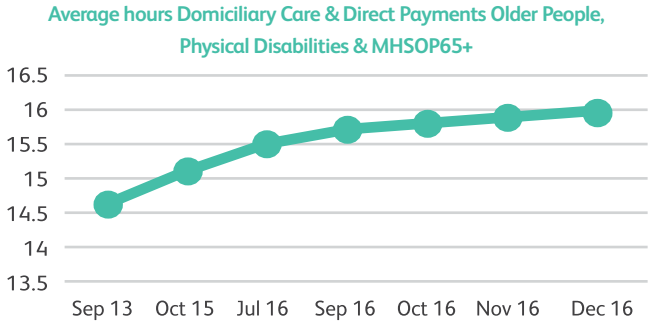
Information is shown to the nearest whole number - 2015-16

82% of reviews of vulnerable children were completed on time in 2015-16, an increase of 11% on 2014-15

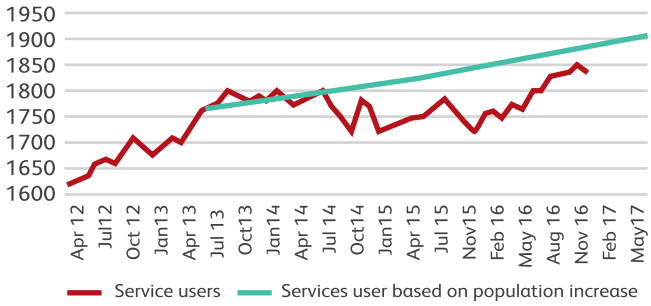


Council Performance : Adults

The average hours of care each older person receives increased from 14.6 hours per week in September 2013 to 16 in December 2016



The number of older people supported at home by the Council increased from 1,622 in April 2012 to 1,839 in December 2016. The 'number of service users based on the population increase' is based on the mid-year population estimates for people in Cardiff aged 65+

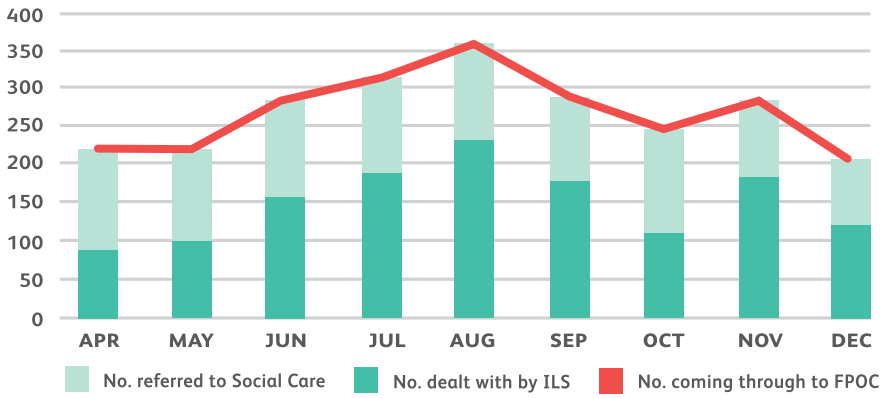


Supporting access to homes and Independent Living

We are also committed to delivering high-quality, affordable social housing. Our allocations process ensures that we give priority to those most in need of a home and we provide additional support to those who are homeless or at risk of becoming homeless in Cardiff. More broadly, we help enforce standards in the private rented sector to increase the number of high-quality properties available in the city.

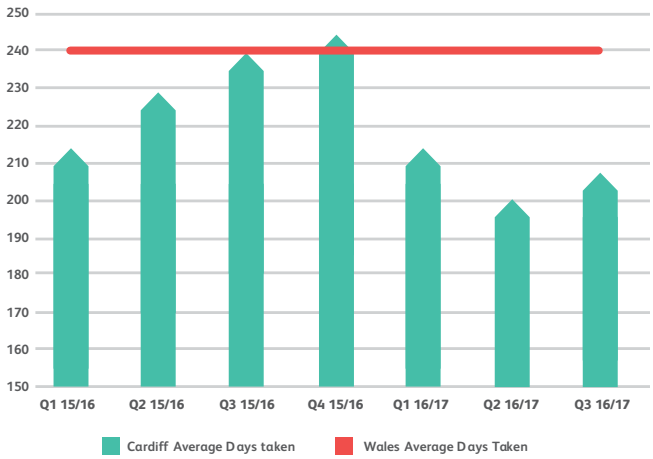
Almost 4,000 people contacted Independent Living Services between April and December 2016

Independent Living Services First Point of Contact 2016



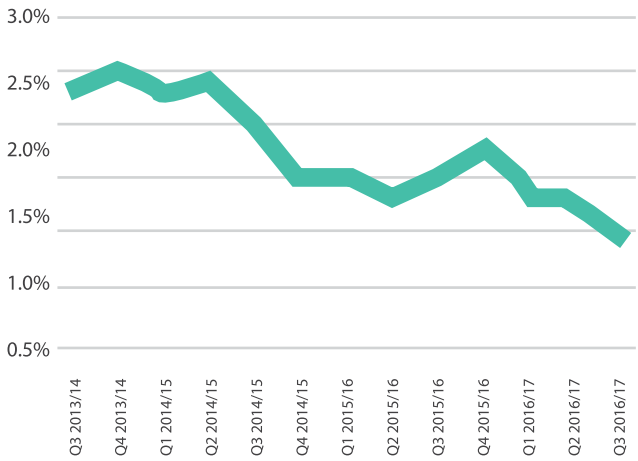
The average number of days for a resident to be awarded a Disabled Facilities Grant has decreased to just over 200, below the Welsh average of 240 days

Disabled Facilities Grants



Only 1% of Council properties were vacant during Quarter 3 of 2016-17 compared with 2.36% during the same period in 2013-14

Vacant Local Authority properties as a percentage of all housing stock



Well-being objective 2.1:
People at risk in Cardiff are safeguarded

1 What do we want to achieve?

The Council is committed to supporting children, young people and adults who may be unable to take care of themselves and empowering individuals to protect themselves from significant harm or from exploitation. The Council will continue to collaborate with partners, playing a lead role in protecting and safeguarding individuals who need care and support from abuse and neglect or any other kinds of harm.

The Social Services and Well-being (Wales) Act 2014 aims to address these issues while giving people greater freedom to decide which services they need. The aim is to offer consistent, high-quality services across Wales. Cardiff is well positioned to respond to the Act, which places safeguarding vulnerable adults on the same statutory footing applicable to children under previous legislation.

The Council also recognises the need to focus on developing a range of more effective services to prevent issues escalating, which may result in vulnerable children or adults being separated or cared for away from their families. Doing this effectively will offer a better quality of life for the individual and will deliver greater value for the Council and communities in the long term.

2 Commitment

	Lead Member	Lead Directorate
Improve the recruitment and retention of children's social workers, ensuring the Council achieves and maintains a vacancy rate for children's social workers below 18% by March 2018	**Cllr Sue Lent**	**Social Services**
Ensure that Domestic Violence Support Services meet the requirements of new legislation, including the recommissioning of the service by March 2018	**Cllr Dan De'Ath**	**Communities, Housing & Customer Services**
Work to make Cardiff a recognised Dementia Friendly City by March 2018 to support those affected by dementia, enabling them to contribute to, and participate in, mainstream society	**Cllr Susan Elsmore**	**Social Services**
Renew the safeguarding vision and strategy across Social Services by March 2018 in order to take account of new national policy and practice guidance currently under development	**Cllr Sue Lent/ Cllr Susan Elsmore**	**Social Services**
Develop and implement a mechanism to improve engagement with communities at large and faith communities in particular by March 2018 to improve the safeguarding of children across the various communities in Cardiff	**Cllr Sue Lent**	**Social Services**

3 Measuring Progress

	Target
The percentage of Children's Services social work vacancies across the service	**18%**
The percentage of re-registrations on the Child Protection Register during the year	**4%**
The percentage of children supported to remain living within their family	**59%**
The percentage of adult protection enquiries completed within 7 working days	**TB**
The percentage of Council staff completing level 1 of the National Training Framework on violence against women, domestic abuse and sexual violence as a percentage of all staff	**50%**

Well-being objective 2.2:
People in Cardiff have access to good quality housing

1 What do we want to achieve?

Housing is at the heart of well-being and so the Council is committed to delivering high quality, sustainable and affordable homes, particularly for those in most need.

Demand for housing of all tenure types in Cardiff is high, particularly for social housing. The Council will therefore prioritise work to increase the level of housing available for Council tenants as well as maximising the delivery of affordable housing. Achieving and maintaining 100% compliance with the Welsh Housing Quality Standard also demonstrates that the housing offer for Council tenants is of a high quality.

The Council will work to ensure landlords and agents comply with their legal obligations under the Housing (Wales) Act 2014, also acting as the host licensing authority for the Welsh Government's Rent Smart Wales scheme. This is an all-Wales registration and licensing scheme, which works to prevent rogue agents and landlords letting and managing properties, driving up standards in the private rented housing sector.

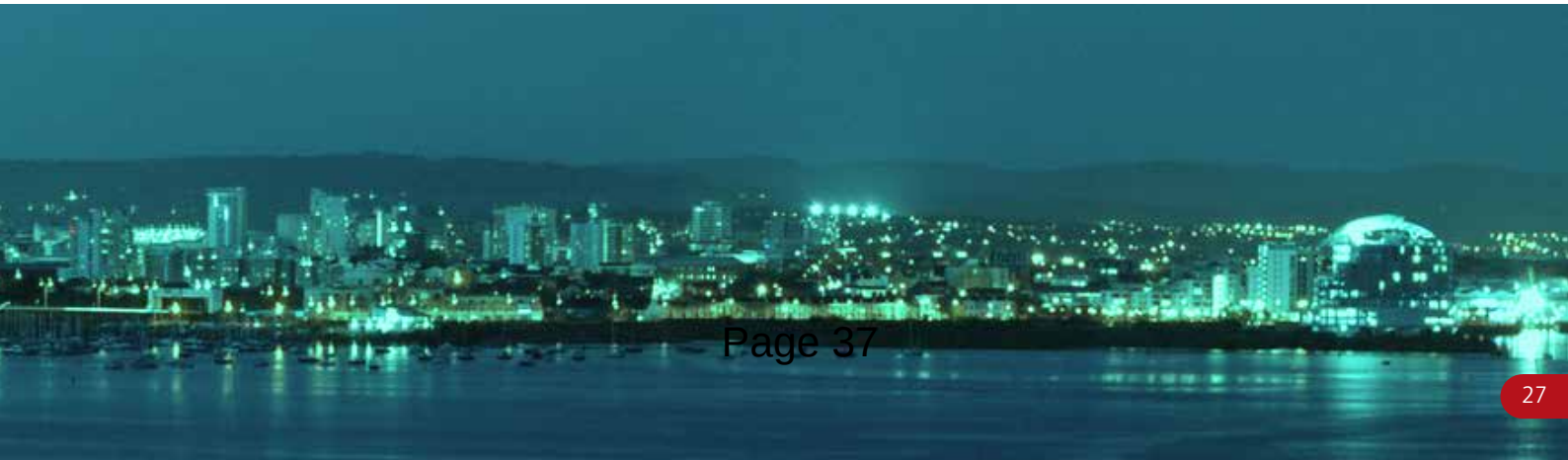
We also recognise that acting on homelessness is an immediate concern if we are to support the most vulnerable. That is why the Council will ensure it has effective and efficient measures in place to support those who are homeless and help prevent people from becoming homeless.

2 Commitment

	Lead Member	Lead Directorate
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. • In addition to the Cardiff Living programme, deliver 100 additional Council properties through a range of capital funding by 2022 • Deliver Independent Living Solutions for Older and Disabled People • A new Homelessness Strategy based on a full needs assessment and review of services • Implement a new Rough Sleeping Strategy to address rough sleeping in the city • Continue to develop joint working to mitigate the issues caused by Welfare Reform	**Cllr Susan Elsmore**	**Communities, Housing & Customer Services**

3 Measuring Progress

	Target
The percentage of affordable housing agreed at planning stage to be provided in a development on greenfield sites	**30%**
The percentage of affordable housing agreed at planning stage to be provided in a development on brownfield sites	**20%**
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**



Well-being objective 2.3:
People in Cardiff are supported to live independently

1 What do we want to achieve?

Helping people to live independently means enabling potentially vulnerable people to develop the skills they need to live on their own, supporting them with reasonable adaptation to their homes and providing more preventative services before their needs become critical.

This is done by identifying an individual's strengths and skills through a re-ablement approach.

Doing so respects the dignity and independence of individuals whilst reducing the demand for domiciliary packages and traditional models of care. In order to strengthen individual independence and effective care and support, we will continue to:

- Facilitate timely and safe discharge from hospital to allow people to remain at home
- Build on the success of the new single point of contact for anybody who needs support
- Ensure that on the first point of contact, those who need support can access a range of services to secure independent living
- Facilitate access for young care leavers to good accommodation, employment opportunities and mentoring

2 Commitment

	Lead Member	Lead Directorate
Implement the 'Disability Futures' Programme by December 2018 to remodel services for disabled children and young adults aged 0-25 across Cardiff and the Vale of Glamorgan to improve effectiveness and efficiency of services and outcomes for young people and their families	**Cllr Susan Elsmore / Cllr Sue Lent**	**Social Services**
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	**Cllr Susan Elsmore**	**Communities, Housing & Customer Services**
Work with partners to maintain the reduction in Delayed Transfers of Care for social care reasons during 2017-18 to support more timely discharge to a more appropriate care setting	**Cllr Susan Elsmore**	**Social Services**
Continue to increase the number of children and adults with care and support needs in receipt of Direct Payments by March 2018 to enable people to make their own choices and take control over the care services they receive	**Cllr Susan Elsmore / Cllr Sue Lent**	**Social Services**
Offer a Carers Assessment to all eligible adult carers who are caring for adults during the 2017-18 financial year to ensure that they receive the help and support they need, in the ways they need it	**Cllr Susan Elsmore**	**Social Services**
Undertake a campaign by March 2018 to raise young carers' awareness of their entitlement to a young carers assessment	**Cllr Sue Lent**	**Social Services**

	Lead Member	Lead Directorate
Implement a new model of Day Opportunities by March 2018 (subject to the completion of major building works which should be substantially completed by this date) to maximise independence for adults with care and support needs	**Cllr Susan Elsmore**	**Social Services**
Conclude the implementation of Signs of Safety in Children's Services by March 2020 in order to ensure that all staff within the Directorate are able to engage with families using the Signs of Safety Risk Assessment Framework	**Cllr Sue Lent**	**Social Services**
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.	**Cllr Susan Elsmore**	**Communities, Housing & Customer Services**
Develop Locality Based Working building on the learning of the Older Persons pilot project to effectively integrate services for older people within a geographical location, taking a person centred approach, reducing duplication and improving citizen engagement.	**Cllr Susan Elsmore**	**Communities, Housing & Customer Services**

3 Measuring Progress

	Target
The percentage of new cases dealt with directly at First Point of Contact (FPOC) with no onward referral to Adults' 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 Assistive Living technology trial participants who think the service helps them remain in their own home	**65%**
The percentage of Telecare calls resulting in an ambulance being called out	**<10%**
The rate of delayed transfers of care for social care reasons per 1,000 population aged 75 or over	**TBC**
The number of children and adults in need of care and support using the Direct Payments scheme	**910**
The percentage of eligible adults who are caring for adults that are offered a Carers Assessment during the year	**90%**
The percentage of care leavers aged 16-24 experiencing homelessness during the year	**TBC**

Priority 3:
An economy that benefits all our citizens

A strong and inclusive economy is at the heart of a city with a great quality of life. To achieve this we must ensure Cardiff offers the right conditions to attract and support investment; to create more and better-paid jobs, in the city and wider region, and to provide the support and pathways to help our citizens access these jobs and build careers in Cardiff.

An economy that benefits all our citizens

Achieving our vision will mean continued improvement in Cardiff's business infrastructure and support, alongside an enhanced approach to supporting people – particularly young people – into education, employment and training. This must be aligned to maintaining Cardiff's position as one of the best British cities for culture and leisure, particularly as the city grows over the coming decade. Given Cardiff's pivotal role in the city-regional economy, the City Deal and emerging city-regional approach to economic development, spatial planning and transportation will be increasingly important.

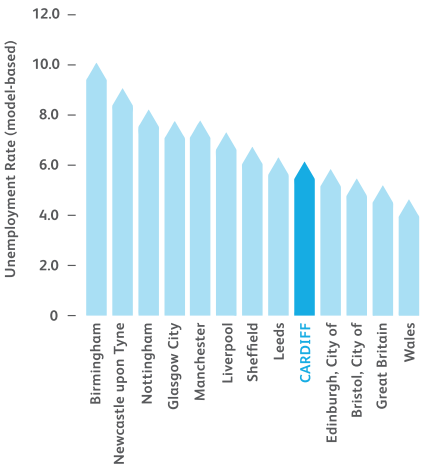
Partnership working will be central to delivering an economy that benefits all our citizens, with the business community, the city's universities; local authorities in the Capital Cardiff Region, the Welsh and UK Governments and, most importantly of all, with the citizens of Cardiff.

City Economy

Cardiff is the economic powerhouse of Wales, playing a vital role in creating jobs and wealth for the people of the city and the wider city region, with well over 80,000 people commuting into the city each day. The city economy is demonstrating strong performance across a number of headline indicators, with jobs growth up, unemployment down, visitor numbers up and growth in the number of new businesses.

Unemployment in the city is at its lowest level since 2009 and is currently 6%

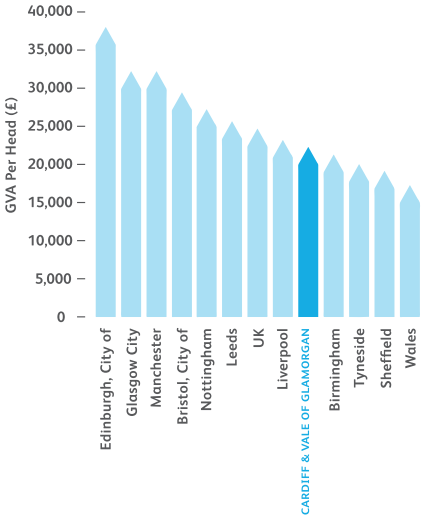
Unemployment Rate (model-based), Jul 15 - Jun 16



That said, Cardiff's total economic output (GVA per head) although much higher than other parts of Wales, compares relatively poorly to the top performing major British cities, and levels are only now returning to pre-crisis levels.

In 2014 the economic output (Gross Value Added) per head in Cardiff and the Vale was £22,107, above the Welsh average but below many major cities in the UK

Provisional GVA per head (£) by NUTS3 Area, 2015

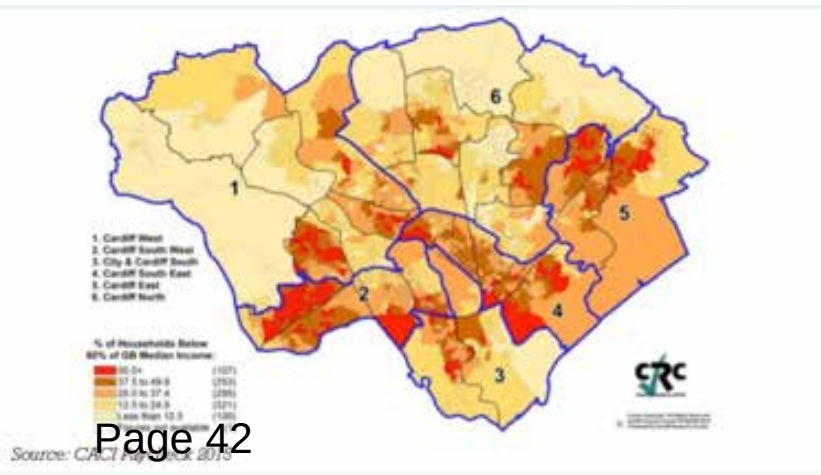


Together, these figures suggest that while jobs are being created, the city's economy is not becoming more productive. To meet the demands of growth it will be important that Cardiff's economy not only keeps on creating and attracting new companies and new jobs, but that these companies are more productive and the jobs better paid.

Equally, the dividend of economic growth have not been felt by all of the city's residents. Despite the jobs created and the investment in the city centre, many of the poorest communities in Wales can be found in its capital city. The large disparities in levels of unemployment, household poverty and workless households closely align with health, crime and educational inequalities across the city.

Over a quarter of households in Cardiff are living in poverty - over 46,000 households. Living in poverty is defined as a household whose income is below 60% of the annual median income.

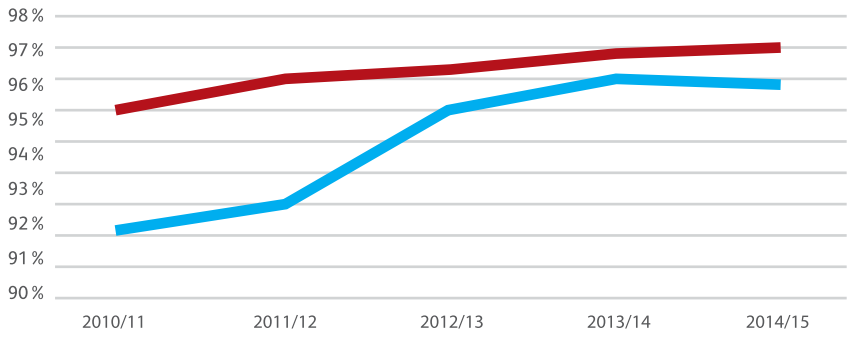
Welsh Index of Multiple Deprivation (WIMD)



An important part of tackling disadvantage will be helping people into education, employment and training. That is why supporting the succesful transition of young people has been a priority for the Council and its partners, with significant progress being made in this area over the last five years.

Cardiff — Wales —

Year 11 leavers making a successful transition to education, employment of training

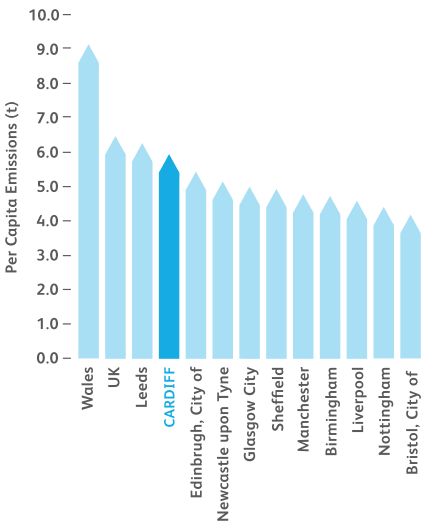


High-Quality City Environment

Cardiff is a green city. It is well served by parks and open green spaces, with areas such as Bute Park in the heart of Cardiff recognised for their outstanding natural beauty. Residents also have easy access to a national park and coastlines in the wider city-region. Cardiff's recycling rates perform strongly compared to other British cities.

Carbon emissions per person in Cardiff have fallen in the last decade and are lower than both the UK and Wales averages

Total Per Capita C02 Emissions (t), 2014



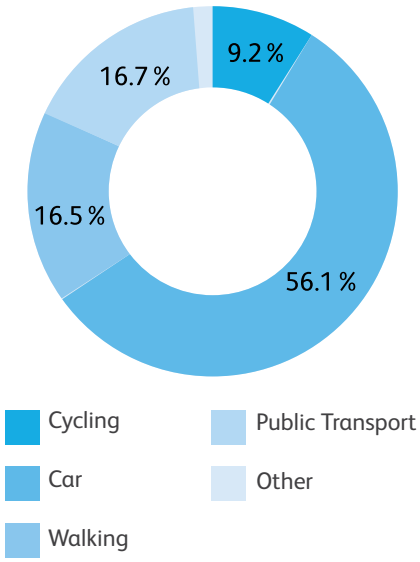
The household waste recycling rate has risen from 4% to 58% since the recycling and composting targets were put in place. Street cleanliness, however, is consistently seen as a priority for residents.

Percentage of household waste sent for reuse, recycling or composting 2014-15

CARDIFF	53.4
Bristol	43.5
Leeds	42.9
Newcastle	40.8
Edinburgh	37.2
Nottingham	32.9
Manchester	32.8
Sheffield	30.0
Liverpool	29.6
Birmingham	26.6
Glasgow	25.8

Levels of car use are amongst the highest of the Core Cities and use of public transport in the city is comparatively low, although levels of walking and cycling compare well and are growing. Over 60% of residents now think that transport in the city is a serious or very serious problem. The city's reliance on cars also contributes to Cardiff's carbon emissions being high compared to many other British cities, with some city centre wards particularly vulnerable to high levels of air pollution.

9.2% of residents travel to work by bike; this figure has more than doubled since 2005



Well-being objective 3.1:
Cardiff has more and better paid jobs

1 What do we want to achieve?

The Council will work with partners in the public and private sectors to create jobs and deliver economic growth in a way that benefits all our communities. To achieve this we will create an environment which supports the development of new business, the growth and sustainability of existing businesses, and attracts continued investment. Doing this will increase the number and quality of the jobs available for people in the city and across the city-region.

The high-quality portfolio of business premises delivered in the city centre has already secured the new BBC HQ in Central Square, bringing high quality jobs into the city centre. The Council will continue to deliver projects to help attract employment in high-value sectors such as the creative industries and financial and business services. As we recognise the importance of ensuring local people benefit from the city's success, we will seek maximum social value from our contracts and investment by creating opportunities for apprenticeships, work placements and employment, with a focus on reducing long-term economic inactivity.

We also have an aspiration for Cardiff to become a Living Wage city by encouraging suppliers, contractors and providers to ensure they pay decent wages for their staff and advocating for the Living Wage across the wider business community.

2 Commitment

	Lead Member	Lead Directorate
Facilitate jobs growth by working with partners to deliver 300,000 square feet of Grade A office accommodation within Central Square by March 2019	Cllr Phil Bale	Economic Development
Work with partners to deliver the Cardiff Capital Region City Deal	Cllr Phil Bale	Economic Development
Progress delivery of an Indoor Arena to attract visitors, overnight stays and increase visitor spend	Cllr Phil Bale	Economic Development
Commence delivery of International Sports Village phase 2 by 2018	Cllr Phil Bale	Economic Development
Support growth in the creative industries sector through the development of creative hubs	Cllr Phil Bale	Economic Development
Develop an integrated approach to the management of the city centre with the business community with the Business Improvement District	Cllr Phil Bale	Economic Development
Implement the Tourism Strategy with a view to attracting more visitors to the city who stay longer and spend more by March 2018	Cllr Phil Bale	Economic Development
Undertake a detailed feasibility study as the basis for securing investment to enable the maintenance and refurbishment of City Hall	Cllr Phil Bale	Economic Development

	Lead Member	Lead Directorate
Develop a revised International Strategy for Cardiff in 2017-18 reflecting implications of and opportunities from last year's referendum decision for the UK to leave the EU	**Cllr Phil Bale**	**Economic Development**
Work with major contractors and providers to deliver increased social value through Council contracts by creating opportunities for apprenticeships, work placements and employment, with a focus on reducing long term economic inactivity	**Cllr Phil Bale / Cllr Graham Hinchey**	**Resources**
Make Cardiff a Living Wage City by encouraging suppliers, contractors and providers to secure accreditation through the Living Wage Foundation which is over and above the National Living Wage	**Cllr Phil Bale / Cllr Graham Hinchey**	**Resources**

3 Measuring Progress

	Target
New and safeguarded jobs in businesses supported by the Council, financially or otherwise	**500**
The amount of 'Grade A' office space committed to in Cardiff (sq. ft.)	**150,000 sqft**
Gross Value Added per capita (compared to UK average)	**Above Wales Average**
Unemployment (compared to Wales average)	**Below Wales Average**
Increase number of staying visitors	**2% increase pa**
Increase total visitor numbers	**3% increase pa**

Well-being objective 3.2: Cardiff has a high-quality city environment where population growth and transport needs are managed sustainably

1 What do we want to achieve?

Delivering well-being for the city at a time of growth requires an approach that ensures development is carried out in a sustainable, resilient and inclusive manner. Creating an outstanding capital city, with an attractive vibrant city centre, liveable neighbourhoods, with high quality housing, mixed use, great parks and open spaces and excellent transport links, will be a priority. This will mean securing investment in Cardiff's transport infrastructure and services allowing people to travel around the city – and the city region – in a convenient and clean way. A new integrated transport interchange and gateway to the city, created at the heart of the transport network, is a key priority. In addition, developing a transformative cycle integrated network is essential. We will also seek to reduce carbon emissions by investing in sustainable transport solutions and green energy, and supporting individuals and communities to achieve their recycling potential.

2 Commitment

	Lead Member	Lead Directorate
Develop a resilience strategy including harmonising other policies in relation to clean air, zero carbon renewal fuels, energy retrofitting and solar projects in line with UK and European best practice by March 2018	**Cllr Ramesh Patel**	**City Operations**
Work with developers, transport operators and businesses to deliver a new central transport interchange in Capital Square on agreed programme	**Cllr Ramesh Patel**	**City Operations**
Develop a programme of phased improvements to city wide bus routes	**Cllr Ramesh Patel**	**City Operations**
Work with Welsh Government, regional partners and the transport industry to progress proposals for the Cardiff City Region Metro as part of the City Deal	**Cllr Ramesh Patel**	**City Operations**
Adopt the Active Travel Integrated Network Map and the Cardiff Cycling Strategy and deliver a prioritised programme of walking and cycling infrastructure schemes	**Cllr Ramesh Patel**	**City Operations**
Work with partners on developing a public, on street, cycle hire scheme with hire stations at key locations throughout the city	**Cllr Ramesh Patel**	**City Operations**

	Lead Member	Lead Directorate
Develop and deliver aligned spatial planning and transport development programmes for Cardiff Bay and the City Centre	**Cllr Ramesh Patel**	**City Operations**
Ensure the delivery of design-led, sustainable, master-planned developments through the Local Development Plan	**Cllr Ramesh Patel**	**City Operations**
Achieve the statutory recycling / landfill diversion targets	**Cllr Bob Derbyshire**	**Economic Development**

3 Measuring Progress

	Target
People travelling to work by sustainable transport	**45.10%**
People travelling to work by cycling	**11.20%**
The percentage of major applications determined within agreed time periods	**25%**
The percentage of householder planning applications determined within agreed time periods.	**80%**
The percentage of municipal waste collected and prepared for re-use and / or recycled	**61%**
The maximum permissible tonnage of biodegradable municipal waste sent to landfill	**37,627t**
Capacity (in MW) of renewable energy equipment installed on the Council's land and assets	**6MW**

Well-being objective 3.3:
All young people in Cardiff make a successful transition into employment, education or training

1 What do we want to achieve?

In January 2016, the Council approved a new Youth Progression and Engagement Strategy, 'The Cardiff Commitment', signalling a clear commitment to work with schools and partners across the city to support all young people to secure positive opportunities to move on, post-statutory schooling at 16, to further and higher education, training and the world of work.

The Cardiff Commitment aims to improve outcomes for all young people, by connecting them to opportunities across the city to pursue their ambitions, improve their skills and ultimately to secure employment routes that empower them to thrive and prosper.

We recognise the importance of having a skilled and qualified workforce to strengthen economic growth in the city. Employers across the region report significant skills gaps in their existing workforces and all sectors forecast future skills demand in what is recognised as a rapidly changing workplace due to dynamic technological and demographic change.

The Cardiff Commitment is bringing together young people, education professionals, training providers and the public, private and voluntary sectors to join up supply and demand and embrace the opportunities being presented by the Regional Skills Partnership and City Deal.

We have seen significant improvement over the last five years in increasing the number of young people who leave school and make a positive transition to education, employment or training. We expect to see further improvements in 2016 when destination figures are published.

We aim to continue this positive trend, ensuring that our most vulnerable learners are offered support to meet their individual needs and secure appropriate learning and employment pathways.

Simultaneously, we want to see much greater opportunities and better outcomes for our most able pupils and learners, to allow them to compete with peers nationally and internationally.

2 Commitment

	Lead Member	Lead Directorate
Deliver the 'Cardiff Commitment' to youth engagement and progression by: • Ensuring early identification of young people most at risk of disengagement • Delivering stronger tracking systems both pre and post 16 to keep in touch with and support young people • Strengthening curriculum and skills pathways • Improving the range of employment, education and training opportunities that are available to young people across the city • Enabling better brokerage of support and opportunities for young people	**Cllr Phil Bale / Cllr Sarah Merry**	**Education**
Increase provision of apprenticeships, traineeships and work placements for young people and work-based training enabling them to develop appropriate skills, knowledge and experience	**Cllr Graham Hinchey**	**Resources**

3 Measuring Progress

	Target
The percentage of Year 11 leavers making a successful transition from compulsory schooling to education, employment or training	**97.5%**
The percentage of Year 13 leavers making a successful transition from schooling to education, employment or training	**98%**
The number of young people in Cardiff, aged 16 -18 years old, known not to be in education, employment or training (Careers Wales Tiers 2 & 3)	**300**
The percentage of young people in Cardiff Schools achieving a recognised qualification by the end of Year 11	**99.5%**
The number of apprenticeships, traineeships and work placements opportunities created by the Council in 2017-18	**100**

Well-being objective 3.4:
Ensure high-quality and sustainable provision of culture, leisure and public spaces in the city

1 What do we want to achieve?

Delivering a successful capital city requires a focus on the city environment. We recognise the value of our green and blue spaces, public squares, streets and highways.

We will ensure that they are well-designed and maintained and are attractive, clean, safe, liveable, high quality spaces for people to access, use, and enjoy for recreation and business. They will be developed by involving and collaborating with communities, seeking the maximise natural sustainability, as well as the provision of services that enhance the citizen's lived experience, well-being and prosperity. In addition to this, we will ensure leisure services are provided in a way that makes them accessible to all to allow them to be healthy and well.

We will also help the Welsh Government meet its aspiration of having one million Welsh speakers by 2050 by working with partners to double the number of Welsh speakers in Cardiff.

Finally, we will invest in culture by working with partners to provide support which nurtures the creative and cultural industries.

2 Commitment

	Lead Member	Lead Directorate
Work in partnership with Cardiff University to deliver the Creative Cardiff initiative	**Cllr Phil Bale**	**Economic Development**
Deliver phased Coastal Risk Management Programme to manage the risks associated with current coastal flood protection conditions	**Cllr Bob Derbyshire**	**City Operations**
Deliver phased programme of well-maintained highway asset and public realm	**Cllr Ramesh Patel**	**City Operations**
Deliver improvements in street cleansing, grounds maintenance, highway maintenance and enforcement through our Neighbourhood Services programme	**Cllr Bob Derbyshire**	**City Operations**
Deliver benchmarked improved engagement with citizens with regards to how services are delivered and embrace partnership and volunteer working with Citizen Groups across Neighbourhood Services	**Cllr Peter Bradbury**	**City Operations**
Deliver high-quality and well-maintained Bay and water ways at Harbour Authority	**Cllr Bob Derbyshire**	**City Operations**
Deliver an updated Parks and Green Spaces Strategy by March 2018 including maintaining and increasing the Green Flag status of parks	**Cllr Bob Derbyshire**	**City Operations**
Ensure Leisure Centres deliver high-quality service according to contract	**Cllr Peter Bradbury**	**City Operations**
Develop a strategy to help modernise and expand a sustainable financing dogs home service to ensure the welfare of animals in our care by promoting and supporting responsible pet ownership, consolidating work with partners, stakeholders and increasing opportunities for further community engagement by March 2018	**Cllr Bob Derbyshire**	**City Operations**

	Lead Member	Lead Directorate
Work with partners to double the number of Welsh speakers in Cardiff by 2050 through the Bilingual Cardiff Strategy, in line with Welsh Government's vision. Key to this will be: • Accommodating the growth projections for children entering Welsh medium education each year and ensuring a good qualification in Welsh for Welsh first language and Welsh second language pupils • Supporting Council employees in undertaking Welsh language training	**Cllr Phil Bale**	**Governance & Legal Services**

3 Measuring Progress

	Target
The number of Green Flag Parks and Open Spaces	**11**
The percentage of highways inspected of a high or acceptable standard of cleanliness	**90%**
The percentage of reported fly tipping incidents cleared within 5 working days	**90%**
The number of visits to local authority sport and leisure centres during the year per 1,000 population where the visitor will be participating in physical activity.	**8,266**
The percentage of principal (A) roads, non-principal/classified (B) roads and non-principal/classified (C) roads that are in overall poor condition	**7%**
The percentage of pupils achieving a Level 2 qualification (A*-C grade GCSE) in Welsh first language at the end of Key Stage 4 (Year 11)	**82%**
The percentage of pupils achieving a Level 2 qualification (A*-C grade GCSE) in Welsh second language at the end of Key Stage 4 (Year 11)	**83.5%**
The number of Council employees undertaking Welsh language training	**113**

Priority 4:
Working together to transform services

Sharply declining budgets, increased demand for services and a desire to achieve sustainability mean that the Council must continue to transform the way we deliver services. Over the past four years we have worked closely with residents and partners across the city to safeguard the long term future of many of the city's most highly valued services. Our programme of change will continue as we position ourselves for the future.

Working together to transform services

The Organisational Development Programme (ODP), established in May 2014, was designed to safeguard prioritised services. This change programme has already delivered for Cardiff. We are now delivering services in a way that helps ensure sustainability and continuity. New ways of working have been characterised by collaboration which has led to more efficient services, flexible enough to meet the needs of the people who want to use them.

There are a number of examples of how we have worked with partners to deliver services which are vital to the well-being of citizens. The Council has joined forces with Cardiff Metropolitan University to secure the future of sport in Cardiff, 10 community hubs have brought services closer to the community and this initiative has further plans for expansion, leisure centres are now on a sustainable footing, and our neighbourhood teams are working with communities to 'love where they live' by tackling litter in thier local area.

Overall, the programme continues to make a positive contribution to the Council's improvement journey. In the first two years of the ODP, significant progress has been made towards achieving the ambitions set out in 2014, and this was recognised by the Wales Audit Office in its Corporate Assessment Follow On Report (February 2016), which concluded that "the Council has put in place better arrangements to support improvement and to address longstanding issues".

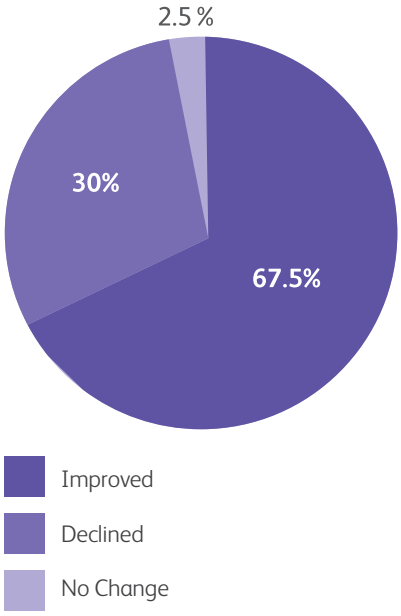
Council Performance

Improving the Council's financial resilience and service delivery performance have been key priorities, which is why the Corporate Plan set out challenging targets for the Council to achieve. Overall, the Council:

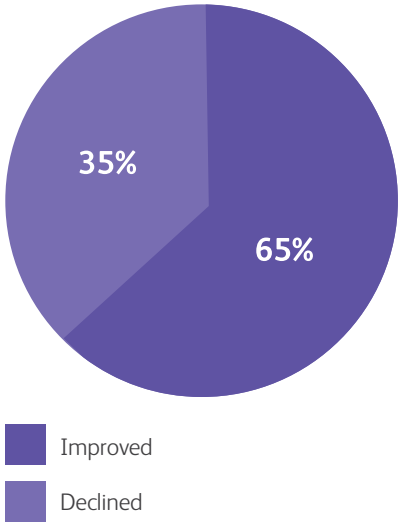
- Improved in 67.5% of performance indicators compared to 42.9% in 2014-15
- Maintained in 2.5% of performance indicators compared to 4.8% in 2014-15
- Declined in 30.0% of performance indicators compared to 52.4% in 2014-15

Cardiff's improvement of 67.5% across all statutory performance measures exceeds the all Wales improvement of 65%, but there are still areas where we can improve.

Cardiff Improvement



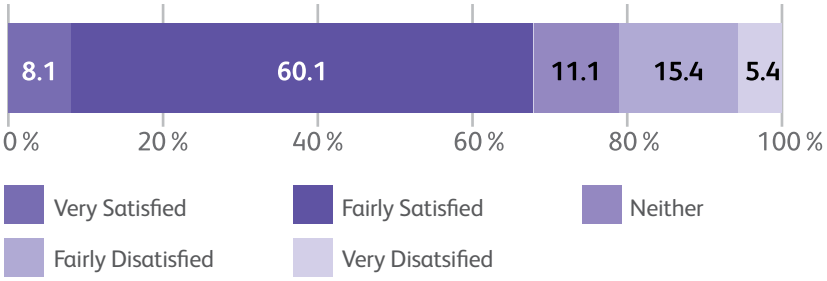
Wales Improvement



Satisfaction with the service

In the 2016 Ask Cardiff survey, 68.2% of respondents were satisfied with the services provided by the Council. This marks a slight decline from 2015 (69.3%) and a continuation of the downward trend since 2013 (88.4%). This, to some extent, is explained by a change in survey methodology however, we recognise that with decreasing budgets and growing demand pressures, it will be a challenge to maintain service satisfaction.

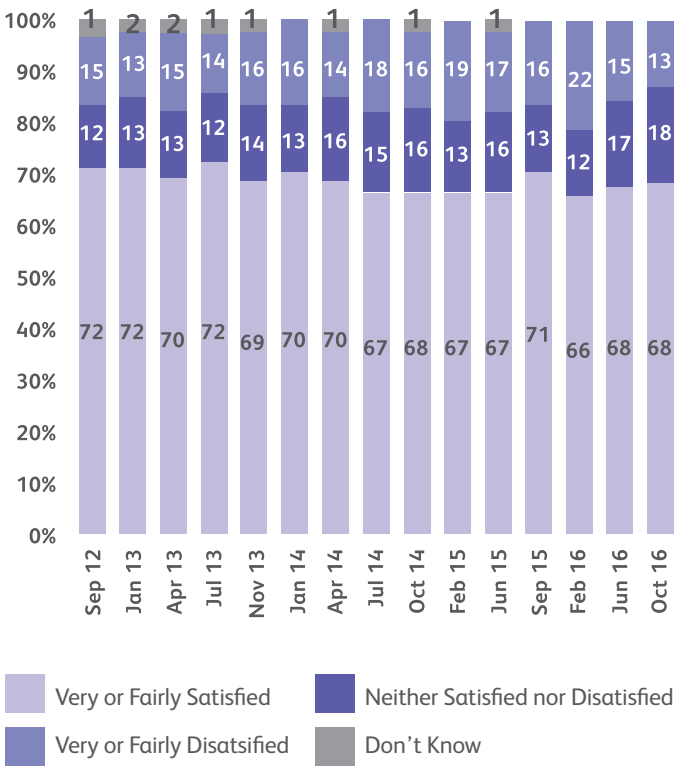
Overall how satisfied are you with the services the Council Provides?



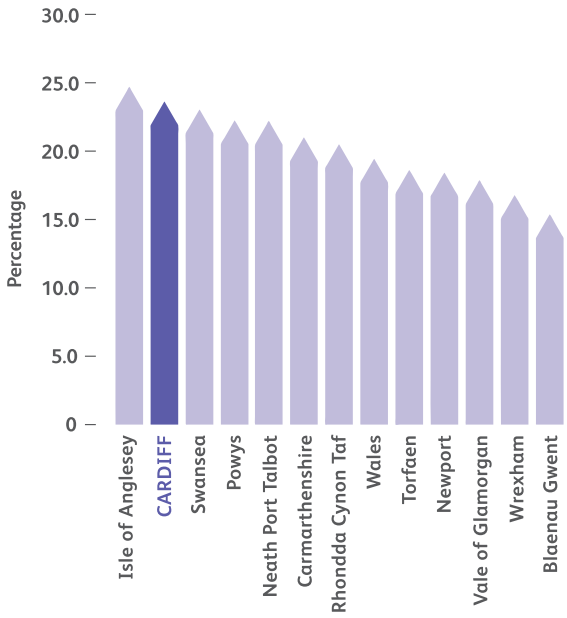
Base: 3874. Excludes 'Don't Know' responses.

Satisfaction with services in Cardiff is however higher than national satisfaction levels for council services. The Local Government Association's October 2016 poll on satisfaction with local council services stood at 66%. This is one percentage point lower than Cardiff. More broadly, people in Cardiff feel engaged in the shaping of the city with residents the second most likely in Wales to feel they can influence decisions. This reflects an ongoing commitment to engagement.

Figure 3: Overall, how satisfied or dissatisfied are you with the way your local council runs things?



Percentage of people who agree they can influence decisions affecting their local area, 2014-15



Source: National Survey of Wales

Well-being objective 4.1:
Communities and partners are involved in the redesign, development and delivery of local public services

1 What do we want to achieve?

Involving citizens in the design, delivery and development of services allows us to ensure we are meeting the needs of those we represent and develop lasting partnerships with communities. Budget and demand pressures mean that the Council and its public sector partners must work closely together to deliver services. This is particularly true for those services which, though non-statutory, are highly valued by the residents of Cardiff.

This means increased collaboration with other local authorities and public services, including co-locating services within community facilities or Hubs, sharing assets or buildings, pooling budgets, or introducing multi-agency teams to work with residents and communities to provide more integrated services. It also means being more focused about when and where services are delivered. Within the organisation, a 'One Council' approach is enabling departments to work together, making services easier to access for residents - with a focus on increased use of digital channels where appropriate. As part of our new approach to locality working we will hold local roadshows in each neighbourhood area. The aim will be to showcase what is already available in the locality, provide opportunities for existing services, businesses and partners to network, meet the community and promote their work.

The events will also provide an opportunity for residents, partners and elected members to come together to discuss priorities, identify issues and develop solutions alongside services.

2 Commitment

	Lead Member	Lead Directorate
Continue with the implementation of the peripatetic delivery model for the provision of play services within communities across the city with full implementation by March 2018	**Cllr Peter Bradbury**	**City Operations**
Continue to deliver the Community Hubs development programme to provide access to a wide range of services, including advice, support and library provision within communities	**Cllr Peter Bradbury**	**Communities, Housing & Customer Services**
Review our Neighbourhood Partnerships to ensure we are working with citizens and partners to address need on a locality basis by March 2018	**Cllr Peter Bradbury**	**Communities, Housing & Customer Services**
Consider options for a regional Youth Offending Service model by March 2018 in order to better align inter-agency resources	**Cllr Dan De'Ath**	**Social Services**
Implement the Child Rights Partners programme over the three years to March 2020, to work towards Cardiff's ambition to be a Child Friendly City	**Cllr Sue Lent / Cllr Dan De'Ath**	**Education**

3 Measuring Progress

	Target
The number of visitors to Libraries and Hubs across the City	**3.2 million**
The percentage of customers who agreed with the statement "Overall the Hub met my requirements/I got what I needed"	**95%**
The percentage of people who feel more informed about their locality as a result of attending a Neighbourhood Partnership Roadshow.	**70%**

Well-being objective 4.2:
Ensure effective governance arrangements and improved performance in key areas

1 What do we want to achieve?

The Council's latest performance against National Indicators used by all Local Authorities in Wales shows the progress that is being made in key areas. The Council was the third-most improved in Wales, with performance in social services and education being particularly critical to this achievement. This performance reflects the work that has been done since the findings of the Corporate Assessment undertaken by the Wales Audit Office (WAO) in 2014. Since that time, the Council's approach to performance management has been developed while consulting with the WAO to ensure greater visibility of performance information, stronger challenge and support for underperformance along with a focus on specific areas.

The Council's approach to performance management will continue to develop in 2017-18, building on the steps already taken to ensure that the right level of performance information is available to the right groups at the right time to enable evidence-led decision making and continued improvement in key service areas.

2 Commitment

	Lead Member	Lead Directorate
Implement the new Performance Management Strategy across the organisation to support the Council's continued improvement	**Cllr Graham Hinchey**	**Resources**
Further reduce sickness absence by March 2018 through continued monitoring, compliance and support for employees and managers	**Cllr Graham Hinchey**	**Resources**
Implement refreshed Personal Performance and Development Review (PPDR) scheme by March 2018 to improve staff performance	**Cllr Graham Hinchey**	**Resources**
Ensure the Council's decision making process is timely, inclusive, open, honest and accountable	**Cllr Dan De'Ath**	**Governance & Legal Services**

3 Measuring Progress

	Target
The number of working days/shifts per full-time equivalent (FTE) local authority employee lost due to sickness absence	**9**
Percentage of Personal Performance and Development Reviews completed for permanent staff	**95%**
The number of 'Live' webcast hits: • Full Council Meetings • Planning Committees • Scrutiny Committees	 **1,200** **600** **400**
The number of external contributors to Scrutiny meetings	**TBC**
The percentage of draft committee minutes published on the website within 10 working days of the meeting being held	**80%**

Well-being objective 4.3:
Our services are transformed to make them more accessible, more flexible and more efficient

1 What do we want to achieve?

Increasing demand and continued financial pressure means that the Council must ensure resources are managed efficiently to ensure long term sustainability. Managing our property and rationalising our estate remains a priority and we are also focused on changing the way we deliver to maximise the resource available to us.

The current cost of operating the property estate is the second largest call on the Council's budget, after staff, at around £50m per annum, including planned maintenance. There is also a growing maintenance backlog in excess of £100m.

The Council will focus on reducing the cost of ownership of the operational property by rationalising the estate and by improving the quality of buildings that are retained. An important part of this agenda will involve improving co-operation around property with partners.

Making sure we deliver results effectively now and in the long term requires us to develop and implement alternative models for delivering services. Traditionally, the Council has been a direct provider of many services. Through the ODP, the Council is developing other approaches, such as commissioning and working with community groups, reducing the cost of delivery while maintaining the quality of service. This approach aligns with feedback from previous consultation, which suggests that residents value the quality of services and not necessarily who is responsible for their delivery. Identifying how some services can effectively, and fairly, be commercialised and engaging people more meaningfully in designing services are also components of this agenda.

2 Commitment

	Lead Member	Lead Directorate
Deliver the Council's property strategy for fewer but better buildings	Cllr Graham Hinchey	Economic Development
Change our way of working through digitalisation, reflecting changes in customer preference by enabling them to interact with our services through their preferred methods, enabling the Council to adopt more efficient working practices	Cllr Graham Hinchey	Communities, Housing & Customer Services
The Council fleet to include 5% alternative fuelled and fuel-efficient vehicles by April 2018, continuing to increase alternative and efficient fuel usage by 10% per annum thereafter.	Cllr Graham Hinchey	Economic Development
Commercialise key Council services to increase net gross income	Cllr Graham Hinchey	Economic Development
Further develop the Medium Term Financial Plan to inform the Annual Budget Setting Process, ensuring robust decision making which is sustainable in the longer term	Cllr Graham Hinchey	Resources
Implement the workforce strategy to develop and appropriately skill the workforce to meet the changing needs and demands of the Authority	Cllr Graham Hinchey	Resources
Achieve the Silver Level of the Corporate Health Standard by March 2018 to promote and support the health and wellbeing of employees	Cllr Graham Hinchey	Resources

3 Measuring Progress

	Target
Reduce the gross internal area of buildings in operational use	**70,000 sqft / 1%**
Customer contacts to the Council using digital channels	**10% increase**
Reduce the total running cost of occupied operationa builings	**2.80%**
Reduce the maintenance backlog	**£1.3m**
Capital Income generated	**£7.3 million**
Commercial and Collaboration gross income target achieved (£)	**£459,000**
Increase customer satisfaction with Commercial and Collaboration Services	**Establish baseline in 2017-18**
Maintian customer/citizen satisfatcion with Council services	**80.8%**

Corporate Plan Appendix NSIs, PAMs and Local Indicators

Key:
AY = Academic Year
NSI = National Strategic Indicator
PAM = Public Accountability Measure

Expected Future Direction of Travel:
A judgement about the expected direction of travel for this measure, based on the progress against actions and measures.
Up Arrow = Performance expected to improve
Down Arrow = Performance expected to worsen
Flat Arrow = Performance expected to remain stable
Not available = Insufficient information to make a judgement

Results / Targets:
Not available = Information will be obtained, but it is not yet available – e.g. Year-end benchmarking information
Not applicable = Where information does not exist – e.g. Wales Result for local indicators
2016-17 results are for Year-to-date at the end of December 2016 (Quarter 3), unless otherwise stated.

Priority 1: Better education and skills for all

Well-being Objective 1.1: Every Cardiff school is a great school

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	2016-17 Wales Average (AY 15-16)	2016-17 Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
LED/3	The percentage of **Primary schools** categorised as 'Green' in the annual Welsh Government School Categorisation process	Local	Not available	25%	34%	35% (Actual - 38%)	27% (2016-17)	Not available	↑	Cllr Sarah Merry
LED/3	The percentage of **Secondary schools** categorised as 'Green' in the annual Welsh Government School Categorisation process	Local	Not available	11%	26%	27% (Actual - 26%)	26% (2016-17)	Not available	↔	Cllr Sarah Merry
LED/3	The percentage of **Special schools** categorised as 'Green' in the annual Welsh Government School Categorisation process	Local	Not available	57%	57%	86% (Actual - 63%)	41% (2016-17)	Not available	↑	Cllr Sarah Merry
EDU/003	The percentage of **all pupils** achieving the Core Subject Indicator at the end of **Key Stage 2**	Local	85%	88%	90%	90%	89%	8	↑	Cllr Sarah Merry
LED/27	The percentage of pupils **eligible for free school meals** achieving the Core Subject Indicator at the end of **Key Stage 2**	Local	72%	77%	79%	80.6%	77%	Not available	↑	Cllr Sarah Merry

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	2016-17 Wales Average (AY 15-16)	2016-17 Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
LED/27	The percentage of pupils **not eligible for free school meals** achieving the Core Subject Indicator at the end of **Key Stage 2**	Local	89%	91%	93%	93%	91%	Not available	⇧	Cllr Sarah Merry
EDU/017	The percentage of all pupils in Year 11 achieving the **Level 2+** threshold (5 GCSEs at grades A*-C including English or Welsh first language and Mathematics) at the end of **Key Stage 4**	Local and NSI (combined)	54%	59%	63%	65%	60%	8	⇧	Cllr Sarah Merry
LED/6	The percentage of pupils **eligible for free school meals** in Year 11 achieving the **Level 2+** threshold (5 GCSEs at grades A*-C including English or Welsh first language and Mathematics) at the end of **Key Stage 4**	Local and NSI (combined)	27%	32%	39%	43%	36%	Not available	⇧	Cllr Sarah Merry
LED/6	The percentage of pupils **not eligible for free school meals** in Year 11 achieving the **Level 2+** threshold (5 GCSEs at grades A*-C including English or Welsh first language and Mathematics) at the end of **Key Stage 4**	Local and NSI (combined)	61%	67%	69%	70%	67%	Not available	⇧	Cllr Sarah Merry

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	2016-17 Wales Average (AY 15-16)	2016-17 Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
LED/4	The percentage of pupils in Year 11 achieving the **Level 2** threshold (5 GCSEs at grades A*-C) at the end of **Key Stage 4**	Local	76%	82%	84%	85%	84%	13	↑	Cllr Sarah Merry
LED/5	The percentage of pupils in Year 11 achieving the **Level 1** threshold (5 GCSEs at grades A-G) at the end of **Key Stage 4**	Local	93%	92%	94%	97%	95%	17	↑	Cllr Sarah Merry
EDU/016 B	Percentage Attendance at Secondary school	PAM	94%	94%	95%	95%	94%	7	↑	Cllr Sarah Merry
EDU/016 A	Percentage Attendance at Primary school	PAM	95%	95%	95%	95.5%	94.9%	9	↔	Cllr Sarah Merry
LED/1	The proportion of **Primary schools** where **Standards** are judged by Estyn to be good or excellent on a 3 year rolling basis (schools inspected in period)	Local	81%	76%	71%	85%	Not available	Not available	↓	Cllr Sarah Merry
LED/2	The proportion of **Primary schools** where **Capacity to Improve** is judged by Estyn to be good or excellent on a 3 year rolling basis (schools inspected in period)	Local	74%	74%	74%	85%	Not available	Not available	↔	Cllr Sarah Merry
LED/1	The proportion of **Secondary schools** where **Standards** are judged by	Local	40%	45%	44%	55%	Not available	Not available	↔	Cllr Sarah Merry

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	2016-17 Wales Average (AY 15-16)	2016-17 Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
	Estyn to be good or excellent on a 3 year rolling basis (schools inspected in period)									
LED/2	The proportion of **Secondary schools** where **Capacity to Improve** is judged by Estyn to be good or excellent on a 3 year rolling basis (schools inspected in period)	Local	40%	45%	33%	55%	Not available	Not available	↓	Cllr Sarah Merry
LED/1	The proportion of **Special schools** where **Standards** are judged by Estyn to be good or excellent on a 3 year rolling basis (schools inspected in period)	Local	100%	100%	75%	75%	Not available	Not available	↓	Cllr Sarah Merry
LED/2	The proportion of **Special schools** where **Capacity to Improve** is judged by Estyn to be good or excellent on a 3 year rolling basis (schools inspected in period)	Local	80%	75%	25%	85%	Not available	Not available	↓	Cllr Sarah Merry
LED/18	The number of schools subject to follow-up action post inspection, by Estyn: **Schools in Estyn monitoring**	Local	Not available	4	7	5	Not available	Not available	↓	Cllr Sarah Merry
LED/18	The number of schools subject to follow-up action post inspection, by Estyn:	Local	Not available	3	3	0	Not available	Not available	↔	Cllr Sarah Merry

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	2016-17 Wales Average (AY 15-16)	2016-17 Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
	Schools Requiring Significant improvement									
LED/18	The number of schools subject to follow-up action post inspection, by Estyn: **Schools in Special Measures**	Local	Not available	3	3	0	Not available	Not available	⟷	Cllr Sarah Merry
LED/15	The percentage of children securing their first choice of school placement – **Primary school**	Local	Not available	88%	86%	80%	Not available	Not available	↓	Cllr Sarah Merry
LED/15	The percentage of children securing their first choice of school placement – **Secondary school**	Local	Not available	87%	76%	70%	Not available	Not available	↓	Cllr Sarah Merry
LED/16	The percentage of children securing one of their three choices of school placement – **Primary school**	Local	Not available	93%	93%	90%	Not available	Not available	↓	Cllr Sarah Merry
LED/16	The percentage of children securing one of their three choices of school placement – **Secondary school**	Local	Not available	94%	93%	90%	Not available	Not available	↓	Cllr Sarah Merry
LED/28	The new Capped Points Score (Capped 9) – Year 11 pupil results from nine of the qualifications available in Wales	Local	New indicator for 17-18	New indicator for 17-18	New indicator for 17-18	New indicator for 17-18	New indicator for 17-18	New indicator for 17-18	Not available	Cllr Sarah Merry

Well-being Objective 1.2: Looked after children in Cardiff achieve their potential

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	2016-17 Wales Average (AY 15-16)	2016-17 Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
Measure 26	Percentage of Looked After children returned home from care during the year	SSWB	New indicator for 16-17	New indicator for 16-17	9.9%	12%	New indicator for 16-17	New indicator for 16-17	Not available	Cllr Sue Lent
SCC/022 (a)	Percentage attendance of Looked After pupils whilst in care in primary schools	SSWB	96.9%	96.7%	Not available – recorded annually	98%	96.4%	10	Not available	Cllr Sue Lent
SCC/022 (b)	Percentage attendance of Looked After pupils whilst in care in secondary schools	SSWB	93.6%	91.8%	Not available – recorded annually	93%	92.5%	16	Not available	Cllr Sue Lent
Measure 32 (Previously SCC/002)	The percentage of children Looked After at 31 March who have experienced one or more changes of school, during a period or periods of being looked after, which were not due to transitional arrangements, in the 12 months to 31 March	SSWB (Previously NSI)	17.8%	9.1%	Not available – recorded annually	9%	11.9%	6	Not available	Cllr Sue Lent
Measure 34 (Previously SCC/004)	The percentage of children Looked After on 31 March who have had three or more placements during the year	SSWB (Previously NSI & PAM)	10.5%	9.9%	Not available – recorded annually	9%	9.8%	15	Not available	Cllr Sue Lent

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	2016-17 Wales Average (AY 15-16)	2016-17 Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
LED/30	The percentage of children looked after by Cardiff Council, as at the annual pupil census date, achieving the Core Subject Indicator (expected levels in English or Welsh first language, Science and Mathematics) at the end of Key Stage 2	Local	New indicator for 16-17	New indicator for 16-17	70% (19 out of 27 pupils)	73% (22 out of 30 pupils)	Not available	Not available	⇧	Cllr Sue Lent
LED/30	The percentage of children looked after by Cardiff Council, as at the annual pupil census date, achieving the Level 1 threshold (5 GCSEs at grades A*-G) at the end of Key Stage 4	Local	New indicator for 16-17	New indicator for 16-17	54% (25 out of 46 pupils)	57% (31 out of 54 pupils)	Not available	Not available	Not available	Cllr Sue Lent
LED/30	The percentage of children looked after by Cardiff Council, as at the annual pupil census date, achieving the Level 2 threshold (5 GCSEs at grades A*-C) at the end of Key Stage 4	Local	New indicator for 16-17	New indicator for 16-17	33% (15 out of 46 pupils)	33% (18 out of 54 pupils)	Not available	Not available	Not available	Cllr Sue Lent
LED/30	The percentage of children looked after by Cardiff Council, as at the annual pupil census date, achieving – the Level 2+ threshold (5 GCSEs at grades A*-C including	Local	New indicator for 16-17	New indicator for 16-17	15% (7 out of 46 pupils)	7% (4 out of 54 pupils)	Not available	Not available	Not available	Cllr Sue Lent

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	2016-17 Wales Average (AY 15-16)	2016-17 Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
	English or Welsh first language and Mathematics) at the end of Key Stage 4									
Measure 34a	The percentage of all care leavers in education, training or employment at 12 months after leaving care	SSWB	New Indicator for 16-17	New Indicator for 16-17	Not yet recorded	To be confirmed	New Indicator for 16-17	New Indicator for 16-17	Not available	Cllr Sue Lent
Measure 34b	The percentage of all care leavers in education, training or employment at 24 months after leaving care	SSWB	New Indicator for 16-17	New Indicator for 16-17	Not yet recorded	To be confirmed	New Indicator for 16-17	New Indicator for 16-17	Not available	Cllr Sue Lent

Well-being Objective 1.3: People are supported into work and education

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	2016-17 Wales Average (AY 15-16)	2016-17 Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
New	The number of people receiving Into Work Advice	Local	31,259	40,005	30,845	41,000	Not available	Not available	⇧	Cllr Dan De'Ath
New	The number of people successfully engaging with the Into Work Advice Service and completing accredited training	Local	2,257	1,431	921	1,200	Not available	Not available	⇩	Cllr Dan De'Ath
New	The number of people who have been affected by The Benefit Cap and are engaging with the Into Work Advice Service	Local	Not available	Not available	Not available	150	Not available	Not available	Not available	Cllr Dan De'Ath
New	The number of Into Work Advice Service customers supported with their claims for Universal Credit	Local	Not available	Not available	541	800	Not available	Not available	⇧	Cllr Dan De'Ath
ACL02	Maintain the success rate at or above the Adult Community Learning National Comparator	DfES / Local	72%	87%	94%	90%	90%	Not available	⇧	Cllr Dan De'Ath
New	Enrolment rate for learners within deprivation deciles one and two	WG	24%	44%	47%	45%	Not available	Not available	⇧	Cllr Dan De'Ath

Priority 2: Supporting Vulnerable People

Well-being Objective 2.1: People at risk in Cardiff are safeguarded

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	2016-17 Wales Average (AY 15-16)	2016-17 Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
New	Council staff completing Level 1 of the National Training Framework on violence against women, domestic abuse and sexual violence, as a percentage of all staff	WG	New indicator for 17-18	New indicator for 17-18	New indicator for 17-18	50%	New indicator for 17-18	New indicator for 17-18	Not available	Cllr Dan De'Ath
Staff 1	The percentage of Children's Services social work vacancies across the service	Local	27.2%	22.2%	23.6%	18%	Local indicator	Local indicator	⟺	Cllr Sue Lent
Measure 27	The percentage of re-registrations on the Child Protection Register during the year	SSWB	New indicator for 16-17	New indicator for 16-17	3.7%	4%	New indicator for 16-17	New indicator for 16-17	Not available	Cllr Sue Lent
Measure 25	The percentage of children supported to remain living within their family	SSWB	New indicator for 16-17	New indicator for 16-17	56.6%	59%	New indicator for 16-17	New indicator for 16-17	Not available	Cllr Sue Lent
Measure 18	The percentage of adult protection enquiries completed within seven working days	SSWB	New indicator for 16-17	New indicator for 16-17	98%	To be confirmed	New indicator for 16-17	New indicator for 16-17	Not available	Cllr Sue Lent

Well-being Objective 2.2: People in Cardiff have access to good quality housing

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	2016-17 Wales Average (AY 15-16)	2016-17 Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
New	The percentage of affordable housing agreed at planning stage to be provided in a development on greenfield sites	WG	25%	36%	Not available	30%	Not available	Not available	⇧	Cllr Ramesh Patel
New	The percentage of affordable housing agreed at planning stage to be provided in a development on brownfield sites	WG	11%	16%	Not available	20%	Not available	Not available	⇧	Cllr Ramesh Patel
New	The number of homes commenced on site through Cardiff Living in year – Council Homes	Local	Not available	Not available	Not available	136	Not applicable	Not applicable	Not available	Cllr Susan Elsmore
New	The number of homes commenced on site through Cardiff Living in year – All Homes	Local	Not available	Not available	Not available	353	Not applicable	Not applicable	Not available	Cllr Susan Elsmore
New	The percentage of people who experienced successful outcomes through the Homelessness Reconnection Service	Local	Not available	Not available	Not available	50%	Not applicable	Not applicable	Not available	Cllr Susan Elsmore
New	The number of rough sleepers assisted into accommodation	Local	Not available	Not available	Not available	144	Not applicable	Not applicable	Not available	Cllr Susan Elsmore

Well-being Objective 2.3: People in Cardiff are supported to live independently

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	2016-17 Wales Average (AY 15-16)	2016-17 Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
New	The percentage of new cases dealt with directly at First Point of Contact with no onward referral to Adult Services	Local	Not available	Not available	57%	60%	Not applicable	Not applicable	⇧	Cllr Susan Elsmore
New	The total number of alternative solutions provided by Independent Living that help people remain independent at home	Local	Not available	Not available	2,909 (Quarters 2 and 3)	3,900	Not applicable	Not applicable	Not available	Cllr Susan Elsmore
New	The percentage of people who feel reconnected into their community, through intervention from day opportunities	Local	Not available	Not available	Not available	60%	Not applicable	Not applicable	Not available	Cllr Susan Elsmore
CASKPI9	The percentage of Telecare calls resulting in an ambulance being called out	Local	7.30%	7.10%	6%	Less than 10%	Not applicable	Not applicable	⇧	Cllr Susan Elsmore
New	The percentage of Assistive Living technology trial participants who think the service helps them remain in their own home	Local	Not available	Not available	Not available	65%	Not applicable	Not applicable	Not available	Cllr Susan Elsmore
Measure 19	The rate of delayed transfers of care for social care reasons per 1000 population aged 75 or over	SSWB	New indicator for 16-17	New indicator for 16-17	New indicator for 16-17	To be confirmed	New indicator for 16-17	New indicator for 16-17	Not available	Cllr Susan Elsmore

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	2016-17 Wales Average (AY 15-16)	2016-17 Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
SCAL 25a	The number of children and adults in need of care and support using the Direct Payments scheme	Local	New indicator for 17-18	New indicator for 17-18	New indicator for 17-18	910	Not applicable	Not applicable	Not available	Cllr Susan Elsmore
SCA/018 (a)	The percentage of eligible adults who are caring for adults that are offered a carers assessment during the year	Local (previously PAM)	64.4%	76.8%	61.7%	90%	91.4%	19	⇔	Cllr Susan Elsmore
Measure 35	The percentage of care leavers aged 16-24 experiencing homelessness during the year	SSWB	New indicator for 16-17	New indicator for 16-17	New indicator for 16-17	To be confirmed	New indicator for 16-17	New indicator for 16-17	Not available	Cllr Susan Elsmore

Priority 3: An economy that benefits all our citizens

Well-being Objective 3.1: Cardiff has more and better paid jobs

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	2016-17 Wales Average (AY 15-16)	2016-17 Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
EEI001-Q	New and safeguarded jobs in businesses supported by the Council, financially or otherwise	Local	2,395	4,304	586	500	Not applicable	Not applicable	↑	Cllr Phil Bale
ED005	The amount of 'Grade A' office space committed to in Cardiff (sq. ft.)	Local	New indicator for 16-17	New indicator for 16-17	285,070 sq. ft.	150,000 sq. ft.	Not applicable	Not applicable	↑	Cllr Phil Bale
F&ED-D	Gross Value Added per capita (compared to UK average) Note: city indicator that relates to well-being objective	City Indicator	89.40%	89.90%	Not available	Above Wales average	71%	Not available	Not available	Cllr Phil Bale
F&ED-E	Unemployment (compared to Welsh average) Note: city indicator that relates to well-being objective	City Indicator	2.90%	2.40%	Not available	Below Wales Average	2.30%	Not available	↑	Cllr Phil Bale
PED 013	Increase in Number of staying visitors	Local	1.91 million	2 million	Not available	2% increase per annum	Not applicable	Not applicable	↑	Cllr Phil Bale
ECR15a	Increase in Total visitor numbers	Local	19.53 million	20.51 million	Not available	3% increase per annum	Not available	Not available	↑	Cllr Phil Bale

Well-being Objective 3.2: Cardiff has a high quality city environment where population growth and transport needs are managed sustainably

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	2016-17 Wales Average (AY 15-16)	2016-17 Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
LTPPI/011	Mode of Travel to Work: Sustainable Transport	Local	43.10%	43.90%	44.90%	45.10%	Not available	Not available	↑	Cllr Ramesh Patel
LTPPI/011C	Mode of Travel to Work: Cycling	Local	8.40%	9.20%	10%	11.20%	Not available	Not available	↑	Cllr Ramesh Patel
None	The percentage of major applications determined within agreed time periods	Local	36.67%	42.37%	33.33%	25%	Not available	Not available	↑	Cllr Ramesh Patel
None	The percentage of householder planning applications determined within agreed time periods	Local	82.64%	84.02%	95.15%	80%	Not available	Not available	↑	Cllr Ramesh Patel
WMT - 009b	The percentage of municipal waste collected by local authorities and prepared for reuse and/or recycled, including source-segregated biowastes that are composted or treated biologically in another way	NSI	53.38%	58.17%	Not available	61%	60.19%	19	↔	Cllr Bob Derbyshire
New	Maximum permissible tonnage of biodegradable municipal waste sent to Landfill	Local	29,328 tonnes	6,807 tonnes	Not available	37,627 tonnes	Not available	Not available	↑	Cllr Bob Derbyshire
ES001	Capacity (in MW) of renewable energy equipment installed on the Council's land and assets	Local	0.417MW	0.698MW	Not available	6MW	Not available	Not available	↑	Cllr Ramesh Patel

Well-being Objective 3.3: All young people in Cardiff make a successful transition into employment, education or training

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	2016-17 Wales Average (AY 15-16)	2016-17 Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
LED/8	The percentage of Year 11 leavers making a successful transition from compulsory schooling to education, employment or training	Local	95.7% (4.3% NEET)	95.5% (4.5% NEET)	Not available	97.5% (2.5% NEET)	96.9% (3.1% NEET)	22	⬌	Cllr Phil Bale & Cllr Sarah Merry
LED/9	The percentage of Year 13 leavers making a successful transition from schooling to education, employment or training	Local	95.6% (4.4% NEET)	97.05% (2.95% NEET)	Not available	98% (2% NEET)	96.24% (3.76% NEET)	7	⇧	Cllr Phil Bale & Cllr Sarah Merry
LED/29	The number of young people in Cardiff, aged 16 - 18 years old, known not to be in education, employment or training (Careers Wales Tiers 2 & 3)	Local	1028 pupils	750 pupils	426 pupils	300 pupils	Not available	Not available	⇧	Cllr Phil Bale & Cllr Sarah Merry
EDU/002i	The percentage of young people in Cardiff Schools achieving a recognised qualification by the end of Year 11	NSI	Not available	99.5%	99%	99.5%	99.1%	Not available	⬌	Cllr Phil Bale & Cllr Sarah Merry
HRPS1	The number of apprenticeships, traineeships and work placement opportunities created by the Council in 2017-18	Local	4	Not available	Not available	Not available	Not available	Not available	⇧	Cllr Graham Hinchey

Well-being Objective 3.4: Ensure high quality and sustainable provision of culture, leisure and public spaces in the city

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	2016-17 Wales Average (AY 15-16)	2016-17 Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
SLC10	The number of Green Flag Parks and Open Spaces	Local	New indicator for 15-16	9	10	11	3.5	2	⇧	Cllr Bob Derbyshire
STS/005b	The percentage of highways inspected of a high or acceptable standard of cleanliness	National	86.79%	90.64%	84.21%	90%	96.5%	20	⇧	Cllr Bob Derbyshire
STS/006	The percentage of reported fly tipping incidents cleared within five working days	National	82.61%	97.91%	98.57%	90%	95.26%	4	⇧	Cllr Bob Derbyshire
LCS/002b	The number of visits to local authority sport and leisure centres during the year per 1,000 population where the visitor will be participating in physical activity	National	8,744.01	8,028.30	Not available	8,266.00	8,409.00	13	⇩	Cllr Peter Bradbury
THS/012	The percentage of principal A roads, non-principal/classified B roads and non-principal/classified C roads that are in overall poor condition	National	6.83%	5.23%	Not available	7%	11.2%	6	⇧	Cllr Ramesh Patel

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	Wales Av. (AY 15-16)	Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
TBC	The number of pupils enrolled in Welsh medium education aged 4 - 18 years.	Local	6,541	6,867	7,010	7,222	Not available	Not available	↑	Cllr Phil Bale
TBC	The percentage of pupils achieving at least outcome 5 in language, literacy and communication skills in Welsh medium schools, at the end of the Foundation Phase (Year 2).	Local	90.5%	92.8%	93.1%	93.5%	90.7%	8	↑	Cllr Phil Bale
TBC	The percentage of pupils achieving at least level 4 in teacher assessment in Welsh 1st Language at the end of Key Stage 2 (Year 6).	Local	90.1%	93.7%	96.1%	96%	90.8%	2	↑	Cllr Phil Bale
TBC	The percentage of pupils achieving a Level 2 qualification (A*-C grade GCSE) in Welsh 1st Language at the end of Key Stage 4 (Year 11)	Local	83%	84.1%	79.8%	82%	75.1%	Not available	↔	Cllr Phil Bale
TBC	The percentage of pupils achieving a Level 2 qualification (A*-C grade GCSE) in Welsh 2nd Language at the end of Key Stage 4 (Year 11)	Local	Not available	Not available	83.2%	83.5%	80%	Not available	↑	Cllr Phil Bale
TBC	The number of Council employees undertaking Welsh language training	Local	85	123	113	Not available	Not available	Not available	↑	Cllr Phil Bale

Priority 4: Working together to transform services

Well-being Objective 4.1: Communities and partners are involved in the redesign, development and delivery of local public services

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	2016-17 Wales Average (AY 15-16)	2016-17 Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
HUBPI1	The number of visitors to Libraries and Hubs across the city	Local	2,945,838	3,068,228	1,839,464 (On target - Virtual visits for the full year are added in Q4)	3,200,000	Not available	Not available	⇧	Cllr Peter Bradbury
HUBPI3	The percentage of customers who agreed with the statement "Overall the Hub met my requirements/I got what I needed"	Local	Not available	Not available	99%	95%	Not available	Not available	⇧	Cllr Peter Bradbury
New	The percentage of people who feel more informed about their locality as a result of attending a Neighbourhood Partnership Roadshow	Local	Not available	Not available	Not available	70%	Not available	Not available	Not Available	Cllr Peter Bradbury

Well-being Objective 4.2: Cardiff Council will have good governance arrangements and improved performance in key areas

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	2016-17 Wales Average (AY 15-16)	2016-17 Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
CHR/002	The number of working days/shifts per full-time equivalent (FTE) local authority employee lost due to sickness absence	PAM	10.11	9.56	10.63	9	10.2	4	⇩	Cllr Graham Hinchey
HRPS2a	The percentage of Personal Performance & Development Reviews completed for permanent staff	Local	89%	90%	92%	95%	Not available	Not available	⇧	Cllr Graham Hinchey
New	The number of 'Live' webcast hits a. Full Council	Local	New indicator for 16-17	New indicator for 16-17	1,210	1,200	Not applicable	Not applicable	Not available	Cllr Dan De'Ath
New	The number of 'Live' webcast hits b. Planning Committee	Local	New indicator for 16-17	New indicator for 16-17	457	600	Not applicable	Not applicable	Not available	Cllr Dan De'Ath
New	The number of 'Live' webcast hits c. Scrutiny Committees	Local	New indicator for 16-17	New indicator for 16-17	91 (Quarter 3 only)	400	Not applicable	Not applicable	Not available	Cllr Dan De'Ath
New	The number of external contributors to Scrutiny meetings	Local	New indicator for 17-18	New indicator for 17-18	New indicator for 17-18	To be confirmed	Not applicable	Not applicable	Not available	Cllr Dan De'Ath
New	The percentage of draft committee minutes published on the website within 10 working days of the meeting being held	Local	New indicator for 17-18	New indicator for 17-18	Q1 - 75.8% Q2 - 82.6% Q3 - 67.1%	80%	Not applicable	Not applicable	Not available	Cllr Dan De'Ath

Well-being Objective 4.3: Transform our services to make them more accessible, more flexible and more efficient

Ref	Measure	Type	2014-2015 Result (AY 13-14)	2015-2016 Result (AY 14-15)	2016-2017 Result (AY 15-16)	2017-18 Target (AY 16-17)	2016-17 Wales Average (AY 15-16)	2016-17 Wales Rank (AY 15-16)	Expected Future Direction of Travel	Lead Member
ED014	Reduce the gross internal area (GIA) of buildings in operational use	Local	2.50%	3.50%	4.20%	1%	Not available	Not available	↑	Cllr Phil Bale
New	Customer contacts to the Council using digital channels	Local	Not available	536,699	447,767	10% increase	Not available	Not available	↑	Cllr Graham Hinchey
ED015	Reduce the total running cost of occupied operational buildings	Local	Not available	2.70%	5.30%	2.80%	Not available	Not available	↑	Cllr Phil Bale
ED018	Reduce the maintenance backlog	Local	£900,000	£4,300,000	£2,335,961	£1,300,000	Not available	Not available	↑	Cllr Phil Bale
New	Capital Income generated	Local	Not available	£6,869,352	£430,000	£7,300,000	Not available	Not available	↑	Cllr Phil Bale
New	Commercial and Collaboration gross income target achieved (£)	Local	Results not collected	Results not collected	Not available	£459,000	Not available	Not available	Not Available	Cllrs Bale, Bradbury & Hinchey
New	Increase customer satisfaction with Commercial and Collaboration Services	Local	Results not collected	Results not collected	Not available	Establish baseline in 17-18	Not available	Not available	Not Available	Cllrs Bale, Bradbury & Hinchey
RES4	Maintain customer / citizen satisfaction with Council services	Local	80.80%	69.30%	68.20%	70%	Not available	Not available	↔	Cllr Graham Hinchey

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CITY & COUNTY OF CARDIFF
DINAS A SIR CAERDYDD

COUNCIL: 23 FEBRUARY 2017

CARDIFF
CAERDYDD

CABINET PROPOSAL

BUDGET PROPOSALS 2017/18

Appendix 12(d) is exempt from publication because it contains information of the kind described in paragraphs 14 and 21 of parts 4 and 5 of Schedule 12A to the Local Government Act 1972

Reason for this Report

To enable the Cabinet to:

1. Having considered and reflected on the responses to all aspects of the consultation, submit to Council their proposal for the estimates of expenditure and income in order to set the Council Tax in accordance with the Local Government Finance Act 1992.

2. Recommend to Council the strategy and plan for the control of the Authority's borrowing and investments for the year 2017/18 (the Annual Treasury Management Strategy).

3. Recognise the financial challenges facing the Council, as set out in the Medium Term Financial Plan, and note the opportunities for savings.

4. Recognise the work undertaken to raise awareness of, and ensure the financial resilience of the Council.

5. Recommend to Council the Prudential Code, capital expenditure and treasury indicators for 2017/18-2019/20 and the Council's Minimum Revenue Provision Policy for 2017/18.

6. Set the rent levels for Housing Revenue Account properties, service charges and management fees for leaseholders for 2017/18.

7. Agree the rates of fees and charges for Council services for 2017/18.

8. Approve the Supporting People Spending Plan for 2017/18.

Structure of the Report

9. The Council's Budget Report needs to provide sufficient assurance that a balanced budget and affordable capital programme has been set and that robust advice has been given and considered in respect of the adequacy of reserves and ongoing financial resilience. It also needs to set out the Council's financial strategy over the medium term.

10. The following table summarises the location of key sections of the report. The implications to the report, and in particular, the statement made by the Section 151 Officer contained within the financial implications should be noted.

Budget Report Section	From Para No	Detail included within section
Background	11	Budget context, Corporate Plan, Sustainable Development Principle and Organisational Development
Consultation & Engagement	30	Public Consultation, Scrutiny Committees and other stakeholders
Revenue Budget	38	Welsh Government Settlement, Cardiff's Resources required and available
Financial Standing, Risks and financial resilience	53	Financial standing, risks, financial resilience and reserves
Service Implications of budget	81	Directorate analyses, amendments post consultation, council-wide proposals
Other service matters	154	Supporting People Programme Grant Spending Plan
Medium Term Financial Plan & Strategy	166	Overview of plan, Future Outlook, assumptions, sensitivity analysis
Council response to the MTFP	212	Updated budget gap, planning assumptions, savings opportunities
Cardiff Capital Region City Deal	219	Update
Housing Revenue Account	224	Budget breakdown, rent setting, service charges
School Organisation Plan	239	Progress update, investment programme, use of reserve
Civil Parking Enforcement	258	Income, expenditure and use of reserves
Harbour Authority	270	Income, expenditure and grant arrangements
Capital	284	Programme, pressures, resources and prudential indicators
Treasury Management	339	Strategy, borrowing and investment policies, prudential indicators
Implications	407	HR, Legal & Financial Implications

Background

11. With reducing funding and increasing demand for services, councils must be clear about their priorities. The City of Cardiff Council's priorities and vision for the city are encapsulated in its Corporate Plan and the Liveable City Report. As the Council's key strategic financial document, the Budget and associated Medium Term Financial Plan will provide the resources to finance these plans where appropriate.

12. Cabinet and Council will consider the 2017/18 Corporate Plan in February 2017, as part of the same agenda as this Budget. The plan confirms Council priorities as:

    - Better education and skills for all
    - Supporting vulnerable people
    - An economy that benefits all our citizens
    - Working together to transform services

13. The strategic direction encapsulated in the above documents will be taken forward by directorates via their Delivery Plans which will continue to provide an important link between the Corporate Plan, the Budget, the "business as usual" work of directorates and the objectives set for individual employees.

14. Appendix 1(a) identifies how the 2017/18 Budget aligns with the Corporate Plan priorities identified above and the Council's core values of Open, Fair, Together. Key linkages include:-

    - significant continued investment in schools
    - significant investment in social services including resources for 68 additional posts
    - support for Cardiff Capital Region City Deal (CCRCD) and in Central Square
    - savings that aim to avoid cuts where possible by adopting a more commercial approach, by working with others and challenging internal processes
    - a two stage consultation process.

15. In setting the budget and Medium Term Financial Plan, it is important to recognise that financial decisions and budget assumptions set now, may continue to have an impact well beyond the life of the current Medium Term Financial Plan (MTFP). The Well-being of Future Generations (Wales) Act 2015 (Future Generations Act) requires all public bodies to act in accordance with the Sustainable Development Principle (SDP) by ensuring that they meet the needs of the present without compromising the ability of future generations to meet their own needs.

16. Considering longer term impacts is a proper part of robust and accountable financial planning. Over recent years, with resources under significant strain, the need to understand how key decisions, policies and assumptions will

affect the longer term has become more acute. Key technical features of the budget process which balance the impact of decisions now with their impact on future generations include:

- ensuring the long-term affordability of the capital programme through consideration and regular review of prudential indicators together with the Council's local affordability indicators
- ensuring that debt repayment periods are set at levels that avoid "mortgaging" future generations in a way that would limit their ability to take forward their own capital investment
- modelling a future budgetary outlook to understand what the Council's budget will look like in the future if current policies and assumptions are retained for an extended timeframe.
- identifying current and future risks and assessing the Council's financial position and performance, in order to evaluate the Council's ongoing financial resilience
- weighing up the fact that budgetary opportunities foregone in one year, for example, income generation or price increases, will be lost not only in that year, but for each year thereafter, with significant cumulative impact over an extended period.

17. The Council has faced an unprecedented challenge over recent years, having identified £213 million savings over the 10 year period 2008/09 - 2017/18, with an estimated further budget reduction required over the medium term. Clearly, such financially challenging times have, and will continue to necessitate, significant levels of savings. In these circumstances, the responsibility of considering the impact of budgetary decisions on future generations becomes more challenging than in periods of economic growth.

18. Despite these difficulties, over this extended period, the Council has aimed to "future-proof" services for Cardiff wherever possible, preserving key services for future generations, albeit in some instances delivered in a different way. Whilst savings on an extremely significant scale have been inevitable, the Council has sought to collaborate with others to identify alternative delivery models to avoid services cuts, with examples including the ongoing savings identified from the Shared Regulatory Service and the newly implemented arrangements for Leisure Services. Within the 2017/18 proposals there is a focus on becoming more commercial in order to enable services to reduce their reliance on Council subsidy, an approach that has garnered support through the consultation process. The Council also continues to review and challenge internal processes, maximising the use of technology and securing value on contracts in order to protect front-line services as much as possible. Finally, many of the savings within Social Services, an area under extreme demand and price pressure, focus on early intervention and prevention with the dual benefits of reducing cost and improving outcomes.

19. As touched upon above, there is close alignment between the Council's budget, its core priorities and values. The Liveable City Report has been developed with public service partners to help identify collective objectives for improving the well-being of the citizens of Cardiff. It also acts as a summary of

the City's Well-being Assessment. The report looks at Cardiff today and Cardiff tomorrow, setting out the seven outcomes that matter most to the people of Cardiff. These outcomes, set out below, are closely aligned to the national ambitions for Wales' wellbeing as defined in the Future Generations Act. Appendix 1(b) sets out how the 2017/18 Budget provides support for the Liveable City vision and how it encompasses the five ways of working at the heart of the Act.

Liveable City Outcomes	Wales Well-being Aims
Cardiff is a great place to live, work and play	A Wales of vibrant culture and thriving Welsh Language
Cardiff has a thriving and prosperous economy	A prosperous Wales
People in Cardiff are safe and feel safe	A Wales of cohesive communities
People in Cardiff are healthy	A healthier Wales
People in Cardiff achieve their full potential	A prosperous Wales
People in Cardiff have a clean, attractive and sustainable environment	A resilient Wales
Cardiff is a fair, just and inclusive society	A more equal Wales
As the City grows, the Council will ensure a balanced and inclusive approach to city development and the delivery of services	A globally responsible Wales

20. The Council recognises that cities are the centre of economic activity and social change. Therefore whilst working within severe financial constraints on resources, the Council continues to progress initiatives to develop the City and the region. In January 2017, Cabinet and Council approved a report on the CCRCD setting out how the Council will work with nine other local authorities, who have signed up to the arrangement to work together to ensure the £1.2 billion deal delivers for the region. The report shows how the local authorities involved will work together to bring additional jobs and improved transport links to the region. Further information on the CCRCD is included later in the report. In addition, the Great Western Cities initiative will continue to review opportunities for Cardiff, Newport and Bristol to work together in key areas such as connectivity, inward investment and sustainable energy.

21. The three year Organisational Development Programme (ODP) was established in May 2014 and supports the Council and directorates in managing change, implementing new ways of working and alternative delivery models and in achieving budget savings arising from the Council's budget process. The ODP has two principal portfolios of work – Enabling & Commissioning Services and Reshaping Services. The Council's Senior

Management Team oversees the delivery of the ODP and tracks the progress of each project. The Programme is continually reviewed and refreshed with progress reports and updates on the Programme provided to Cabinet an Scrutiny. As part of this process, a review undertaken in May 2016 resulted in a renewed focus on Commercialisation and Performance & Governance.

22. The ODP is a key element in the Council's arrangements for performance and governance with the Wales Audit Office in their Corporate Assessment in 2014 and follow on report in 2016 noting that '*The Council is now at a critical point in ensuring that improved arrangements are embedded and implemented consistently and constructively across the organisation in order to achieve a step change in delivering outcomes*.' The ODP is also an essential enabler for improving the Council's financial resilience and releasing budget savings and has supported directorates with a range of initiatives and budget savings in 2016/17 including office rationalisation, the transfer of leisure centres, agile working and a range of commissioning and other initiatives in Social Services. Altogether the ODP has directly supported budget savings to the value of £8.4 million in 2016/17 with early engagement taking place with directorates in relation to supporting further initiatives and budget savings in 2017/18. A review of the success of the three year programme will shortly be undertaken in order to determine the next phase of work as the Council continues to align itself to a smaller, sustainable financial base.

23. Cabinet received the Budget Strategy report for 2017/18 in July 2016 that outlined the ongoing severity of the financial challenge facing the Council. It identified the anticipated budget reduction requirement over the medium term resulting from a combination of financial pressures and the expectation of further challenging funding settlements from Welsh Government (WG). The Report set the direction of travel for addressing the level of savings required, building upon a medium term savings framework that was developed as part of the 2016/17 Budget Strategy. The MTFP has been updated to take account of most recent price information and emerging financial pressures and is covered in detail later in the report. The proposed financial strategy for the medium term has also been updated, and will undergo further review during the spring, as part of a detailed refresh and roll-forward of the medium term savings framework.

24. Given the significant level of savings required in 2017/18 following the unprecedented levels in recent years, it is extremely important that proposals are robust, deliverable and effectively planned. Work has been ongoing throughout the year, to progressively challenge the budget proposals put forward by directorates to give Council confidence that all savings:

- included within directorate proposals are owned by the relevant director
- have been properly evaluated for residual and achievability risk
- have been subjected to a robust equality impact assessment where relevant
- 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 Cabinet members
- demonstrate transparency to ensure clarity at scrutiny committees and with other stakeholders.

25. 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. As the level of support provided by the WG barely meets current annual capital expenditure commitments, undertaking new schemes means that the Council has to increase its borrowing.

26. Accordingly, the Council continues to undertake unsupported borrowing as part of the Capital Programme. In the absence of additional capital funding, additional borrowing will eventually need to be paid for by revenue savings, revenue income or Council Tax and Housing Rents. Affordability indicators are prepared in relation to the Council's borrowing and the Section 151 Officer must consider whether the amounts contained are prudent and affordable. As set out by the Section 151 Officer in previous budget proposals:

    "Within this climate of reducing revenue resources, all action necessary must be taken to reduce both initial capital expenditure and the subsequent need to borrow."

27. Whilst additional borrowing may solve a short-term problem, borrowing has long-term financial implications, and must be affordable both now, as well as many years into the future. Set against the demand for these capital resources and the current economic climate difficult choices are required which may include:

    - determining whether a greater share of the Council's future revenue budget will need to be set aside to meet capital investment
    - securing better value and outcomes
    - ensuring capital investment is not used as a short term substitute for reducing revenue budgets
    - undertaking only priority, strategic and long term schemes.

28. Against this backdrop, the condition of the Council's assets is of concern as evidenced by increasing maintenance backlogs. The development of the Capital Programme has included a review of current commitments and robust consideration of new amounts approved for 2017/18. This was alongside the acknowledgement that key strategic schemes will need to be funded additionally in the medium term and significant existing commitments are assumed to be funded by earmarked capital receipts, which is in itself a significant risk. It will be important for the Council to relentlessly progress the recently approved strategies for Operational and Non-Operational Property assets to ensure a smaller, but fit for purpose property estate.

29. Later sections of this report review the Council's financial position across the life of the MTFP and identify both the challenges ahead and the material nature of the actions required. Council-wide solutions across this time frame

will need to be holistic and consider both revenue and capital spend. Therefore whilst approving the Capital Programme for the period up until 2021/22 Cabinet should be aware that the later years of the Programme, together with any new material commitments in respect of these later years, will be subject to an ongoing review of the Council's financial standing and resilience.

Consultation and Engagement

30. The Council places high regard on being open and transparent about the difficult choices it faces and wants to provide an opportunity for people to have their say on what is important to them and their communities. The Council's co-operative values focus on fairness, openness and working together. Greater consultation, engagement and joint working with citizens are at the heart of these values.

31. Consultation on the 2017/18 budget began as part of the Ask Cardiff Survey during the summer. This consulted on a number of budget themes and received 4,024 responses. This paved the way for a more detailed budget consultation, which took place between 10 November 2016 and 16 December 2016. This consultation took three forms:

- **City-wide public consultation** - on proposals which affect all citizens
- **Service-specific consultation** - with identified service users/groups or organisations
- **Internal Council consultation** - these elements relate to internal changes within the Council including back office efficiencies, staff changes and process improvements

32. The city-wide questionnaire contained 40 individual questions that covered a range of topics including austerity, commercialism, use of Council buildings, involving and empowering communities, going digital, providing care and support services locally and increasing fees and charges. The consultation was available through a number of mechanisms to ensure that it was as accessible as possible:

Engagement mechanisms	
Online	• Consultation information and questionnaire made available online via the Council's dedicated budget pages www.cardiff.gov.uk/budget as well as on the websites www.cardiffdebate.co.uk and www.askcardiff.com • Facebook Boosts to increase the visibility of the promotion • Opportunity for people to email comments via budget@cardiff.gov.uk • Regular promotion throughout the consultation period through social media via @cardiffcouncil @cardiffdebate and using #cdfbudget • Consultation was promoted via email to members of the Cardiff Citizens' Panel and Library Card Holders (53,281 unique email addresses) • Consultation promoted via email to stakeholders including partner organisations, MPs and AMs, Neighbourhood Partnerships and community group leaders • Communicated to approximately 6,000 staff within the City of Cardiff Council via Your News.
Hard copy	• 3,000 hard copies distributed through libraries, leisure centres and hubs • Direct mail of 3,000 surveys to households across the City with a boosted sample amongst those areas with a traditionally lower response namely Cardiff East & City and Cardiff South neighbourhood partnership areas.
Community Engagement Events	• Eighteen Community Engagement events held across the City at locations including libraries and supermarkets as well as direct engagement with specific groups who are less frequently heard i.e. learning disability groups, BME women.

33. The second stage consultation received 2,520 completed electronic/postal surveys. Responses reflected strong support for a number of budget features including:-

- Protection of schools with 63% of respondents of the view that the Council should protect schools from the financial challenges faced by the rest of the Council. This view is reflected in the 2017/18 budget which includes significant net growth for schools.
- Around 75% of respondents agreed that the Council should aim to be more commercial. As set out later in this report, budget savings for 2017/18 include a strong emphasis on commercialism and income generation, with a significant level of savings proposals falling within this category.

- Specific income generation initiatives that form part of the 2017/18 budget. These include sale of bedding plants and increases to registration fees and to the price of a school meal. In finalising the budget, specific comments received in relation to bereavement fees have been taken into account and no fee will be charged for child burials and cremations (0-16 years old inclusive) from 2017/18 onwards.
- Significant support for early intervention and enabling and encouraging people to live independently and providing services at a local level. This is in keeping with a number of 2017/18 budget proposals that have a focus on prevention, early intervention or locality working.
- As part of face-to-face voting activity in which 200 people gave views on where they would like to see more money spent in future, expenditure on pot-holes came out as a clear priority. In recognition of this, in finalising the use of the Council's financial resilience mechanism for 2017/18, significant investment has been included for highways improvement.

34. In addition to the points above, the consultation captured valuable information that will inform and assist future community involvement and engagement activity. In particular, respondents provided their view on the activities they would like to see in Hubs, along with the times and ways in which they would prefer to engage on community issues. During the consultation, 441 people provided contact details to the Council, indicating they would be happy to be contacted about potential volunteer opportunities. The Council will contact these individuals with information regarding the volunteering portal following its launch early in 2017/18. The findings of the consultation on the City of Cardiff Council's 2017/18 budget proposals are set out in detail in Appendix 2 (a) and are accessible on the Council's website.

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

- **Scrutiny Committees** – both overall briefings and consideration of the detailed proposal took place in February 2017. Responses received in respect of the Scrutiny deliberations will be tabled and considered as part of the Cabinet meeting.
- **Trade Unions** – consultation has taken place with the trade unions and any comments will be considered in advance of the Cabinet meeting
- **Employees** – consultation has taken place both generally through staff meetings and particularly with employees impacted by individual savings proposals.
- **Schools Budget Forum** – following a number of briefings over the budget formulation period, the Forum met on 16 November 2016 to consider Cabinet's budget proposals as it affected their remit. Appendix 2 includes their response.
- **Audit Committee** – at its meeting on 24 January 2017, the Audit Committee considered the Treasury Management Strategy as part of

their scrutiny function. The relevant parts of this report reflect their comments.

Issues

36. 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 the City of Cardiff Council and will outline the setting of the 2017/18 revenue budget within the context of the medium term and the ongoing financially challenging outlook. It will set out the Capital Programme and the Council's choices in respect of additional borrowing given the increasing difficulty in affording capital charges within pressurised revenue budgets. It will also consider the Council's overall financial standing in respect of risks, reserves and resilience. The extended period of financially challenging conditions requires a composite response to complex services and their shape for future generations, including reshaping realignment and as a last resort, removal.

37. 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 2017/18.

Revenue Budget

The 2017/18 Settlement

38. The Cabinet Secretary for Finance and Local Government announced the Final Local Government Revenue and Capital Settlement for 2017/18 in December 2016. This followed publication of the Provisional Settlement in October 2016 and took into account responses 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) of between -0.5% and +1.1% with an average of +0.2%
- the provision of top-up funding to ensure that no authority received a settlement decrease of more than 0.5%. This funding is additional to the overall settlement and does not have a negative redistributive impact on other authorities
- no protection for schools' budgets for 2017/18
- no indication of future year settlement figures
- the transfer into AEF of four specific grants in relation to Delivering Transformation, Deprivation of Liberty, Food Hygiene Rating and Blue Badge funding and the transfer out of one responsibility in relation to Education Workforce Council teachers' registration fees
- the inclusion, within the AEF envelope, of three new responsibilities relating to care cap increases for social services, homelessness prevention and war-disablement pension disregard

- the announcement of £10 million funding at an All Wales level outside of AEF to support the impact of the National Living Wage (NLW) as part of the cost of care
- the announcement of £10 million funding at an All Wales level outside of AEF to support Non-Domestic Rate (NDR) Relief.

39. The position for Cardiff is a funding increase of 0.5% which equates to additional cash of £2.3 million compared with 2016/17. However, the actual increase in spending power for Cardiff reduces to £294,000 once new responsibilities and other differentiating year on year factors are taken into account.

40. The settlement included information on specific grants at the All Wales level amounting to £645.876 million, although this is not a final list and details are still indicative in some areas. The list supplied amalgamates several grants into individual spending lines, which removes a degree of visibility when comparing year on year information. Appendix 3 lists grants for which information is currently available at an All Wales level. At the individual authority level, the position is less clear with very little information currently available for Cardiff. Once known, the specific grants will be available to the relevant directorates subject to the relevant terms and conditions. As WG have yet to declare a significant number of grant allocations there is a risk of further announcements resulting in a lower level of funding than expected.

Resources Available

41. The resources available to the Council in funding the budget include non-hypothecated revenue funding from WG, Council Tax and use of reserves. The non-hypothecated resources available from WG through the Final Settlement comprise Revenue Support Grant (RSG) and Re-distributed NDR, collectively known as AEF. For 2017/18, Cardiff's AEF figure is £428.217 million.

42. The report to Cabinet in December 2016 in respect of the Council Tax Base anticipated an increase in the number of Band D equivalent properties by the end of March 2018. Whilst ultimate collection rates have improved annually over recent years, as part of that report, it was considered prudent to retain the current collection rate of 98.5% for 2017/18 due to the potential impact of welfare changes and uncertainty regarding the economy and inflation. The change in the Council Tax base results in increased resources of £1.9 million for 2017/18.

43. Since 2013/14, funding for the Council Tax Reduction Scheme (CTRS) is via the settlement, with the present arrangement that WG provides funding for an estimated 100% of the liability. Settlement funding does not take account of the impact of any increase in the rate of Council Tax nor does it take into account any change in the number of claimants. The Council will need to continue to manage both these factors during 2017/18.

44. The July 2016 Budget Strategy Report included an assumption that £1.5 million would be available to support the budget through drawdown from reserves in 2017/18. The Appendix on Earmarked Reserves sets out further detail of this draw down. Further information regarding current and future levels of reserves and balances is included in the section on Financial Standing, Risks and Financial Resilience.

45. The following table summarises the total resources available to finance the budget before any increase in the rate of Council Tax.

Total Resources Available	**£000**
Resources from WG	428,217
Council Tax (at nil increase)	151,655
Use of reserves to support the budget	1,500
Total Resources Available	**581,372**

Resources Required

46. The following table summarises the resources required to cover base expenditure, commitments and budget realignments. Appendix 4 contains a more detailed version of this table, including the total amount of savings required.

Total Resources Required	**£000**
2016/17 adjusted base budget (after transfers)	**578,846**
New Responsibilities (per settlement)	1,278
Employees (pay awards, increments, NI etc.)	2,916
Demographic pressures	4,610
Commitments	840
Directorate expenditure and income realignments (net)	2,699
Special inflation	2,507
Schools non-pupil number growth (net)	4,565
Total Resources Required	**598,261**

Funding Gap

47. Comparing 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	598,261
Resources available	581,372
Shortfall before savings and new pressures	**16,889**

48. 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. The responses to the consultation, as described elsewhere in this report have been instrumental in informing Cabinet's view on the final shape of the budget. The Cabinet together with the Council's Senior Management Team have considered carefully the need to provide for new financial pressures alongside savings options proposed by directorates. A list of pressures included within the budget is set out in Appendix 5.

49. Total savings included within this budget amount to £17.007 million which equates to 5% of the non-schools' cash limit. Appendix 6 contains a detailed savings schedule. Whilst schools have not been required to make savings as part of the 2017/18 budget, they have contributed toward the cost of the anticipated financial pressures for 2017/18. The position in respect of schools is set out later in this report within the service implications section for Education & Lifelong Learning.

50. The following table identifies that the amount to be raised from additional Council Tax in 2017/18 is £4.520 million after allowing for the adjustment in respect of CTRS amounting to £1.092 million. This will result in a Council Tax increase of 3.7%.

Budget Shortfall	**£000**
Shortfall before directorate pressures and savings	16,889
New directorate pressures	4,638
Sub total	21,527
Less	
Total Savings	(17,007)
Net amount to be raised from additional Council Tax	**4,520**

51. The net additional increase in Council Tax and the savings identified in the above table account for two of four components that the Council identified as part of its 2017/18 Budget Strategy. The other two components, a 30% cap on schools non-pupil number-growth and use of earmarked reserves have already been accounted for within the calculations of the Resources Required and the Resources Available for 2017/18. The table below sets out in full, the four components of the 2017/18 Budget Strategy along with their respective contributions to balancing this budget.

	£000
30% cap on schools growth (non-pupil number)	1,853
Use of Earmarked Reserves	1,500
Savings	17,007
Council Tax at 3.7% (net)	4,520
TOTAL	**24,880**

52. The 30% cap on schools growth has only been applied to non-demographic growth whilst growth attributable to increasing pupil numbers has been fully provided. An analysis of the £1.5 million draw down from earmarked reserves is identified in Appendix 12 and further details in respect of the savings are included in the section on Service Implications of the Revenue Budget.

Financial Standing, Risks and Financial Resilience

53. 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. In order to achieve a balanced budget, the Council has identified £213 million of savings over the 10 year period 2008/09 – 2017/18 and is predicting a budget gap of £80.9 million over the next three years. In such a financially challenging situation, the significance of reviewing the financial standing, risks and financial resilience of the Council cannot be under estimated.

54. 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.

55. To report on these matters, the Council's Section 151 Officer has to have regard to the Council's overall financial context as the backdrop against which the budget and adequacy of the reserves are considered. The Reserves and Balances Protocol, as considered by Audit Committee in November 2016, sets out the factors that inform this assessment which include:

- financial resilience and financial standing
- affordability risks to current and future capital and revenue expenditure plans
- the Council's track record in budget and financial management including robustness of medium term plans
- the capacity to manage in-year budget pressures, and strategy for managing both demand and service delivery in the longer term consistent with the MTFP.

- the strength of the financial information and reporting arrangements. The authority should also be in a position to activate contingency plans should the reporting arrangements identify that planned savings or gains will either not be achieved or be delayed
- the adequacy of the Council's insurance arrangements to cover major unforeseen risks
- the general financial climate
- the extent to which reserves are being used to pay for recurrent expenditure
- professional judgement.

56. Ongoing evaluation of financial resilience is an integral part of the budget process, and includes regular review of the snapshot of the Council's financial position and benchmarking with other authorities facing similar financial challenges. The information gathered as part of this work plays a vital role in informing future decisions surrounding the MTFP and the adequacy of resources. The outlook over the medium term remains a matter of concern and the MTFP section of this Report details the challenges in respect of ongoing financial austerity, increasing financial pressures and the difficulty of setting and realising year on year budget savings.

57. The paragraphs within the following pages set out the Council's financial position. They outline the work undertaken during the past year 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.

58. The Month 9 Budget Monitoring Report identifies a balanced position against the overall budget. Within the balanced position, there is a projected overspend of £7.032 million in relation to directorate budgets which is offset by the Council's £4 million general savings contingency and underspends in corporate areas including cost of redundancy, insurance and capital financing. The projected directorate overspend includes £5.981 million overspend in relation to Social Services with exceptional cost and demand factors the most significant contributory factors. As part of the due diligence considerations, the 2017/18 budget includes a £5.6 million realignment to reflect these additional in-year pressures and their impact in a full year.

59. Within the directorate overspend position, there are projected shortfalls of £6.253 million against the savings targets for 2016/17, with a further shortfall of £1.832 million projected in relation to the shortfalls carried forward from 2015/16. The due diligence for the 2017/18 budget process has taken account of the risk in respect of unachieved savings, reviewing the achievability of these in future years. Based on this review, the 2017/18 budget allows for the write out of £1.073 million of prior year savings (as detailed below) given the perceived risk associated with their ongoing achievability.

	Directorate	Saving Title	£000
2015/16	Social Services	Business Support Review in Children's Services	327
		Block Purchase of Residential Beds	25
		Reshaping Internal Supported Living Service for people with learning disabilities	125
		Market & Demand Management of Commissioned Residential Services	165
	City Operations	New operator for Canton Community Centre	42
Total 2015/16			**684**
2016/17	Social Services	Review of commissioning within Community Alcohol and Drug Team	100
		Efficiency savings due to integration of directorate's central functions	130
	Economic Development	Taxi marshalling services	40
		Household Waste Recycling Centres	76
	City Operations	New operator for Canton Community Centre	43
Total 2016/17			**389**
GRAND TOTAL			**1,073**

60. The 2017/18 budget process followed the high-level principles set out in the July 2016 Budget Strategy Report. The process has been rigorous and robust and has utilised the expertise of officers in directorates across the Council. The following list outlines the processes to manage risk that have underpinned the 2017/18 Budget and the procedures that the Council has in place to adhere to the principle of openness:-

Financial Planning	• Members received a Budget Strategy Report in July 2016 setting out the budget principles and timetable • The Budget Strategy Report included a list of budget strategy assumptions to aid early consideration of how the anticipated budget challenges might be met • The Council has a detailed MTFP that identifies the emerging pressures that the Council will face in future years.
Due Diligence	• Detailed budget documentation and guidance was prepared for directorates to complete, to identify their savings and pressures and to identify Capital Programme bids • The risks attached to all savings and financial pressures have been considered and scored in accordance with the Council's risk methodology • The equalities impact of all savings and financial pressures have also been considered and impact assessments completed 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.
Financial Resilience	• The budget retains a General Contingency in recognition of the challenges associated with an extended period of financial restraint. At £3 million, this has been reduced by £1 million compared to previous years • The budget has continued to include issue specific contingency allocations and for 2017/18 these amount to £2.029 million. Of this, £950,000 relates to external placements in Children's Services, £350,000 relates to the market for recyclates and £729,000 reflects the difficulty of predicting waste disposal tonnages in the City Operations Directorate • The budget has retained an existing specific contingency of £1.15 million in relation to CTRS which is to reflect changes in the volume of claimants. The 2017/18 budget proposal includes an increase to the CTRS budget to reflect the increase in the rate of Council Tax which, assuming a comparable level of claimants, will directly increase the amount of CTRS paid. As noted earlier the Settlement does not include any changes to CTRS funding to reflect price and volume fluctuations.
Consultation, Collaboration & Engagement	• Cabinet Members have been briefed on the emerging issues contained within the Provisional and Final Settlements, 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 • Consultation has taken place with the Schools Budget Forum on the budget proposals in general and the proposal for schools' budgets in particular • The Council's Audit Committee reviewed the Reserves and Balance Protocol in November 2016 • The Council's Audit Committee reviewed the Treasury Management Strategy in January 2017.

61. When setting budgets and reviewing the MTFP, the consideration has been given to the reserves that have been established and the level at which those reserves should be maintained. The strategic, operational and financial risks that the Council faces have informed these considerations. These risks are identified and monitored in the Council's Corporate Risk Register, as well as within 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.

62. The directorate savings proposals as listed at Appendix 6 follow a similar format to last year and identify risk assessments in respect of residual risk, achievability risk and equalities impact assessment. The following table summarises these risks at a Council level and a more detailed directorate analysis is included at Appendix 7.

Risk Assessment	**Residual Risk** **£000**	**Achievability Risk** **£000**	**Equality Impact Assessment Risk** **£000**
Red	0	0	0
Red-Amber	6,575	6,727	3,618
Amber-Green	4,503	5,362	3,507
Green	5,929	4,918	9,882
TOTAL	**17,007**	**17,007**	**17,007**

63. As in previous years, a planning status category has been included in the budget savings set out in Appendix 6. This identifies that savings of £384,000 have already been realised, £15.778 million are in the detailed planning stage and £845,000 have a higher degree of risk as only general planning has been undertaken to date. The general planning category accounts for 5% of the total savings proposed.

64. 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. The MTFP included a £1 million reduction from this contingency in 2017/18. This assumption has been reviewed and retained in setting the 2017/18 budget, to reflect the fact that the savings quantum for 2017/18 is lower than in previous years.

65. The pressures and savings shown in Appendix 5 and 6 respectively set out for each item a consideration of both residual and achievability risk. In addition, the 2016/17 Budget Report identified a number of significant financial and operational risks affecting the medium term. The following table updates this risk analysis and categorises them into six themes. These risks, which are reviewed as part of the Council's financial resilience testing and monitoring process, including updates to the Corporate Risk Register, are summarised in the following table:-

Theme	Identification of Key Risks
CAPITAL AND TREASURY	• The level of additional borrowing undertaken in previous years and proposed in the capital programme will require the use of more revenue resources for capital financing in future years or the use of WG's new powers of borrowing • Capital schemes approved on an income generation basis (through generating savings, increasing income or capital receipts) but which fail to do so will also increase pressure on the revenue budget • The increasing financial exposure to the Council of the proposals in relation to completion of the 21st Century Schools Band A and the development of Band B programmes from 2019/20 onwards • The impact on treasury management strategy of the timing of capital expenditure and receipt of income in relation to CCRCD and other major projects • The current five-year programme assumes no new schemes beyond this budget process. Any additional schemes approved would increase capital financing requirements • The condition of property and infrastructure assets including statutory maintenance obligations places additional pressure on scarce capital resources.
FUNDING	• The potential impact on RSG funding if there are any redistributive impacts of specific grants transferred into the Settlement • The challenging financial position in respect of reducing WG resources, increasing financial pressures against a reducing controllable base budget together with increasing volatility and uncertainty in respect of hypothecated grants • 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.
DEMAND	• Reducing demand for services where the Council has historically charged for the activity therein, creating an income shortfall • The ability to react to new demands resulting from the progressive implementation of welfare reforms together with financial risks in respect of the CTRS • Continuing demographic demand for social care services – reflecting both volume and complexity of need • Continuing pupil number growth.

Theme	Identification of Key Risks
SAVINGS	• The significant amount of savings predicated on the success of preventative strategies and the difficulty of tracking their impact in terms of financial monitoring • The necessity to deliver budgeted savings from reshaping services and other change proposals not yet fully defined • The significant level of savings based on commercial and income initiatives that are yet to be tested in the market • 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 savings, in addition to the unachieved 2016/17 savings which remain to be realised.
ORGANISATIONAL CHANGE	• The service impact of the reduction in headcount that has taken place over an extended period and the changing impact of alternative delivery models on the nature of the workforce. • 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 for functions delivered as part of a collaborative arrangement should the planned benefits not be realised • The impact of the ongoing uncertainty in respect of the outcome of local government reform • The capacity to deliver organisational change in conjunction with increasing demands on business as usual.
OTHER	• The impact of welfare reforms, in particular the phased implementation of Universal Credit during 2016/17, on the ability of individuals to contribute to the cost of services provided where relevant • The risk of WG levying fines if the Council fails to realise recycling or landfill diversion rates • The expectation that inflation will increase over the MTFP period with potential impact on pricing • Exceptional price inflation that is being experienced in some areas as a result of the NLW and other pressures • The uncertain implications of BREXIT on the economy • The implications of the White Paper, Reforming Local Government: Resilient and Renewed.

66. Given the risks identified above, care will continue to be required to ensure that the significant changes to business processes or personnel do not impact on the financial control environment in a negative manner. In addition, the

adoption of different models of service delivery will require attention to understand appropriate governance arrangements including financial accountability.

67. The Council needs to continue to operate within a framework that ensures it is able to maintain its current position in respect of Value Added Tax (VAT). The Council is able to recover all the VAT incurred in making exempt supplies provided 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 were to exceed the 5% limit in any one financial year all the input tax previously recovered on exempt supplies would be repayable to Her Majesty's Revenue and Customs (HMRC). This calculation will now take into account the transfer of Leisure Centres to Greenwich Leisure Limited (GLL) following the conclusion of the procurement exercise.

68. Over recent years, the Council's partial exemption calculation has been close to this limit. Clearly, the Council needs to do all it can to minimise the risk of breaching this 5% threshold and careful management of the Council's activities is required. In particular, this will require consideration of the VAT implications of new capital schemes at an early stage to ensure the most effective structures and subsequent operations are put into place.

69. The financial challenges ahead are such that the Section 151 Officer will continue to highlight the financial standing of the Council on a regular basis, as part of members' overall awareness of financial matters and as an indicator of financial resilience. As such, officers will continue to prepare snapshots of financial health and report them to senior management and Cabinet on a regular basis. Snapshots contain past performance on levels of reserve, funding sources and financial performance ratios. In addition, they summarise the current year's monitoring position for both capital and revenue, outlining the quantum of savings proposals expected to be unachieved. Finally, they provide an insight into the MTFP, future budget reductions requirements, the capital financing requirement and affordability indicators for future years. Presenting information on past and present performance and future challenges in this way ensures a rounded view. The snapshot at the time of setting this budget for 2017/18 is included at Appendix 8.

Council's Reserves

70. The Council's strategy for holding and utilising reserves is set out in its Financial Procedure Rules. Members, following advice provided by the Section 151 Officer, will consider both the level of reserves held and whether any amounts should be used to support the budget setting process. As part of this consideration, Members are made aware that the use of reserves is finite in nature and therefore care is required to ensure that their use does not create a significant budget gap that would need to be filled in the following year.

71. CIPFA recommended accounting practice requires the S151 officer to create a protocol for reserves and balances which sets out the purpose, usage and the approval processes for transfers in and out of reserves and whether the intended use of the reserve is still valid. The Council's Audit Committee considered the protocol in November 2016.

72. The next table shows the actual balance at 31 March 2016 and projected balances for 31 March 2017 and 31 March 2018 for the General Fund and HRA earmarked reserves. The projection at 31 March 2017 includes assumptions contained with the Month 9 Monitoring Report and, as such, there is potential for certain estimates to change before the end of the financial year. The projected balance as at 31 March 2018 includes the impact of the movements stated in the following paragraphs as well as the contributions to and from other earmarked reserves in line with the purposes set against each reserve.

73. The Council's General Fund earmarked reserves which exclude the HRA are outlined in Appendix 9(a) and are held to meet known or predicted commitments including the Schools Organisation Plan and Insurance reserves. Appendix 9(b) shows the earmarked reserves in relation to the HRA. The General Housing Reserve comprising accumulated housing surpluses from previous financial years is ring-fenced for use in connection with the HRA and cannot be used to fund the Council's overall budget. There are no projected movements in 2017/18. The HRA is currently reporting a balanced position with projected savings and additional income, which will enable a projected £1.9 million to be transferred to a new earmarked reserve at the year end – Housing Development Reserve. This will be to support investment and future housing development costs.

	Actual at 31 March 2016 £000	**Projection at 31 March 2017 £000**	**Projection at 31 March 2018 £000**
General Fund Earmarked Reserves	49,149	45,742	36,186
HRA General Reserve	8,438	8,438	8,438
HRA Earmarked Reserves	954	2,493	2,126

74. The Council also maintains a General Reserve to help cushion the impact of unexpected events or emergencies. The Council's General Reserve as at the end of the 2015/16 financial year was £15.255 million. However as part of the Council's 2015/16 outturn position, an amount of £1 million was transferred to the General Reserve, for use in funding the 2016/17 budget as had been approved as part of that year's Budget Report. The revised balance of £14.255 million is anticipated to remain the same in the current year with the Month 9 monitoring report showing a balanced position with no transfers to or from the General Reserve. Following consideration of the Council's current position, in relation to risks and the advice of the Section 151 Officer, it is the

intention of Cabinet not to make any use of the General Reserve to fund the 2017/18 budget.

75. Benchmarking has identified that, as at 31 March 2016, the Council continued to have some of the lowest levels of general and earmarked reserves, compared to gross expenditure, in Wales. The General Reserve represented 1.1% of gross expenditure in 2015/16 (1.3% in 2014/15) and earmarked reserves represented 3.7% (3.4% in 2014/15). This further supports WG published data in respect of the 2015/16 financial year, which identified that the Council had the second lowest level of general reserves as a percentage of gross revenue expenditure across all councils in Wales and one of the lowest in terms of earmarked reserves as a percentage of gross revenue expenditure. As Members are aware, there is no set statutory minimum level of reserves and decisions made should reflect the individual position of each council.

76. The Council has historically taken a proactive role in relation to the use of its reserves and identified, as part of its 2017/18 budget strategy that a figure of £1.5 million was to be released. This figure will be achieved through the use of £1 million from the Insurance Reserve and this is partly due to a reduction in claims experience following Ministry of Justice Reforms in respect of injury claims from the 31 July 2013. In addition reductions of £200,000 from the Welfare Reform Reserve; £171,000 from the Waste Management Reserve; £100,000 from the Energy/Carbon Reserve and £29,000 from the Housing Mortgage Reserve will be made.

77. School balances represent the accumulated surplus or deficits generated by individual schools. Although they form part of the Council's overall balance sheet, school balances are different to earmarked reserves in that the annual movements in balances are not directly controlled by the Council. As a result, school balances are not available for use in funding the Council's budget, but may still represent a risk to the Council's overall financial resilience. On this basis, it is of critical importance that due diligence is undertaken in respect of school spending plans, ensuring that they are in alignment with approved budgets. To ensure that this is the case, work will continue to be carried out with all schools, especially those causing significant financial concern. Where the Council's Section 151 Officer determines that the provisions contained within the relevant schemes or procedure rules have been substantially or persistently breached or a budget share has not been satisfactorily managed, then intervention powers will be taken to suspend delegations for that school.

78. The total school balances as at 31 March 2016 were a net surplus of £1.7 million. Within this overall balance was a combination of both surplus and deficit balances in respect of individual schools, with total deficits amounting to £3.5 million. Of these deficit balances, a balance of £1.3 million existed in respect of the federation between Michaelston Community College and Glyn Derw High School. School balances can only be written off at the point a school is closed as part of the School Organisational Programme (SOP) and, as both of these schools are due to be closed at the end of the 2016/17 academic year, this balance will not be cleared until 2017/18. As well as this

balance, there is also a significant deficit balance held in respect of Cantonian High School. This deficit amounted to £1.1 million at 31 March 2016. A planned deficit repayment plan has been agreed with the school, with the aim being to clear this balance over a 10 year period. In addition to individual school deficit balances, a debit balance of £794,000 existed at the end of 2015/16 in respect of a historic redundancy liability, which resulted from significant redundancy expenditure in excess of budget, totalling £1.9 million, in the 2014/15 financial year. This liability was partly paid off in 2015/16 and it is anticipated that this will be fully repaid by 2017/18. As a result, it is anticipated that total school balances will demonstrate an improved position compared to that at the end of 2015/16.

79. The judgement of the Council's Section 151 Officer, taking into account the budget monitoring forecast as at 31 December 2016, the corporate budget position, the General Reserve, as well as the General Contingency budget of £3 million is that the projected level of both general and earmarked reserves up until 31 March 2018, is adequate when considering the 2017/18 budget. The position, therefore, allows for the £1.5 million drawdown from reserves to fund the budget.

80. Overall, the position in respect of reserves and impact on financial resilience, particularly in light of the achievability of savings and unexpected financial issues that may occur will require careful monitoring throughout the financial year.

Service Implications of the Revenue Budget

81. In compiling the revenue budget for 2017/18, the Cabinet has recognised the continuing challenge for the general public in managing their finances through difficult economic conditions. Consequently, the budget includes savings of £17.007 million but despite this and in accordance with the Corporate Plan and consultation feedback, the Cabinet has achieved a balanced budget by reducing expenditure and increasing income generation in a manner that sustains services as far as possible:

2017/18 Savings Proposals by Theme	**£000**
Working with Partners & Others	1,702
Income / Commercialisation	3,304
Internally Facing / Commissioning & Procurement	7,269
Grants & Subsidies	493
Use of Technology	590
Second or third year of previously agreed savings	3,649
TOTAL	**17,007**

82. For 2017/18, the national pay award for employees other than teachers is part of an award covering the period to March 2018. The pay related increases for teachers are contained within the Individual Schools Budget. The total cost

increases for employees other than schools based staff included in this budget plan are shown in the following table.

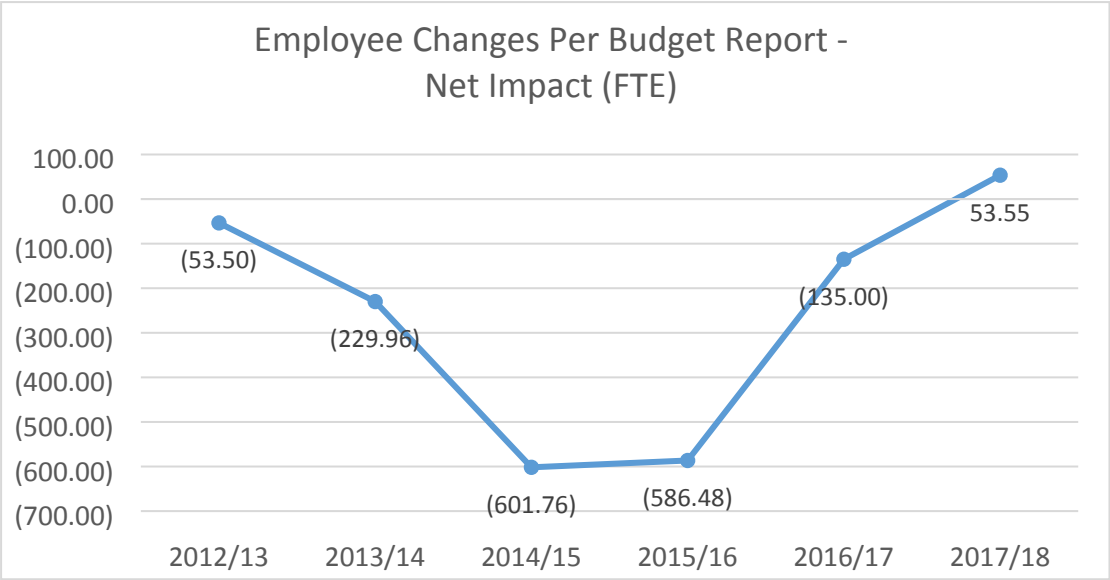
Employee Cost Increases	**£000**
Pay inflation (including voluntary living wage)	1,556
Incremental Progression	730
Superannuation – impacts of actuarial review and estimated auto-enrolment	630

83. The 2017/18 Budget also includes provision for the sum that the Council will have to pay in respect of the Apprenticeship Levy. The Levy will be introduced by UK Government from 6 April 2017 and requires all employers with an annual pay-bill of more than £3 million to contribute to investment in apprenticeships. The levy is equivalent to 0.5% of the pay-bill over and above £3 million and for the Council this equates to £1.5 million. In contrast to the digital voucher system that will be introduced in England, current indications are that there will be no ability for Welsh Public Sector Bodies to directly claim back against the levy.

84. The posts deleted or created as part of the budget are set out in Appendix 10. This shows that there will be a net increase of 53.55 full time equivalent (FTE) Council posts overall, made up of the deletion of 43.90 FTE offset by the creation of 97.45 FTE. The budget assumes that the post deletions will take effect through the following mechanisms:-

Mechanism	**FTE**
Voluntary Redundancy	(3.00)
Vacant Posts	(16.50)
Redeployment	(24.40)
Total number of deleted posts	**(43.90)**
Posts created	**97.45**
Net impact	**53.55**

85. The net increase in posts in 2017/18 follows several years of significant reductions, and is largely attributable to the creation of additional posts in Social Services to address demand pressures and the requirements of the Social Services and Well-being Act. Employee changes for each of the last six years are shown in the following graph. The figures shown are net FTE as detailed in previous Budget Reports and include vacant posts and posts that have transferred out of the Council's direct control, in addition to those posts deleted through redeployment or redundancy.



86. The budget includes the release of £2.6 million previously set aside to meet the cost of voluntary redundancy, as a result of recalculating future commitments based on the most recent profile of leavers and anticipated FTE reductions. It has also been possible to make a £1.4 million saving on redundancy budgets in 2017/18 as a direct result of the decision as part of 2015/16 outturn, to repay early sums that had previously been borrowed from earmarked reserves to fund redundancy costs. As part of the 2015/16 outturn, the Council also took proactive steps to make early repayment to the pension fund in respect of pension strain liabilities. This one-off repayment has negated the need for ongoing annual contributions enabling the release of £1.45 million pension strain budgets in 2017/18.

87. As in recent years, the budget assumes that directorates will manage general price inflation within existing resources. However, in recognition of the exceptional inflationary pressures faced by the following areas, the budget includes an allowance for:

- Adult Social Services fee increases
- Schools Out of County Placements
- Children's Placements

88. As expenditure on energy and fuel is significant for the Council, research into pricing is undertaken using the expertise of energy and procurement teams in the Council. Although volatile, prices have generally remained within the planned resources in this area. Whilst indicative figures are not yet available for 2017/18, latest in year pricing information suggests that it is possible to reduce existing energy budgets by £142,000 to reflect in-year price reductions, and this is reflected in the 2017/18 budget. In addition, the 2017/18 budget also includes £180,000 energy efficiency savings which reflect the move to LED lighting for signals and signs, managing behaviour to reduce energy use and other energy efficiency projects.

89. A review of the cost of insurance cover required based on the Council's current claims history recently undertaken by the Council's external advisor has resulted in a budget reduction of £135,000 for 2017/18.

90. The capital financing budget reflects both the provision for repayment of principal and interest on loans for capital expenditure and receipt of interest payments from short-term investment of surplus cash. It includes recovery from directorate budgets of capital financing costs where capital investment is approved on an invest to save basis. For 2017/18, a reduction of £1.593 million against the current budget has been possible. This assumes a change in the Minimum Revenue Provision (MRP) policy from 4.5% to 4% per annum with effect from 2017/18 to align the provision for the repayment of debt on supported borrowing with WG assumed levels. The budget for 2017/18 assumes that a dividend payment of £50,000 will be received from Cardiff Bus, subject to the level of distributable reserves of the company, a position that will be kept under review.

91. The CTRS is expected to remain unchanged for 2017/18 and will comply with the CTRS Prescribed Requirements (Wales) Regulations 2013. In addition, the scheme will continue to provide additional assistance for war pensioners by disregarding income received from war pensions including War Widows Pension, War Disablement Pension 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.

92. The budget proposal does not include an allowance for a general increase in fees and charges. Directors were advised that in preparing their fees and charges for 2017/18, they should consider the particular circumstances for which they charge for functions and reflect any such changes in their savings proposals. Appendix 12 sets out the list of proposed revisions to fees and charges in 2017/18.

93. The 2016/17 budget report set out an assumption that, from 2017/18, all fees and charges would be increased on an annual basis at least in line with the Consumer Price Index (CPI), unless prohibited by statute or regulation. Following consideration by relevant Directors, a number of fees and charges have not been increased (or have increased by less than CPI). In the majority of instances, this decision has been taken on the basis that a larger increase would likely have an adverse impact on demand. This would result in a reduction in overall income, either due to the cumulative effect of recent increases or the Council's existing position within a competitive market. Other charges are set at a fixed percentage of sale fees, to minimise the impact on the cost of collection or have been introduced during the current year at a level intended to incorporate a nil increase for 2017/18.

94. A number of savings are based on the generation of income or the commercialisation of services. Some savings have assumed securing a wider market share through commercialising areas of City Operations (£222,000),

Cardiff Academy (£46,000), Commissioning & Procurement (£70,000) and Central Transport Services (£75,000). Other areas have looked at achieving additional income such as through advertising sites within the city infrastructure (£178,000), Tourism (£56,000) and increased footfall across the Council's portfolio of cultural venues (£473,000).

95. Bereavement & Registration will increase their income by £10,000, whilst Planning fees are expected to generate an additional £100,000. For 2017/18, the School Catering Unit will increase the price of Primary School meals by £0.10 per day thus taking the charge to £12 per week. The cost of Secondary School meals will increase by £0.10 per day to £2.85. This will result in an additional income of £484,000.

96. Whilst recognising the continuing difficult economic conditions, it is important that the Council is able to react quickly and appropriately to changing events in terms of both emerging opportunities and shortfalls. To allow this to happen, it is proposed that the Council continues to delegate to the appropriate officer the ability to introduce and amend prices as and when needed. Decisions will be taken in conjunction with the Section 151 Officer, in conjunction with the Cabinet Member for Corporate Services & Performance. Where appropriate, Cabinet will need to consider a report within a reasonable timescale of the decision.

97. School transport is regarded as a corporate activity with responsibility for policy resting with the Cabinet Member for Education and responsibility for delivery of policy being with the Director of City Operations. Savings of £380,000 have been included from school transport and cover:

- route optimisation and retendering for pupils with Additional Learning Needs (£189,000)
- review of transport for pupils with Additional Learning Needs within 2/3 miles (Primary/Secondary) (£38,000)
- phased replacement of taxis and buses with bus passes (Cardiff IFF cards) for Pupil Referral Units (£48,000)
- introduction of a pilot scheme in relation to travel support allowance (£100,000)
- phased increase in bus passes (£5,000)

98. The Equality Act 2010 places a general duty on the Council to eliminate unlawful discrimination and promote equality according to the nine protected characteristics. To comply with this duty, directors have undertaken Equality Impact Assessment screenings for each of their savings and financial pressures with full Equality Impact Assessments undertaken on any regarded as Red/Amber or higher. Following moderation by the Council's equality team, these assessments have informed the budget setting process.

Amendments Since Publication of Consultation Proposals

99. As set out earlier in the report, the Council's budget proposals were released for consultation in November 2016. Since then the Council's funding position

for 2017/18 has been afforded greater clarity through the publication of the Final Settlement on 21 December 2016 and the approval by Cabinet in December 2016 of the 2017/18 Council Tax Base. In addition, as part of the Final Settlement, the WG has announced £10 million support for domiciliary care price pressures at an All Wales level. As the WG are yet to formally notify funding levels at an individual authority level, the budget assumes a share of funding proportionate to Cardiff's Social Services Indicator Base Assessment (IBA). Collectively, the above changes result in net additional resources for Cardiff of £2.175 million compared with the position at consultation.

100. As part of the 2016/17 budget a £4 million Financial Resilience Mechanism (FRM) was established. The mechanism, which is equivalent to approximately 1% of AEF supports one-off investment in priority areas and is available for release in subsequent years in the event that the settlement is worse than the 1% reduction assumed in the MTFP. The Final Settlement confirmed that release of the Council's FRM would not be required in 2017/18. Consequently, the mechanism will be available during 2017/18 for one-off investment. Its use has been determined taking into account comments received as part of consultation and this is detailed in the next section.

101. Since publication of the consultation a number of other technical updates and emerging commitments have been reflected in the 2017/18 budget position including:-

- confirmation of the living wage rates (national and voluntary) for 2017/18
- confirmation of other pricing for 2017/18 including increases to minimum fostering allowances by WG
- confirmation by WG of the maximum weekly rate for non-residential care
- publication of a new rateable value listing following the recent Valuation Office revaluation exercise and WG announcement of the 2017/18 multiplier
- the month 8 monitoring position which identified additional pressures in respect of the Social Services position
- additional commitments in relation to school building arrangements at Cantonian School
- confirmation of the 2017/18 levies the Council must pay to relevant bodies including the South Wales Fire Service
- minor adjustments to savings proposals to reflect additional due diligence

102. In addition to the above technical updates, in drafting the final Budget proposal Cabinet have had regard to consultation feedback. Consultation results provided significant support for key budget assumptions and themes but changes have been made to the final proposal to reflect specific comments received as part of feedback. These include the removal of fees for child burial and cremations and use of the Council's Financial Resilience Mechanism in a manner that supports priorities identified during the consultation period, including and in particular, highways improvement.

Financial Resilience Mechanism

103. Use of the FRM for 2017/18 was determined following final settlement which confirmed that the budget would not need to be released in 2017/18. Investment for 2017/18 has taken into account consultation feedback and includes significant support for visible street scene services including improvements to the highway. With capital resources scarce, planned use of the FRM also includes investment in property condition, and transitional support has been provided to directorates to smooth the impact of WG grant announcements made in respect of Communities First and Schools Challenge Cymru funding.

104. The table below summarises the proposed use of the mechanism for 2017/18 and further detail is set out in Appendix 11.

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)	660
City Centre Enforcement	290
Parking Strategy	340
TOTAL	**4,000**

Directorate Commentaries

105. The directorate section of the Report provides a commentary on significant areas of change within the budget. Appendix 13 shows the overall changes to individual directorate budgets between 2016/17 and 2017/18 whilst Appendix 14 shows the same information on a Cabinet Member portfolio basis.

City Operations

106. The paragraphs below set out directorate specific financial pressures and savings in relation to the City Operations Directorate. Funding of £681,000 has been allocated to the Directorate to reflect specific financial pressures identified during the budget process. This includes £350,000 which has been allocated in order to make the Intensive Cleansing Initiative permanent. In addition, funding of £50,000 has been provided to improve the time taken to carry out gritting, a further sum of £61,000 has been included within the budget to support the modal shift to cycling, £40,000 to support additional planning resources and £180,000 to support parking strategy schemes.

107. In addition to the specific financial pressures identified, the budget provides support for demographic pressures totalling £142,000 in relation to school transport. Prior year savings in relation to the community asset transfer of Canton Community Hall have been written out and Cardiff White Water income

budgets have been realigned by £100,000 to reflect loss of subsidy from Cardiff Harbour Authority, which it has not been possible to fully cover through additional income. The Directorate will also receive £2.640 million funding via the FRM in 2017/18 to support one off investment in priority areas, including £1.110 million to support highways and footways improvements, £475,000 to support street cleansing and maintenance of public areas and £125,000 to address the tree maintenance backlog and improve weed control. There is also £300,000 to support the upgrading of sports facilities, £290,000 to support city centre security and enforcement and £340,000 to support initiatives such as parking schemes, a car free day and 20mph zones.

108. The following table sets out City Operation's Directorate Savings Proposals for 2017/18.

2017/18 Savings	**£000**
Partners and Others	461
Income & Commercialisation	494
Internally Facing	209
Grants and Subsidies	25
TOTAL	**1,189**

109. Savings totalling £461,000 relate to working with partners and others. This figure includes the third year saving from the shared regulatory service for Cardiff, Bridgend and the Vale of Glamorgan (£47,000) and a £414,000 saving from the recently implemented alternative delivery arrangements for Leisure Services with GLL.

110. Savings based on commercialisation and increased income generation total £494,000. This sum includes £100,000 to reflect anticipated increases in the number of planning applications and £10,000 additional income within the Registration service resulting from a combination of volume and price increases. Income and commercialisation proposals also include plans to expand the customer base for sale of bedding plants, nursery stock and tree management services (£25,000) and to maximise opportunities for recharging services in transport and in relation to design and inspection (£42,000). Savings also include the realignment of the public transport budget to reflect the 2016/17 monitoring position (£130,000). The directorate has undertaken a review of fees and charges and plans to improve collaboration with their advertising partner (£187,000).

111. Internally facing proposals total £209,000. These include savings made during 2016/17 as a result of reducing operating costs in parks and sport (£25,000) and the full year effect of contractual savings made during 2016/17 (£67,000). Internally facing proposals also include plans to improve performance and implement business process efficiencies, including £22,000 through improving driver awareness to reduce accident and damage claims, £20,000 from improving work scheduling to reduce travel time and cost and £25,000 to identify and release under-utilised vehicles and plant. Plans to review delivery of maintenance work, improving performance in order to increase internal capacity for work are estimated to save £50,000.

112. The £25,000 saving in relation to reduction in grants and subsidies reflects the removal of the Council subsidy in respect of the Royal Horticultural Society Show. This is due to the ability of the event to be sustainable without financial support from the Council.

Communities, Housing & Customer Services

113. Within the Directorate, funding is being provided, as part of the Council's FRM totalling £360,000. Of this, £60,000 relates to the Time Credits volunteer scheme and £300,000 is provided with the aim of assisting with the transition from the Communities First grant programme.

114. From the 1 April 2017, the Council will no longer be able to claim a £1.074 million subsidy for temporary accommodation that is currently claimed through the Housing Benefit system. The Final Settlement included £834,000 to address this issue. The residual £240,000 has been recognised by the Council as an additional budget commitment to ensure that the lost subsidy is fully addressed within the Directorate's 2017/18 budget.

115. As well as the funding increases outlined in the preceding paragraph, £284,000 is being allocated in relation to accepted financial pressure bids. The first totals £144,000 and is for providing budgeting and income maximisation services for the most vulnerable people. This funding will enable an extension of the service currently hosted at the Central Library Hub and will mean that services are provided in other hubs and food bank distribution centres. A further allocation of £90,000 is being made for additional Senior Occupational Therapists to assist with the growing demand for reviewing packages of care. Finally, £50,000 is being allocated to ensure appropriate levels of funding exist for maintaining the alley gates that have been installed across the city.

116. In addition to the funding increases provided to the Directorate, there has also been a requirement to identify budget savings totalling £1.083 million. The breakdown of savings is outlined below.

2017/18 Savings	**£000**
Partners and Others	205
Income & Commercialisation	309
Internally Facing	193
Grants and Subsidies	176
Technology	200
TOTAL	**1,083**

117. Savings totalling £205,000 have been proposed in relation to partnering arrangements. The first totals £150,000 and relates to a new approach to locality and neighbourhood service delivery. The other saving under this heading is for £55,000 and relates to a sub-lease of Llanover Hall, allowing

reduced expenditure and increasing the uptake of Learning for Life courses. In addition to these savings are income generation and commercialisation savings totalling £309,000. £49,000 of this total is in connection with Adult Community Learning and increased income allowing the continued movement towards a net nil budget with only self-financing and fully grant funded provision. There is a £46,000 proposal for general increases in commercial activity across the directorate and £100,000 from the recharging of utilities costs as part of the costs for specific pitches at Rover Way and Shirenewton gypsy traveller sites. There is also a proposal for £114,000, which will be delivered via increased disabled facilities fee income as a result of additional capital grant work to be undertaken.

118. One saving proposal has been made in relation to internally facing services totalling £193,000. This relates to Into Work Services, with the intention being to utilise grant funding to deliver the desired outcomes of the service. In relation to grants, there is a proposal to save £176,000 by reviewing opportunities for cost efficiencies and ways to join up service provision with existing externally funded provision. The final savings proposal relates to technology and the intention to more effectively manage library stock. This proposal amounts to £200,000 and is to be achieved by using new technology to reduce the need for a central warehouse by delivering stock directly to branches.

Corporate Management

119. The saving proposed in Corporate Management amounts to £84,000 and reflects a reduction in the amount available to support events and market the city. There will however be benefits arising from activities supported specifically by the Business Improvement District or through a potential new destination marketing organisation which will mitigate the impact of this saving. A 1% target reduction on precepts and levies will contribute a saving of £8,000.

120. The budgets within Corporate Management include commitments of £500,000 in relation to the Council's share of the costs of the Volvo Ocean Race, £96,000 in relation to additional costs arising from the Fire Levy in 2017/18 and a realignment of £150,000 to reflect the anticipated level of requests to purchase annual leave. An allocation of £150,000 has also been made to provide funding towards the CCRCD.

Economic Development

121. Within the Economic Development Directorate, including the Commercial Services division, funding totalling £700,000 is being allocated as part of the one-off FRM. The first component relates to work to be undertaken in connection with statutory obligations, particularly with regard to a programme of condition and mechanical electrical surveys across the whole of the Council's estate, enabling the identification of priority works. In addition, £300,000 is being allocated for the partial replacement of the Cardiff Market roof. A sum of £218,000 has been allocated within financial pressures to create a Recycle & Reuse centre to assist less advantaged families in obtaining items

such as furniture. As well as this funding, £80,000 is being allocated in respect of demographic growth pressures within Waste Services. A further allocation of £82,000 is also being made to realign specific rental income reductions.

122. In addition to the allocations outlined in the preceding paragraph, the directorate has submitted financial pressure bids totalling £763,000. The first of these totals £468,000 and is being allocated to offset a 6.7% reduction in the Single Revenue Grant and to ensure that essential services such as recycling and food and green waste collections are maintained. In addition, an allocation of £295,000 is being made to further the reuse and recycling of materials, enabling the achievement of statutory recycling targets.

123. As part of the due diligence for the 2017/18 budget process, the level of risk attached to current shortfalls against budget savings targets in 2016/17 was assessed. Based on this, previous year budget savings totalling £116,000 have been written out of the base budget for 2017/18. Of this total, £76,000 related to changes to opening hours and charging in respect of Household Waste Recycling Centres and £40,000 is in connection with the planned changes for the taxi marshal service.

124. In addition to the funding increases provided to the Directorate, there has also been a requirement to identify budget savings totalling £2.170 million. The breakdown of savings is outlined below.

2017/18 Savings	**£000**
Income & Commercialisation	1,171
Internally Facing	445
Technology	138
Second/third year	416
TOTAL	**2,170**

125. Savings totalling £416,000 have been proposed and represent extensions of proposals made in previous years. These relate to St David's Hall and New Theatre, where further reviews of costs, income and service delivery will be undertaken. In addition, a range of proposals have been made in connection with internally facing areas. The majority of these relate to Waste Services and total £445,000. The planned changes include efficiency improvements within the back office, increased productivity within the Treatment & Disposal section, increased efficiencies within domestic collection rounds and reduced dependency upon agency staff. In addition, there is a proposal totalling £66,000, which is intended to be achieved through reduced insurance claims in relation to the vehicle fleet. A further saving of £138,000 is being proposed as a result of increased automation within the recycling processing plant thus increasing capacity for further trading.

126. In addition to the proposals outlined in the previous paragraph, £1.171 million is being proposed in relation to income generation and commercialisation. Included within this total is a proposal for £473,000 whereby income will be increased within Culture, Venues & Events Management to reflect current

income streams, increasing footfall and introducing new attractions. As well as this, £178,000 is expected to be achieved from increased advertising sites within the city's infrastructure and £105,000 from increasing income generated from the investment portfolio and operational estate. Furthermore, income is expected to be increased by £100,000 from commercial trade waste and expanding the markets in which the Council operates, as well as increasing income generation within Fleet Services by £75,000, from utilising capacity within the fleet maintenance facility and increasing the level of external custom. A sum of £50,000 will be generated from third parties using waste transfer treatment facilities. Other proposals will see increased income within Tourism, Pest Control, Security Services and Building Cleaning Services, and reduced costs within Building Services.

Education & Lifelong Learning

127. Within Education, £200,000 has been allocated to assist specific schools in transitioning away from reliance upon Schools Challenge Cymru grant funding, following the WG's decision to end this funding in March 2017. In addition, £100,000 is being allocated in relation to Youth Services, in order to provide transitional funding whilst the significant reshaping of the service continues. This funding is to progress community organisations taking on initiatives currently provided by the Council. Both of these allocations are being provided as part of the aforementioned FRM.

128. Funding of £80,000 has been allocated to the Directorate to support participation in the Unicef Child Rights Partner Programme, in order to work towards Child Friendly City status. In addition, funding is being provided in respect of the costs associated with providing temporary accommodation at Cantonian High School following the closure of one of the main school blocks. This commitment totals £481,000 per annum for three years.

129. Whilst additional funds have been allocated to delegated school budgets, the Education Directorate has identified budget savings totalling £2.371 million. These savings are outlined in the following table:

2017/18 Savings	**£000**
Income & Commercialisation	984
Internally Facing	1,057
Grants and Subsidies	80
Second or Third Year	250
TOTAL	**2,371**

130. For 2017/18, the delegated school budgets will increase by a further £7.233 million (3.3%) which is on top of a 5.4% increase in the previous year. For 2017/18, there is no requirement placed upon local authorities to protect school budgets. However, the preceding figures evidence the Council's continued commitment to provide revenue funding growth to delegated schools.

131. Of the £7.233 million being allocated to schools, £4.565 million relates to non-pupil number growth and will meet 70% of the pressures identified. These pressures are largely in connection with salary increments and pay inflation, however amounts are also allocated for the living wage supplement, the estimated impact of the actuarial review, apprenticeship levy, non-domestic rates and associated pupil needs such as complex needs enhancements, specialist resource bases and breakfast initiatives. The balance of additional funding being provided totals £2.668 million and relates to increasing pupil numbers in both mainstream and special school settings.

132. The savings include £250,000 in respect of the continued remodelling of the Youth Service which commenced in 2015/16. The Council continues 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. This particular saving will be achieved through the full year effect of staffing savings and the finalisation of savings on premises budgets.

133. Savings relating to income generation and commercialisation are proposed totalling £984,000. Included within this is a saving of £484,000 as a result of a planned 10p increase in the price of a school meal. In addition, a saving totalling £500,000 is proposed in relation to a range of traded services with schools. The intention is to review the cost base across these services and identify areas where efficiencies can be identified. As well as these savings, £80,000 is also proposed in connection with the annual contribution made by the Council towards the running costs of the Central South Consortium Joint Education Service.

134. Internally facing savings totalling £1.057 million have been proposed. These comprise a saving of £175,000 in relation to central staffing costs and £260,000 following the rationalisation of centrally held budgets for school related issues including the fallout of invest to save budgets. In addition, there is a saving of £100,000 in relation to a reduction to the central staffing budget for the Education Welfare Team. A further saving is proposed totalling £140,000 in connection with services of a specialised nature. This proposal builds on savings made during the 2016/17 financial year and will see resources used by the previously delegated staff being delegated to schools. Finally, a saving of £382,000 is proposed in relation to the Pupil Referral Unit. This represents the part-year effect of a proposal to transfer the unit into the budgets held for delegated schools with the service becoming the responsibility of a particular school.

Governance & Legal Services

135. Additional budget of £82,000 has been allocated to review business support provided to members, with the view to consolidating service provision for members' enquiries, casework and general support services, and member learning and development.

136. The table below sets out the Directorate's budget savings proposals for 2017/18.

2017/18 Savings	£000
Income & Commercialisation	55
Internally Facing	47
TOTAL	**102**

137. Budget savings of £102,000 are proposed. An income and commercialisation saving of £55,000 is proposed in relation to efficiency savings through the centralisation of external legal spend across the Council. The centralisation of decision making in respect of external legal spend which will take effect from April 2017 will ensure that services are procured based on need and reductions in spend and value for money are achieved. In addition, an internally facing savings proposal totalling £47,000 has been made in respect of a review of overheads across the directorate.

Resources

138. Within the Resources Directorate £230,000 has been allocated to support a trainee placement programme. This will fund 20 trainee placements of six months duration in addition to a co-ordinator post.

139. Budget savings of £1.268 million are proposed in the Resources Directorate and these are summarised in the following table:

2017/18 Savings	£000
Income & Commercialisation	246
Internally Facing	750
Grants and Subsidies	20
Technology	252
TOTAL	**1,268**

140. Savings based on commercialisation and increased income total £246,000. This includes £120,000 through utilising the Enterprise Architecture function to generate income from either internal or via external services provided to other public sector bodies. A saving of £70,000 is also proposed in relation to the activities of the Commissioning & Procurement Local Authority Trading Company together with £56,000 in additional income to be generated from a commercial approach to external training provision within the Cardiff Academy and additional internal income generated in Information Governance.

141. Proposals based on internally facing or commissioning and procurement initiatives total £750,000. These include £204,000 from a reduction in external spend within ICT including a reduced number of licences and a reduction or removal of support contracts. A saving of £100,000 will also be made in Human Resources through a reduction in costs for the Council's HR IT system, previously funded by post reductions in the service. A review of the staff

structure in Organisational Development will generate a saving of £172,000. This will be achieved through reducing posts that are currently filled on a temporary basis, increasing the vacancy provision to reflect staff turnover and through the recovery of staff costs against specific projects where applicable. If additional resources are required to support change initiatives during the year then this will be facilitated through use of reserves. Other proposed savings in staffing budgets include £90,000 in Accountancy, £52,000 in Human Resources, £35,000 in ICT, £27,000 in the Cabinet Office and £15,000 in Internal Audit. These reflect a range of business efficiencies based on a review of responsibilities and on-going commitments. Other savings include £50,000 though a reduction in telephony licences, network support and telephony support and maintenance and £5,000 from a range of efficiencies within Emergency Management.

142. Savings based on increased use of technology total £252,000 and include £154,000 in reduced costs as a result of automation of forms, e-billing and use of a transactional website in order to generate channel shift from telephone calls in the Council Tax and Non Domestic Rates recovery sections. Process and technology changes will also provide savings of £98,000 in Business Support, largely through a reduction in the staffing structure. A saving of £20,000 will be made in Policy & Partnerships through an alternative model for the funding of one-off, unplanned events such as sports fixtures or other large events in the City centre. Whilst this will reduce flexibility work is being undertaken to investigate the possibility of alternative funding being found on an on-going basis.

Social Services

143. Significant additional resources have been allocated in the budget in order to meet existing and new financial pressures in Social Services with the overall budget showing a net increase of £9.151 million (6.33%) compared to the controllable base in the current year, after taking into account directorate savings totalling £4.997 million. Additional funding has been provided to both Children's and Adult Services with budget allocated to meet demographic pressures and exceptional cost increases, anticipated fee increases, financial pressures including increased capacity for reshaping and prevention and meeting the costs of the Social Services & Well-being Act and to write out unachievable savings targets from the current and previous financial years. Funding has also been allocated to reflect transfers and new responsibilities in the Final Settlement including transfers of £319,000 in relation to Delivering Transformation Grant and £15,000 for Deprivation of Liberty Standards. Funding for new responsibilities in the Settlement include £410,000 to reflect increased capital limits on charges for residential care.

144. In Children's Services an additional £3.285 million has been allocated in order to reflect the budget pressures in the current financial year. This includes a significant level of increased costs of external placements for looked after children. As in the current financial year a specific contingency allocation of £950,000 will also be maintained in 2017/18 in order to fund any growth in external placements should this become evident during the year. Funding has

also been provided to meet exceptional inflation costs in Children's Services including £250,000 to reflect the impact of increased fees identified as part of the new framework arrangements for the procurement of children's placements. Provision has also been made to meet the impact of an increase to the WG's recommended minimum fostering allowances for 2017/18.

145. The budget for Adult Services has been increased by £2.298 million to reflect the budget pressures in the current financial year with a further £1.720 million allocated to meet new demographic growth in 2017/18. A budget allocation of £1.17 million has also been provided in order to meet anticipated costs in relation to domiciliary and nursing home care in 2017/18 with exceptional levels of cost increases evident in the current financial year and likely to continue. Funding has also been allocated to reflect potential fee increases in the coming year including the impact of the NLW. These additional costs are partly offset by an anticipated increase in income of £325,000 as a result of the WG's increase to the maximum weekly charge for non-residential care services.

146. Following the Final Settlement in December the WG also announced that a sum of £10 million would be made available to councils in order to reflect cost pressures arising as a result of changes to the NLW. Allocations to individual councils have yet to be confirmed, however on the basis of the funding mechanism for Adult Services in the RSG the Council would expect to receive additional funding via specific grant of circa £850,000. This has been taken into account when setting the resources available to meet these pressures in the Budget.

147. Funding of £2.3 million has been allocated in order to meet specific financial pressures in Social Services including the requirement for a number of new posts. This includes £1.235 million to provide increased capacity for reshaping and prevention with £419,000 of this allocated to increase social work capacity in Children's Services reflecting a continued rise in caseloads and also to implement the Signs of Safety Framework which will enable social workers to engage more effectively with children and families and thereby reduce the number of looked after children entering the system. Other budget allocations supporting reshaping and prevention include £300,000 to review the personal assistant and agency rates for direct payments, £186,000 to sustain the Multi Agency Safeguarding Hub and enable further development of safeguarding arrangements for children and adults at risk of significant harm, £105,000 to provide increased capacity to manage the growth of domiciliary, residential and nursing provision through the care contract process and £105,000 to enhance the review function across learning disabilities and mental health services. Funding of £84,000 has also been allocated to support work with Health partners in order to identify cases that should be part funded through Continuing Health Care and £36,000 to support and enhance the strategic commissioning function across the directorate. All of these initiatives will support the achievement of savings in future years including many of the savings proposals in 2017/18.

148. The specific financial pressures also include £420,000 to meet the Social Services & Well-being Act and other legislative requirements and £645,000 to reflect additional demand and costs of services. The funding allocated to meet the impact of legislation includes £140,000 to reflect the requirements of the Social Services & Well-being Act for additional posts to enhance the first point of contact and to manage demand and engage people in their local communities. Other allocations include £100,000 to meet the increased demand for Connected Persons Assessments, £81,000 to support people in learning new ways of living following sudden sight loss or with decreasing levels of sight, £53,000 to support case managers in meeting the statutory duty to offer and complete carer's assessments for carers who have support needs and £46,000 to increase capacity to undertake qualitative performance monitoring. The funding allocated to meet additional demand and cost of services includes £222,000 to enhance capacity within Looked After Children's Services to provide more social work and support staff specifically for children who are the subject of a care order and who are living at home subject to Placement with Parents Regulations. Budget of £171,000 has also been allocated to provide temporary (three year) funding for a multi agency Child Sexual Exploitation Prevention Team. Other allocations include £100,000 for increased translation and interpretation costs, £76,000 to respond to the increasing demand for high quality, person-centred, outcome-led support for adults with learning disabilities and £76,000 to provide capacity for administering complaints and access to records.

149. As part of the due diligence for the 2017/18 budget process, the level of risks attached to current shortfalls against budget savings targets in 2016/17 was assessed. Based on this assessment a total of £872,000 has been reinstated into the Social Services base budget for 2017/18. This relates to six specific savings targets, four of which were carried forward from 2015/16. These savings are now either considered unachievable or have a level of risk in terms of achievability that is considered unacceptable in terms of future budget monitoring and financial resilience for 2017/18. These savings targets include £327,000 in relation to a business support review and £165,000 from market and demand management of commissioned residential services in Children's Services, £130,000 arising from the integration of the Directorate's central functions and £125,000 from reshaping the Internal Supported Living Service for People with Learning Disabilities. The other target savings include £100,000 from a review of commissioned services within the Community Alcohol & Drug Team and £25,000 relating to the block purchase of residential beds in Children's Services.

150. The budget savings proposed by the Directorate for 2017/18 total £4.997 million and are set out in the following table:

2017/18 Savings	**£000**
Partners and Others	850
Internally Facing	1,338
Grants and Subsidies	100
Second / Third year Proposals	2,709
TOTAL	**4,997**

151. A number of the savings are based on a continuation of initiatives which commenced in previous years. These total £2.709 million and include a number of preventative measures within Children's Services aimed at reducing the number and cost of looked after children requiring high cost external fostering and residential placements. These savings include £1.331 million based on a review of children placed in out of county placements with the aim being to move children who are currently in residential care into alternative care settings including enhanced fostering. Other savings in Children's Services include £488,000 through the Early Help Strategy to promote and facilitate early interventions and tackle emerging problems for children, young people and their families, £400,000 from the implementation of the Adolescent Resource Centre and £240,000 from the Safer Families Initiative which encourages and utilises volunteering in the community to provide a mentoring service aimed at reducing looked after children admissions. The other proposal which is based on initiatives which commenced in previous years is a saving of £250,000 based on locality based service delivery in Adult Services.

152. Savings proposals that are internally facing or based on commissioning and procurement initiatives total £1.338 million. This includes a saving of £290,000 based on a review of the Emergency Accommodation Service for people with learning disabilities, remodelling the social care crisis service to merge with the provision of respite care and £250,000 by reducing and preventing reliance on statutory services in Adult Services through encouraging access to preventative services, reablement and recovery models of care. Other savings within Adult Services include £170,000 through a joint review with the University Health Board (UHB) of the needs of specialist day care services for service users currently utilising external provision, £150,000 through a retender of the Mental Health Supported Living Service, £125,000 from a review of the model of delivery for domiciliary care services, £100,000 through re-modelling the skill mix within Adults Social Work Teams, and £53,000 by incentivising and working with external providers to improve efficiencies and reduce costs. Savings within Children's Services include £150,000 through a re-modelling of services and £50,000 from recommissioning the current contract for respite and short breaks at Ty Storrie.

153. Proposals based on working with partners and others are anticipated to provide savings of £850,000. This includes £350,000 in Adult Services through reinforcing and robustly challenging the process for continuing health care where primary health needs have been identified. A saving of £150,000 is also proposed through reviewing the level of continuing health care funding for children's placements. Other savings include £130,000 through efficiencies arising from joint commissioning of residential and nursing home beds with the UHB, £100,000 through working in collaboration with the Cardiff & Vale College and Careers Wales to review all applications for Learning Disability residential college placements, £90,000 from a review of the social work resource in hospitals and £30,000 by working with Health colleagues to reduce therapy costs in Children's Services. A saving of £100,000 is also proposed in relation to Grants and Subsidies based on a review of third sector day spend within Adult Services.

Supporting People Programme Grant Spending Plan

154. The 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. Support can be provided in the clients own home, in hostels, sheltered housing or other specialist supported accommodation. Thirty two organisations deliver this support, the majority of which are charitable organisations. However, the Council does also provide some services directly including two homeless hostels.

155. The WG provides Supporting People funding in the form of a grant and local authorities administer the funds and commission services. A multi-agency Regional Collaborative Committee (RCC) for the Vale of Glamorgan and Cardiff operates to provide a collaborative approach and share best practice.

156. The WG requires each local authority to develop a Local Spending Plan in a prescribed format that indicates the areas where the Council intends to spend the grant. This is prepared following an indicative grant allocation figure from the WG.

157. The indicative grant allocation for Cardiff for 2017/18 is £16.267 million, which has remained the same as in 2016/17. While no reduction has been made in Supporting People Grant this year, it is anticipated that savings will be required in future years. The level of intended spend within each spend category can be seen at Appendix 16 and is broadly similar to that of the current year in the majority of spend categories. There is a reduction in spend on Floating Support services and there has been some realignment of funding in other categories as well as re-categorisation of some projects.

158. The proposed Local Spending Plan is a reflection of regular and ongoing engagement with all stakeholders and discussions with service providers and reflects the Council's priorities for 2017/18.

159. Generic Floating Support services have been recommissioned during the year with the new services commencing from April 2017. Greater control of access to floating support services together with the cost reductions achieved through recommissioning have resulted in a saving of £900,000.

160. The highest anticipated spend is in the spend category 'Expenditure which does not directly link to the other spend plan categories', with expenditure totalling £3.396 million. The projects in this category are mainly single person hostels and supported housing which do not provide services specifically for the other identified client groups within the spend plan but are accessed by people with both varying and multiple needs. Funding for resourcing the various 'gateways' to services is also included in this spend category.

161. A number of priorities have been identified for the coming year. Closer working with colleagues in Children's Services and Homelessness and the introduction of the Young Persons Gateway has identified a gap in supported

accommodation provision for the most challenging young people. An increase in spend of £160,000 (9%) in this area is anticipated as a project is developed to meet this need.

162. Rough sleeping in the City is at its highest level and additional resource is required to support this complex client group into services and ultimately accommodation. An increase in spend of £200,000 in this area is required as services are developed to meet the complex needs of those who are rough sleeping.

163. Each region has been tasked by WG to ensure services for Older People are targeted at the most vulnerable and are not based on tenure. Consultation has taken place with landlords and providers in this area and it is clear that further work is required to fully understand requirements of this client group. A full needs assessment is to be carried out in conjunction with the Vale of Glamorgan together with a review of existing service for older people to avoid any duplication and ensure joined up services. A small increase in funding of £31,000 (11%) in this category is anticipated.

164. The Young Person Gateway, Single Person Gateway and Gender Specific Gateway have been successful in managing the homelessness situation in Cardiff as well as providing much needed insight into the demand and needs for services and accommodation. There will be an increase in spend of £255,000 to increase the resource in managing the gateways, achieving greater join up and consistency between different accommodation provision. There will also be a new resource to directly support homeless households into the private rented sector, helping to prevent homelessness.

165. In addition partner organisations will be asked to put forward spend to save projects which can achieve more efficient use of resources to meet potential future grant reduction. Schemes will be temporary in nature and will address the following key priorities: supporting vulnerable people into suitable accommodation; reducing rough sleeping; prevention of homelessness and helping homeless households to access the private rented sector.

Medium Term Financial Plan and Financial Strategy

Future Outlook and Inherent Uncertainties

166. The budget reduction requirement is influenced by numerous external factors including new Government policy initiatives, new legislation, future funding settlements, economic conditions and price inflation. As a large organisation providing a range of services, these can impact on the Council in many ways. The budget reduction requirement is therefore a dynamic figure and robust financial planning requires regular review and refresh of the requirement to ensure that it reflects emerging issues and most recent information. As an important part of financial resilience and sound financial planning, the Council undertakes regular updates to the Budget Reduction Requirement. Following this report, the next reported update will be included in the Council's Budget Strategy Report in July 2017. In recognition of the areas of uncertainty inherent

within the plan, the MTFP includes both a base case and a sensitivity analysis which is covered further in the report.

Medium Term Financial Plan - Overview

167. This section sets out, as far as possible through use of available information, the financial challenges facing the Council for the period 2018/19-2020/21. The table below sets out an estimated budgetary gap of £80.9 million over this three-year period. An extended version of the table below is set out in Appendix 17(a).

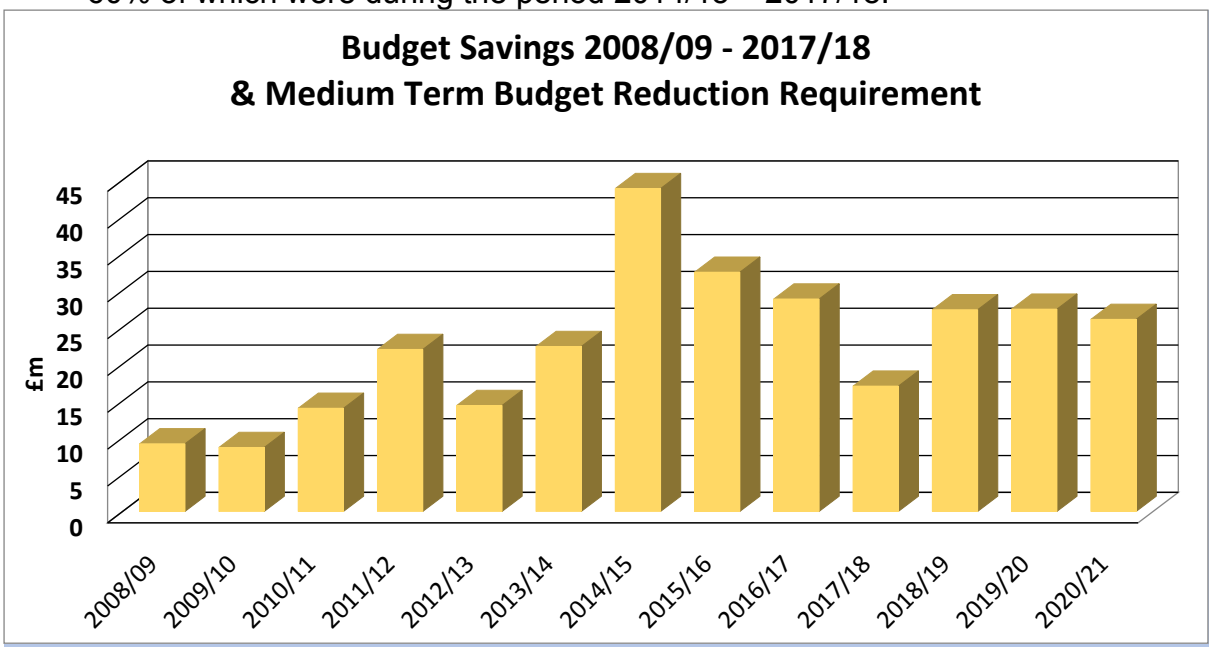
		Medium Term Financial Plan		
Component of Budget Gap	**2017/18**	**2018/19**	**2019/20**	**2020/21**
	£000	**£000**	**£000**	**£000**
Adjusted base Budget B/forward	**578,846**	**586,984**	**581,204**	**576,967**
Pay*	2,917	2,697	2,650	2,235
Price Inflation	2,507	4,171	3,655	3,626
Schools Growth	7,232	7,167	9,399	6,928
Capital Financing	(1,593)	233	707	2,616
Commitments and realignments (net)	6,410	793	459	121
Non Schools Demographic Growth	3,034	3,538	3,350	3,350
Emerging Financial Pressures	4,638	3,000	3,000	3,000
2017/18 Savings	(17,007)			
Budget Reduction Requirement		**(27,379)**	**(27,457)**	**(26,071)**
Net Expenditure	**586,984**	**581,204**	**576,967**	**572,772**
Funding				
Aggregate External Finance	(428,217)	(423,937)	(419,700)	(415,505)
Use of Earmarked Reserves**	(1,500)			
Council Tax (at 2017/18 Rate)**	(157,267)	(157,267)	(157,267)	(157,267)
Total Funding	**(586,984)**	**(581,204)**	**(576,967)**	**(572,772)**

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

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

Budget Reduction Requirement	**£000**
2018/19	27,379
2019/20	27,457
2020/21	26,071
Total	**80,907**

168. A budget reduction of £80.9 million over a three year period will be extremely challenging, especially when taken in the context that the Council has had to find £213 million savings over the 10 year period 2008/09 – 2017/18, almost 60% of which were during the period 2014/15 – 2017/18.



169. Although the Council has made £213 million savings over the past decade, the base budget has not reduced by this amount. This is because the most significant driver for the Council to find savings are unfunded financial pressures. This has had the effect of diverting resources into areas of unavoidable commitments or protection.

170. A consequence of this is that areas that have been afforded protection (such as Schools) and areas facing significant demand and cost pressure (such as Social Services) are accounting for proportionately more of the Council's budget annually, as funds are redirected into these areas. Over an extended period, this makes addressing the budget reduction requirement through directorate savings increasingly challenging. This is illustrated in the table below which shows that over the period 2012/13 – 2017/18 these areas have received net budget growth of £63 million.

Financial Year	Delegated Schools Net Growth £000	Social Services Net Growth £000	Total £000
2012/13	4,465	2,809	7,274
2013/14	4,937	5,616	10,553
2014/15	2,720	736	3,456
2015/16	6,574	3,211	9,785
2016/17	11,185	4,082	15,267
5 Year Total	**29,881**	**16,454**	**46,335**
2017/18	7,233	9,155	16,388
Total	**37,114**	**25,609**	**62,723**

MTFP Assumptions – Future Expenditure

171. Financial pressures account for £66.7 million (81%) of the anticipated budget gap. Within the £66.7 million, a total of £23.4 million (35%) relate to pressures in schools and £22.8 million (34%) in Social Services.

Employee costs

172. For non-teaching staff, 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, the MTFP includes provision for annual pay awards of 1% in an effort to balance the general theme of restraint regarding public sector pay awards with preparedness from a budgetary perspective. In the absence of any firm indication of teachers' pay award, the plan assumes a 1% annual increase in line with the assumption for non-teaching staff. In recognition that a fluctuation in rates could cause a significant in-year budgetary issue if awards in excess of 1% are agreed, the worst case scenario factors in the possibility that annual pay awards will start to rise to 2% per annum.

173. The Voluntary Living Wage (VLW) rate encompasses spinal points at the lower end of the NJC pay scale. The MTFP assumes that the VLW will increase incrementally at a rate that will bring it into line with the projected NLW by 1 April 2020 at an estimated cost to the Council of approximately £0.5 million over the life of the plan. This cost is lower than estimated at the time of the Budget Strategy Report due to estimates of slower pay growth over the medium term. Based on these assumptions, there is an expectation that over this period the VLW will encompass two additional spinal points. As the number of spinal points encompassed by the VLW grows, erosion of pay differential is likely to become an increasing issue.

174. The medium term plan allows for incremental salary drift for both schools and non-schools staff. Each year, the plan includes a reduced estimate of drift compared to the previous year in recognition that over time, annual provision for the cost of increments should result in a budgeted establishment that is sufficient to cover each post being at maximum spinal point.

175. The Council's Local Government Pension Fund (LGPS) is subject to an Actuarial Review on a triennial basis, with the latest valuation as at 31 March 2016. The MTFP reflects an increase in employer's contribution rates from 22.9% to 23.3% in 2017/18 and a further increase to 23.5% in 2018/19. These assumptions reflect use of the mechanisms available to manage upward pressures on the contribution rate by stepping the increase. As the Council is in receipt of a recent actuarial review, it is not necessary to reflect a worse case scenario in respect of employer's rates for 2018/19 and 2019/20. By the financial year 2020/21, there will have been a further actuarial review of the scheme. This is presently almost three years off and very difficult to pre-empt. At present, a reasonable base case assumption is to assume an ongoing rate of 23.5% following the next review.

176. Cardiff's auto-enrolment date was 1 February 2013. However, as Cardiff chose the deferral option, auto-enrolment of qualifying employees into the Pension Scheme was deferred to 1 October 2017. The potential cost associated with the auto-enrolment of these employees depends on the proportion who opt to remain in the scheme. It is a reasonable assumption that many employees will opt out, having previously decided not to join or remain in the Pension Fund. However, it would be imprudent to assume that there would be no additional LGPS members following auto-enrolment. The base case MTFP therefore includes provision for 15% of those who are auto-enrolled to remain in the fund. As the enrolment date is half way through the year, these costs initially affect 2017/18 with a full year effect in 2018/19. A further re-enrolment exercise will take place in early 2019. The MTFP includes provision for 10% of those employees who remain opted out of the scheme to re-join at that date.

177. The Teachers' Pension Scheme is an unfunded public service pension scheme. It was announced in the Chancellor's Budget of March 2016 that the discount rate used to set employer contributions to such schemes would reduce from 3% above CPI to 2.8% above CPI, and that this change would impact on employers from April 2019. The full impact will be dependent on actuarial review which has not yet been undertaken. However, it has been suggested that the employer's contribution to the scheme will increase from 16.48% currently to just over 18% which would require a 10% increase on teacher's pension's budgets. The MTFP reflects this with a £1.7 million pressure recognised for 2019/20. The worse case scenario models the potential for an increase to 20%, a rate which has been suggested by commentators advising Academy Schools in England of potential risk factors over the medium term. Both scenarios will require careful monitoring over the medium term, given that the discount rate is a factor of the inflation rate, which will be changeable over this period.

Price Inflation

178. At present, CPI is running at 1.6%, which is higher than it has been for some time, albeit still below the Bank of England's 2% target. In line with the practice in recent years, the plan assumes that directorates will absorb the impact of price inflation within their existing resource base except in instances that are deemed to be exceptional. Exceptional circumstances may arise either because the quantum of the budget to which inflation applies is very significant, or as a result of above inflationary price increases. Current Office of Budget Responsibility estimates suggest the following inflation rates during the course of the MTFP:

	2017	**2018**	**2019**	**2020**
RPI %	3.2	3.5	3.2	3.1
CPI %	2.5	2.1	2.1	2.0

179. The plan includes estimated future provision in respect of NDR, Out of County placement costs and potential fee increases in relation to Social Services. The latter also reflects the impact of the NLW requirements with wage rates

generally low within the care sector. Given the volatility of pricing in relation to energy and fuel and given price decreases experienced in the current year, the base case MTFP assumes static pricing in this area. Any price fluctuations will be factored into the budget gap at the appropriate MTFP refresh points.

Capital Financing

180. The assumptions that underpin the capital financing figures included within the plan are covered in further detail elsewhere in the report. Two key assumptions to note are:

- the capital financing costs included within the MTFP reflect the 2017/18 Capital Programme contained within this report. There is no assumption of any further new scheme approvals in 2017/18 and onwards
- the MTFP assumes a level of internal borrowing which minimises external interest costs

Commitments

181. The commitments section of the MTFP includes provision for an increase in the Central Enterprise Zone (CEZ) budget. A £1.5 million budget for CEZ was due to be established by 2014/15 however, slippage from estimated CEZ timescales meant that provision of the full budget was delayed. Amounts are included within the MTFP to increase existing budgets to the planned level of £1.5 million by 2018/19 in line with updated timescale of anticipated commitments in this area.

182. As outlined elsewhere in this report, through the School Organisation Plan (SOP), the Council is undertaking a significant programme of capital investment in schools to reorganise school places and to ensure effective use of resources and fitness for purpose. During the period covered by the MTFP, it is likely that new schools due for completion will have higher rateable values, and therefore a higher NDR liability, than the existing schools estate. The MTFP builds in an estimate of the increased NDR exposure that may result from SOP.

183. The commitments section of the MTFP captures instances where commitments should reduce over the next three years. The first year of the MTFP reflects a further reduction in the voluntary redundancy budget. This is reflective of the planned shift, by 2018/19, to a funding model for redundancy that is covered 50% from the base budget and 50% from earmarked reserves. The MTFP also reflects the write out in 2018/19 of £0.5 million included in the 2017/18 budget to support the Volvo Yacht Race and the fall away in 2020/21 of £0.5 million included in the 2017/18 budget to provide temporary accommodation at Cantonian High School.

184. Specific grants are an area over which there is little certainty over the medium term as outlined further in the funding section of the MTFP. The commitments section of the MTFP includes estimates of potential reductions to specific

grants where those grants cover areas of statutory responsibility. In these circumstances, consideration of discontinuing the grant-funded service is not a viable option.

185. The commitments section of the MTFP also includes £471,000 in 2018/19 to reflect the full year effect of financial pressures supported within the 2017/18 budget. The majority of these reflect provision for additional Social Services posts that are due to be filled part way through 2017/18 and as such required only part year funding for that year. The MTFP also includes sums to meet commitments on statutory recycling targets.

Demographic Pressures

186. Of the £66.9 million expenditure pressure identified over the next three years, £19.8 million is attributable to pressure on services due to demographic growth. Over recent years, Cardiff has had one of the fastest growing populations of any of the UK core cities. Projections suggest that this trend will continue with statistical projections suggesting significant population growth out to 2034.

187. In recent years, Cardiff has seen significant growth in age groups in which demand for services can be more costly. An increasing school age population places additional financial burden on the Education Lifelong service and similarly, an increase in the older population creates additional financial pressures on Social Services, as people become more likely to need services or require more complex care packages.

188. The demographic pressures within the MTFP are summarised in the table below and are in areas that already account for over 60% of the Council's budget. As referred to earlier in this section, in the absence of additional government funding, the £19.8 million estimated requirement will involve an element of redirection of funds from other areas of the Council's budget.

Demographic Increases	**Predicted 3 yr pressure £000**
Social Services – Adults	5,100
Social Services – Children's	4,500
Schools	9,519
Other	638
TOTAL	**19,757**

189. Whilst labelled as demographic growth, the sums in respect of Children's Services are also reflective of increasing complexity of demand. This is very difficult to predict and a small number of high cost packages can have a significant impact on the Council's budget. In recognition of this issue, in addition to the sums identified for Children's Services, the Council's base budget contains £950,000 as a service specific contingency in this respect.

190. A further area that will need to be monitored over the MTFP in terms of its demographic impact is the LDP which sees significant growth planned for the City over the period to 2026. The MTFP shows the Council Tax Base as static over this period even though additional properties would result in an increase. This is to reflect the fact that additional Council Tax income will affect settlement figures and will be accompanied by increased demand for services. Future modelling will take place as the LDP progresses.

Emergent Financial Pressures

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

Aggregate External Finance

192. In the absence of any indicative funding figures for 2017/18 onwards, the level of AEF across the plan has had to be estimated. The general view amongst Welsh Local Government is that the funding outlook is likely to remain challenging. The base case MTFP for the financial years 2018/19 – 2020/21 assumes an annual AEF reduction of 1%.

193. In recent years, the absence of multi-year settlements for Welsh Local Government has been a significant obstacle to financial planning. This uncertainty is set to continue over the medium term as the 2017/18 settlement covers only the forthcoming financial year. Ongoing budget reductions of the scale required to achieve a balanced position often require difficult decisions with long lead-in times. The absence of sound evidence upon which to base future funding assumptions is extremely problematic, especially given that a 1% fluctuation in AEF for Cardiff equates to £4.3 million.

194. As referred to earlier in the report, in recognition of this key risk, as part of the 2016/17 budget, the Council established a £4 million financial resilience mechanism budget. The budget, which equates to just under 1% of AEF, operates as a base budget to fund one-off initiatives that support the reshaping of the organisation or invest in priority areas. A key investment criterion is that it is one-off in nature, which means that this £4 million FRM budget is available for immediate release in future years should a settlement be more challenging than the 1% reduction reflected in the MTFP base case. This reduces the likelihood of having to identify significant additional directorate savings at short notice. In summary, the FRM base budget is a mechanism that allows for short-term investment in priority areas, whilst managing risk and providing some assurance to the medium term position.

195. In November 2016, the Welsh Local Government Association (WLGA) produced a paper in response to the WG's Draft Budget 2017/18. Within this paper, using Spending Review estimates of future Welsh Block Resource Grant and combining these with assumptions around growth in business rates, the WLGA modelled a number of potential scenarios for Welsh Local Government's core grant in the remaining years of the Spending Review. The scenarios covered a variety of potential protection levels for other parts of the Welsh public sector including NHS Wales. They ranged from an optimistic (for LG) scenario that suggests annual AEF increases of just over 1.5% over the period to 2019/20, to a most pessimistic scenario that sets out potential AEF reductions of 2.6% for 2018/19 and 1.8% in 2019/20. The middle scenario suggests AEF increases of 0.2% - 0.4% in 2018/19 and 2019/20 respectively.

196. The assumption of annual AEF reductions of 1% included within Cardiff's base case MTFP are therefore between the WLGA's modelled medium and worse case scenarios. Whilst Cardiff's base case assumption is more pessimistic than the WLGA's middle scenario, there is also a need to be mindful of further potential distribution amendments through the formula which impact Cardiff negatively. One known area in this respect is the second phase of the social services rurality changes effected as part of the 2017/18 settlement distribution.

Specific Grant Funding

197. The Council receives a significant amount of specific grant funding. Over recent years, the WG has committed to provide greater flexibility and reduce administrative burdens for Local Government by transferring specific grants into the 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 change. There is also a risk that specific grants may simply reduce or fall out altogether.

198. Future changes to specific grants, either by way of transfer or reduction, are arguably even harder to predict than AEF levels. This uncertainty is compounded where there are changes to existing arrangements at short notice including separate grant streams merging into one, or where complicating factors such as consortia arrangements exist. LG settlement information on specific grants is usually in outline form with little information for the forthcoming year and no indications for later years.

199. The Council has an existing base budget of £250,000 to deal with in-year specific grant funding issues. Over and above this amount, the MTFP includes the risk of ongoing reductions to grants that fund statutory activity. Beyond this, the assumption is therefore that any future specific grant reduction would be dealt with either by reviewing the grant funding activity or addressing the issues through the sums set aside within the plan for emerging financial pressures.

Reserves

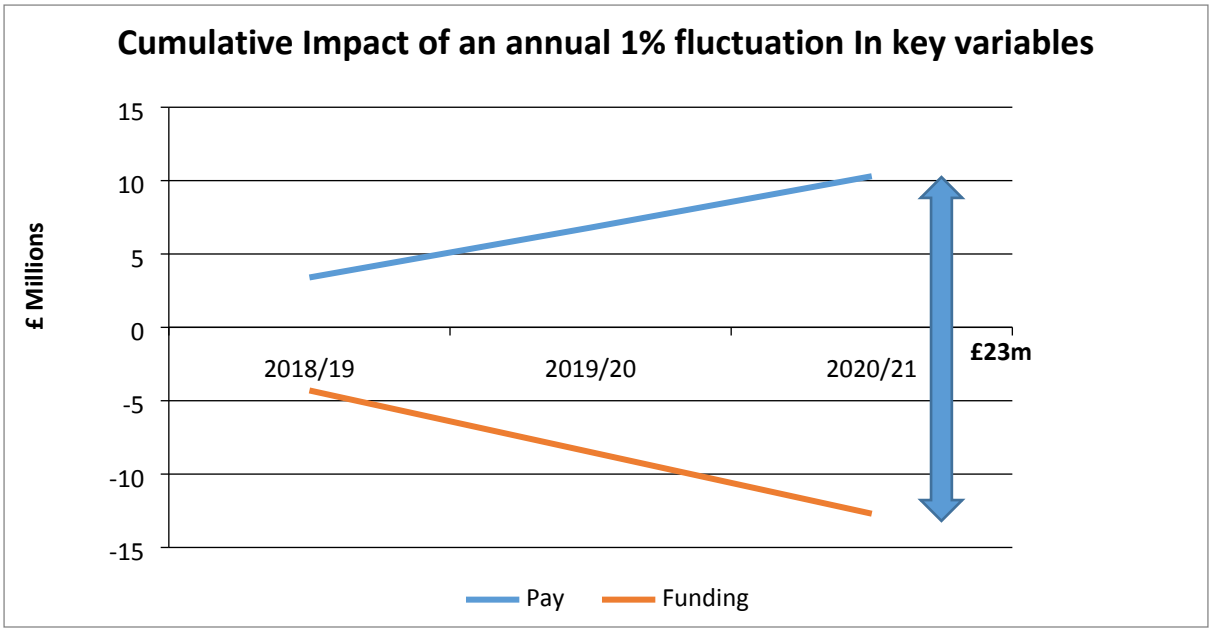
200. Established practice is to avoid over-reliance on reserves as budget funding for a number of reasons. Firstly, due to their finite nature, use of reserves to support the budget creates an immediate funding shortfall in the following year. Secondly, earmarked reserves are set aside for a specific purpose, which would be compromised were they to be routinely taken for general budget funding. Thirdly, the existence of reserves are an important part of financial resilience, especially in a period of extreme financial challenge. Finally, this allows the Council to borrow internally and so significant reduction in reserves would potentially increase the Council's need to borrow externally. It is also of note that the level of reserves held by the Council could be considered to be at just an adequate level for an authority of this size. As a percentage of gross revenue expenditure, Cardiff has one of the lowest levels of general and unusable reserves compared to other Welsh Authorities.

201. There is a careful balance to strike between holding too much and too little cash in reserves. If reserves are too low, this increases the Council's exposure to risk and may affect its capacity to deliver planned priorities in a prudent fashion; too high and this funding could have been used on services in times of financial pressure. It is also important to note that cash in reserves is not idle. Cash held in reserves generates investment income in line with the Council's Treasury Management Strategy and as noted above, cash reserves help the Council avoid the need to undertake short-term external borrowing and its associated costs.

202. The base case MTFP shows no annual drawdown from reserves. To improve visibility and ensure full engagement with Members in setting a strategy in relation to reserves, use of reserves is set as a budget planning assumption along with savings, Council Tax levels and caps on schools growth.

Sensitivity Analysis

203. 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 following graph which illustrates the cumulative cash impact of an annual 1% fluctuation in two key variables; pay and funding. The graphs show that if AEF decreases are annually 1% worse than currently planned and pay awards are 1% higher, this would have a cumulative impact of £23 million over the period. The impact of the funding reduction in the first year would be offset by releasing the Council's FRM. This would avoid the need to identify additional directorate savings at short notice, but would remove the availability of the mechanism for investment in priority areas in future years.



Worse Case Scenario

204. The following table reflects the potential worse-case scenario for the Council over the medium term. This reflects

- pay awards of 2% compared to the 1% within the base case
- annual funding reductions of 2% over the life of the MTFP compared to the 1% within the base case
- a more pessimistic outcome of the impact of the change in discount rate on Teachers' Employers Contribution rates.

Worst Case Scenario	**2018/19 £000**	**2019/20 £000**	**2020/21 £000**	**TOTAL £000**
Base Case MTFP Position	**27,379**	**27,457**	**26,071**	**80,907**
Changes:				
AEF	4,280	4,237	4,195	**12,712**
Pay Award	3,400	3,435	3,470	**10,305**
Pensions Issues - actuarial	0	1,900	0	**1,900**
Revised MTFP Shortfall	**35,059**	**37,029**	**33,736**	**105,824**

205. One key risk across the life of the plan period is pay awards. The MTFP extrapolates the general theme of restraint in respect of public sector pay over the medium term. However, with economists and other financial analysts predicting that inflation will hit 3% - 4% in the next two years, higher than it has been for many years, it is reasonable to assume that there may be upward pressure on pay increases. The table above shows that annual pay awards of 2% for all staff would add £10.3 million across the life of the MTFP.

206. A 1% annual fluctuation in AEF has the biggest impact on the base case MTFP, adding £12.7 million to the estimated budget reduction requirement. Release of the Council's FRM would immediately mitigate this sum by £4 million. This would of course remove the opportunity for further one-off investment through the FRM in future.

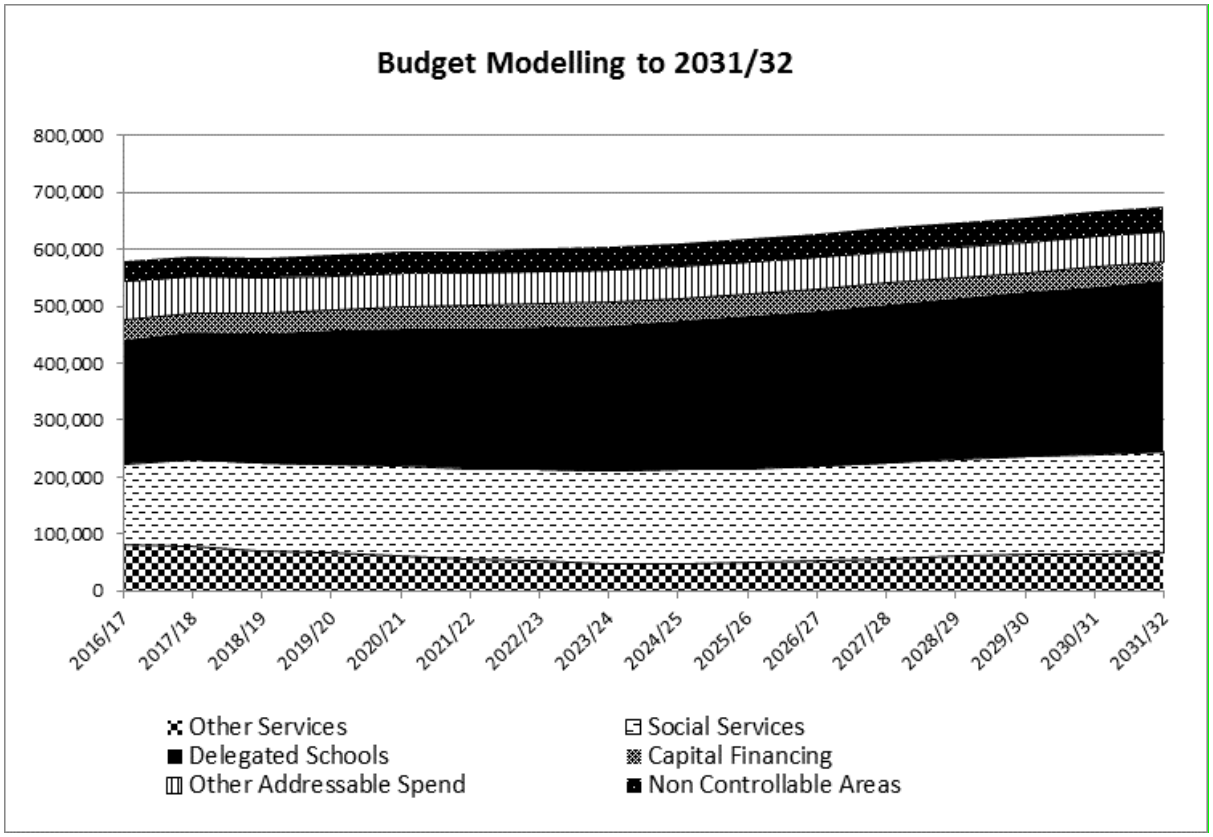
207. The worse-case scenario models the potential for employers' contributions rates in respect of teachers' pensions to increase to 20% over the medium term, higher than the increase from 16.48% to 18% that is included within the base case MTFP. Commentators advising Academy Schools in England in relation to potential risk factors over the medium term have suggested that the rate could increase to 20% over this period. This issue will require careful monitoring as it largely depends upon a discount rate, which is a factor of the inflation rate, which will be changeable over this period.

208. In addition to the above risks that have been estimated in financial terms, there are a number of other areas that are currently too uncertain to quantify, but which the Council will need to monitor carefully over the medium term. These include:-

- NJC proposal to review pay-scales in conjunction with employers as a result of NLW changes
- the terms agreed as part of Britain's exit from the European Union and their impact on the economy
- specific projects to be agreed as part of CCRCD arrangements
- the 21st Century Schools Band B Programme
- the impact of WG's devolved income tax powers from 2019
- the impact of WG devolved powers for land transactions tax (replacing stamp duty) and landfill tax from 2018
- the recently published white paper on Local Government Reform
- the WG pilot on 30 hours childcare (from 12.5 hours) for children aged three and four
- the potential for the Office of Tax Simplification (OTS) to recommend modifications to the National Insurance system.

Future Years Outlook

209. It is difficult to model beyond the life of the MTFP as there is little clarity over the funding position for Local Government beyond next year. Moreover, there are other significant uncertainties on the horizon including for example, the collaborative working ethos set to replace original plans for Local Government Reorganisation. Notwithstanding these difficulties, it is extremely important to try and look further into the future in order to understand how the impact of budget strategies and decisions taken now will impact the future shape of the Council's budget.



210. It is worth noting that the capital financing section of the graph assumes no further growth beyond the existing Capital Programme. Consequently, any new schemes, dependent on the associated level of additional borrowing, will result in the capital financing section of the above graph increasing at the expense of other areas. This highlights the importance of considering the impact of a decision in one area in the context of the Council's overall budget both now and into the future. At times when funding levels are static or reducing, growth in one area must inevitably be at the expense of others.

211. The graph clearly shows that savings from "other services" which, due to protection or demand pressure in other, more significant areas of the Council's budget such as Social Services and Schools, will not be a sufficient long term solution to the problem. "Other Services" contain many areas of statutory duty. It is extremely important moving forward to continue to set clear assumptions and policies at an early enough stage to have the most impact on the future shape of the Council's budget. The cumulative impact of decisions taken now will have a significant and irrevocable impact on later years. It may be that long standing policies and assumptions are considered unaffordable when viewed over an extended time-frame and robust annual challenge will be a key part of financial planning and financial resilience.

Council Response to the Medium Term Financial Plan

212. The previous section set out a further potential budget gap of £80.9 million over the next three years. Directorate savings in isolation will not be a sufficient solution to the problem. Developing the budget strategy to bridge this gap and ensuring the Council's ongoing financial resilience will require further targeting

of addressable spend budgets, further review of policy around schools growth and potential future Council Tax increases.

213. The table below extrapolates budget strategy assumptions across the medium term to arrive at the likely figure that will need to be found from savings over this period. These assumptions, which will be reviewed and refreshed as part of the Budget Strategy Report to be developed in July are:-

- a cap on schools non-demographic growth of 30%
- a Council Tax increase of 3.7%, in line with the current year's increase
- annual draw down from reserves of £1.5 million – sum considered to strike a balance between protecting financial resilience whilst utilising available resources to mitigate front line impact.

	2018/19 £000	**2019/20 £000**	**2020/21 £000**	**TOTAL £000**
Budget Reduction Requirement	**27,379**	**27,457**	**26,071**	**80,907**
Cap on Schools Growth - @ 30%	1,494	1,979	1,348	**4,821**
Council Tax at 3.7%	4,686	4,860	5,040	**14,586**
Use of Earmarked Reserves	1,500	0	0	**1,500**
Residual Gap	**19,699**	**20,618**	**19,683**	**60,000**
Addressable Spend Target	**2,000**	**2,000**	**2,000**	**6,000**
Residual Sum from Directorate Savings	**17,699**	**18,618**	**17,683**	**54,000**

214. The term Addressable Spend is used to refer to budgets that are not within the control of an individual directorate. This is because they are externally set, relate to corporate financial resilience such as insurance or cut across Directorates such as energy and property. The above table includes addressable spend targets of £2 million per annum. Work to shape these targets will continue in 2017/18 but will involve further investigation of opportunities in relation to divestment of the Council's property portfolio resulting in premises savings, further review of energy budgets to maximise efficiencies and review of insurance budgets in light of current claims experience.

215. As part of the development of the 2016/17 Budget Strategy, the Council developed a medium term savings framework. This work set the direction of travel for achieving the level of savings anticipated over the medium term with directorates afforded flexibility to address and update as time progressed. The savings identified as part of this exercise have undergone review, refresh and roll forward to 2019/20 and are set out in Appendix 17(b) on a thematic basis. The themes used have been updated in order to provide additional clarity to members of the public, whilst maintaining a synergy with the Council's Corporate Plan priorities and are described in further detail below:-

Theme	Description
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 commissioning and procurement opportunities in respect of third party spend.
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.
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.
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.
Internally Facing	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.
Prevention and early intervention	Moving towards preventative action and early intervention to provide more cost-effective services that are focused on the need to support the most vulnerable and disadvantaged in society to achieve better outcomes for residents and communities.

216. The following table summarises the opportunities identified within Appendix 17(b):-

	2018/19	2019/20	2020/21	TOTAL
	£000	£000	£000	£000
Residual Sum Required from Savings	**17,699**	**18,618**	**17,683**	**54,000**

Working with Partners and Others	1,893	2,985	2,835	**7,713**
Commercialisation	2,835	3,307	3,085	**9,227**
Internally Facing Proposals	7,069	6,494	6,168	**19,731**
Review of Grants & Subsidies	729	746	708	**2,183**
Use of Technology	589	366	348	**1,303**
Prevention and Early Intervention	4,584	4,720	4,539	**13,843**
Total	**17,699**	**18,618**	**17,683**	**54,000**

217. The last detailed Council-wide exercise on the medium term savings framework took place almost two years ago. This framework has been reviewed, refreshed and rolled forward in the intervening period. However, it is now appropriate to revisit this in detail and directorate work on this is due to take place during the Spring. This will include challenging and reviewing due diligence in respect of individual 2018/19 proposals, discussion and development of thematic opportunities that have already been identified by directorates in relation to 2019/20 and considering in more detail savings opportunities for 2020/21. At present, the themes identified for 2020/21 are a direction based on incidence of savings across themes in earlier years of the plan. This exercise will also need a robust discussion around planning assumptions to ensure their ongoing affordability over the medium term.

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

Cardiff Capital Region City Deal

219. The City Deal was signed in Cardiff on 15 March 2016 by the leaders of the ten partnering local authorities, the First Minister of Wales, the Cabinet Secretary for Local Government and Finance, the Secretary of State for Wales and the Chief Secretary to HM Treasury. As its core proposition, the CCRCD provides funding to support investment in projects to stimulate economic growth: £734 million is allocated to the Metro while £495 million covers an Investment Fund to support additional economic development activities. The latter consists of a

Local Government capital contribution of £120 million with the remaining £375 million provided by the UK Government over a 20 year period. In March 2016, Cabinet and Council approved a report including a high-level affordability assessment indicating the total cost of the Investment Fund to the ten local authority partners was £274.6 million, of which Cardiff's share was £64.7 million. It was agreed that the participating authorities would work together to establish a Joint Cabinet to be known as Cardiff Capital Region Joint Cabinet (Regional Cabinet). This Regional Cabinet will have collective responsibility for decisions relating to the agreed investment programme.

220. In January 2017, Cabinet and Council approved a further report which included a number of key documents that will form the basis of how the CCRCD will be governed (Joint Working Agreement), how the Investment Fund will be managed and approved (Assurance Framework) and the proposals for implementing the CCRCD (Implementation Plan). The report also reviewed the assumptions used for the March 2016 affordability assessment and updated these to reflect changed financial factors since that date. The revised modelling provides for a total affordability envelope of £210.8 million, and represents a reduction of £63.8 million (23.2%) against the position reported in March 2016. Cardiff's share has reduced by £14.7 million (22.7%) to £50.0 million.

221. The Joint Working Agreement stipulates a number of matters that are reserved for consideration by councils at a later date (a long-stop date of 12 months has been agreed). This will include the development of a financial profile and a Joint Working Agreement Business Plan outlining in detail how the CCRCD funding will be invested. Once the Reserved Matter is satisfied, a report will be brought back to the City of Cardiff's Cabinet and Council to provide an update on the Joint Working Agreement Business Plan and deal with the budget framework issues that arise from its approval, as well as the impact on the Council's Treasury Management Strategy and performance indicators. In particular, the report will need to update the Council's approved Capital Programme. The Local Authority (Capital Finance and Accounting) (Wales) Regulations 2003 and the Prudential Code for Capital Finance in Local Authorities put the principles of Prudence, Affordability and Sustainability at the centre of all decisions made in relation to capital expenditure. The reports setting the final approvals will need to ensure that these principles are fully satisfied over the full term of the Joint Working Agreement Business Plan.

222. Cardiff Council has been approved as the Accountable Body which will administer the CCRCD and hold the funds from UK Government, local government and other sources. The Accountable Body will also be responsible for ensuring financial and legal compliance. It should be noted that acting as the Accountable Body results in additional responsibilities and demand on resources associated with Cardiff's participation in the CCRCD which will be reflected in the budget of the Regional Cabinet.

223. As one of its first action the Joint Regional Cabinet will need to approve its budget plan covering the first five years of operation including 2017/18. All ten partnering authorities have approved a financial envelope for the Regional

Cabinet costs of up to £1 million in 2017/18. It has been agreed that the local authority contributions will be based on a population basis using 2015 ONS population data and will be fixed over the life of the CCRCD. Cardiff's contribution proportion is 23.7%. An allocation of £150,000 has been made to ensure the Council contribution to the CCRCD is fully funded. The proposed base budget along with the projected underspend on 2016/17 contributions will be sufficient to meet Cardiff's share of costs in 2017/18.

Housing Revenue Account and Rent Setting

224. 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).

225. The main expenditure items within the account include maintenance and repair costs, management costs (including rent collection, housing allocations and property and estate management) and capital financing charges on the HRA's outstanding loan debt. The major income streams include Council house rents and income from service charges.

226. As has previously been reported, during 2015/16, the Council made a £187 million settlement payment to the WG to exit the former Housing Revenue Account Subsidy System. This meant that the HRA was no longer required to pay a net subsidy payment to WG, but this was replaced with the costs of servicing and repayment of borrowing in relation to the settlement payment. The net impact of this is an estimated £3.4 million p.a. revenue benefit which is assumed to be retained on an annual basis for re-investment in enhancing the condition of existing housing stock and in the development of new stock.

227. The new Social Housing Rent policy was introduced for Local Authorities in April 2015. This sets an annual Target Rent Band for each landlord, which is based on a range of low end, mid point and high end rents. Whilst the responsibility for setting rents for individual dwellings rests with individual landlords, they are required to operate within average weekly rent levels that fall within the Target Rent Band. WG sets a recommended rent increase each year and Councils are also allowed some flexibility to raise additional income to improve services, invest in improvements to existing homes and neighbourhoods and in building new properties.

228. It is proposed that from April 2017, rents for the majority of tenants should increase by 2.5% plus £2 per week. This is in line with the WG guidelines which protect individual tenants from large annual increases. As a result of the change, the average rent for a council home will increase by £4.20 per week (£4.46 based on the 49 week collection) exclusive of service charges.

229. Consultation on the rent increase took place between 3 January and 16 January 2017. A letter and flyer were sent to 2,500 randomly selected tenants with freepost return address. The information was also sent to tenants' representatives and was put on the Cardiff Tenants Website.

230. Although only 26 responses were received, most respondents were positive with seven negative comments about the increase. The main issues raised were around affordability and cost of living. It should be noted however that Council rents are considerably lower than rents charged by private landlords.

231. Tenants were also asked how they would like the Council to use their rent payments. 69% of respondents said the money should be spent on improving existing stock, 62% of respondents said that the money should be spent on improving housing services and 69% said the money should be spent on new build Council Housing. Respondents were able to vote on multiple priorities.

232. It is planned that additional revenue generated through the rent increase will be used in a number of areas. Income will be used to undertake direct investment in the existing housing stock and estates and for new investment and other housing initiatives including acquisition. These will include the Housing Partnership Programme (HPP) which aims to deliver 1,500 new homes over the project life with at least 600 of these being social rented and assisted home ownership properties.

233. The Council is also developing an additional house building and acquisition programme with the target to deliver, as a minimum, an additional 400 units over five years, bringing the total delivery of new affordable council homes to 1,000 over five years. A programme of housing development and options for land and property purchase is currently being considered based on the priorities identified in the housing market needs assessment and in response to ongoing welfare reform parameters. The inclusion of acquisitions within the programme reflects the urgent need to increase the number of permanent and temporary affordable housing options across the city alongside more traditional house building projects.

234. In addition, revenue will be used to both service the existing HRA debt including the £187 million Housing Revenue Account Subsidy settlement paid in 2015/16 and to reduce the level of HRA debt in the medium term. This has the benefit of creating headroom within the Debt Cap to support the house building and acquisitions programme and to increase both the level and suitability of affordable housing in the City.

235. Other factors which make up the HRA budget proposal include the following main items:

- provision is made for a 1% pay award, increases due to changes in LGPS actuarial increase and employee increments
- an £18.6 million budget has been set for Council Housing Repairs. This increased budget reflects the estimated requirements for both planned and responsive maintenance

- the direct revenue financing budget for capital expenditure assumes a contribution of £5 million in 2017/18
- 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, bad debts provision and the potential impact on void allowances
- anticipated revenue costs relating to the HPP.
- the HRA's fair contribution to the planned corporate and other initiatives where HRA activities are involved

236. The detailed proposals for maximum changes to the HRA charges which can be found in Appendix 12(b) are summarised as:

- the majority of service charges that normally increase in line with inflation have been frozen this year
- a small number of charges have been increased to allow for full cost recovery
- no change in charges where cost recovery is being achieved
- some charges have decreased in line with reduced cost and service usage
- some new charges where additional services are now operational

237. For future years to 2020/21, the budget proposals are in line with the HRA Business Plan which will be reported to Cabinet in March 2017 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

238. The proposed HRA budget for the financial years 2017/18 to 2020/21 is shown in Appendix 18.

School Organisation Plan and 21st Century Schools Initiative

239. 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.

240. As part of the 21st Century Schools programme the Council submitted a revised Band A funding bid to the WG in March 2015. An indicative Capital Investment Programme of £164.1 million received in-principle approval, subject to the successful submission of individual detailed project business cases.

241. 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.

242. The SOP Financial Model brings together Council and WG supported 21st Century Schools Band A projects. The Model includes a projection for both capital expenditure and capital funding over the life of the plan, and subject to the submission of business case documents to WG, can be summarised as follows:

School Organisation Plan (2011/12 to 2018/19)	**Funding £m**	**Expenditure £m**
Capital Programme		226.2
Capital Receipts	35.3	
Capital Grants	101.5	
Section 106 Contributions	0.9	
Capital Programme Allocations	14.7	
Welsh Government LGBI	17.3	
Additional Borrowing	56.5	
Total	**226.2**	**226.2**

243. The capital investment programme within the model during the period 2011/12 to 2018/19 (the life of the 21st Century Schools Programme Band A) totals £226.2 million. Within this, the 21st Century Schools expenditure is £164.1 million.

244. 21st Century Schools Projects completed to date include new build primary schools (Ysgol Treganna & Pontprennau Primary) and extensions to existing primary schools (Adamsdown Primary, Coed Glas Primary, Ysgol Y Wern & Mount Stuart Primary). Ongoing projects include new build high schools (Eastern High and Cardiff West Community High), new build primaries (Ysgol Hamadryad & Howardian Primary) and replacement and extensions of primary schools (Gabalfa Primary, Ysgol Glan Ceubal, Ysgol Glan Morfa and Ninian Park Primary). All projects are scheduled for completion by the end of 2018/19 financial year.

245. Schemes are first included in the programme 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.

246. Of the £164.1 million 21st Century Schools programme, 50% (£82.1 million) will be grant funded by the WG. This includes £64.8 million of capital grant. WG will additionally provide revenue grant over 32 years, to support capital borrowing for the remaining £17.3 million. The £64.8 million capital element is

included within the £101.5 million grant figure above. The Council's match funding element is included within the other resources listed.

247. The WG has extended the Local Government Borrowing Initiative (LGBI) to support the 21st Century Schools Programme. This initiative, which started in 2014/15, will accelerate the WG's share of investment in the programme by providing councils with a revenue stream to support the capital charges associated with additional borrowing. This will not alter the funding share of WG. The objective of this initiative is to ensure delivery of Band A of the programme by the end of 2018/19.

248. Where proposals include the disposal of school land, the capital receipt is reinvested into the SOP. The model relies upon £35.3 million of capital receipts, including those already received. Funding is also secured as capital grants from the WG, with a total of £36.7 million (excluding 21st Century Schools) in the form of scheme specific grants such as Tranche 3 transitional grant from the WG, which bridged the gap between the previous Schools Building Improvement Grant regime, and the start of 21st Century Schools 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.

249. Funding has also been allocated from the Council's own Capital Programme and Section 106 Contributions where available. The balance of funding is provided by Council borrowing of £56.5 million, over and above the WG supported LGBI borrowing. The capital charges arising from the Council borrowing are funded from revenue release savings which include savings from facilities management budgets from closed schools as well as efficiency savings and historical adjustments to delegated schools budgets. Capital Financing obligations from completed and ongoing SOP schemes are expected to peak at £5.927 million in 2020/21.

250. The SOP also includes significant revenue expenditure 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 contributions toward the establishment of new educational provision. The risks around school organisational restructure costs increasing should be noted and officers regularly review the potential financial implications attached to the proposals.

251. The overall SOP Financial Model represents a significant financial exposure for the Council and the following capital and revenue key risks have been identified and are continually reviewed:

- changing scope of works as schemes progress through feasibility studies and design
- the management of cost over-runs and fluctuating construction cost inflation which may lead to expenditure exceeding contingency levels

- potential for underachievement of capital receipts within the current climate, failure to obtain planning consent or changes in Council policy in respect of land sales
- the potential for revenue costs of closing schools and opening others to be higher than estimated

252. A further challenge for the SOP Financial Model is the cash flow impact of the timing of both capital and revenue expenditure and income. An earmarked reserve has been established for the SOP, and the movements on this reserve are shown in Appendix 19. This reserve is used to manage these cash flow implications and the risks as identified above. At present the balance on the reserve is judged to be sufficient in the context of the overall size of the SOP programme, however careful monitoring will be required over the period.

253. Where amendments are made to capital expenditure for re-profiling of cashflows, and increases are within the level of contingency and inflation for the scheme then these would be actioned and reported through the regular capital monitoring reporting process. However, where amendments over and above the allocated levels of scheme-specific contingency are necessary, the Directorate would seek approval in accordance with the Council's Financial and Contract Procedure Rules.

254. Following a review of commitments against the SOP Reserve, a comprehensive SOP revenue budget for 2017/18 has been produced and will be submitted for approval by the Programme Panel in February 2017. Within this budget, an amount has been earmarked to fund revenue costs associated with ongoing works to meet statutory obligations in relation to schools which form part of existing schemes. A summary table of the revenue budget is shown below:

SOP Revenue Budget 2017/18	**£000**
Project Team Costs	1,421
Specific Scheme Costs	1,889
Newly established schools Support	438
Ongoing Commitments	751
Capital Programme Contributions	250
Contingency	500
Total	**5,249**

255. The Operational Manager for School Organisation, Access and Planning will have delegated authority to vire between these budgets in line with the scheme of delegations with the only exception being the contingency provision which will be managed by the Programme Panel.

256. Any overspend against the overall revenue budget will need to be reported to the Programme Panel and consideration given to any remedial action required. Material overspends will be included in the Council's budget monitoring reports.

257. The ongoing funding available within the SOP Financial Model and reserve will continue to fund the capital financing and any other residual costs of the completed programme from 2019/20 onwards. Any residual balances held at the end of Band A will be reviewed in future years, as part of the Council's budget process, for use in supporting the Council's budget or any further 21st Century Schools schemes such as Band B.

Civil Parking Enforcement

258. 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 (MTOs) initiative commenced in Cardiff on 1 December 2014.

259. 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.

260. Civil Parking Enforcement is a ring-fenced account. The income generated from car parking fees, resident's permits, penalty charge notices and MTOs is used to fund the associated operational costs including the cost of the enforcement service. Any surplus or deficit will be transferred to the Parking & Enforcement Reserve and can only be used for specific purposes such as supporting transportation services, parking and highway and environmental services in accordance with section 55 of the Road Traffic Regulations Act 1984.

261. The anticipated operating surplus for 2016/17 is £5.415 million. When this and the budgeted eligible expenditure for the current year are applied to the brought forward figure the balance in the Parking & Enforcement Reserve at 31 March 2017 is estimated at £153,000.

262. For 2017/18 income from car parking fees, residents' permits, penalty charge notices and MTOs is forecast to be £11.755 million. This represents an increase of £863,000 compared to the forecast position for 2016/17 mainly due to anticipated increases from the expansion of moving traffic offences and additional parking fees following a planned reconfiguration of parking bays scheduled for September 2017.

263. Operating costs include staffing and other costs of enforcement services, administration, traffic regulation orders, maintenance of parking for both on and

off street parking and disabled bays. They also include capital financing costs in respect of repayments in relation to the investment in expanding bus lane and yellow box junction enforcement. Overall, expenditure is estimated to be £6.039 million, leaving a net surplus of £5.716 million in 2017/18.

264. Eligible expenditure commitments supporting overall highway, transportation and environmental improvements total £5.025 million in 2017/18. Direct revenue contributions to capital are also reflected as a commitment for 2017/18. These include £335,000 for Bus Corridor improvements to replace expenditure previously within the approved Capital Programme and £230,000 towards further expansion of the MTOs as set out in the Capital Programme. In addition a further £50,000 is planned for various highway and transport improvements and £7,000 for the maintenance of Driver Feedback Signs (DFS). It is estimated that the balance in the reserve at 31 March 2018 will be £222,000.

265. On the basis of known levels of operating expenditure, other commitments and anticipated increases in income, the future balance in the reserve is estimated at £727,000 by the end of March 2019, £743,000 by the end of March 2020 and £583,000 by the end of March 2021. The flat line position in the reserve in 2019/20 and the reduction in 2020/21 reflects an anticipated decrease in MTO activity.

266. A summary of the overall position on the Civil Parking Enforcement Account including the anticipated balances on the reserve is set out in Appendix 20 to this report.

267. The anticipated surpluses provide significant scope for future investment in line with the Local Development Plan and Parking Strategy to assist in delivering improvements and key transport schemes in the City. Use of the reserve for investment in initiatives will be reported as part of the Council's regular monitoring arrangements including a consultation process with the relevant Cabinet member.

Joint Committees and Relevant Bodies

268. Cardiff is currently the lead Authority for Glamorgan Archives and Prosiect Gwyrdd; it is also a member of the Central South Consortium Joint Education Service and the Shared Regulatory Service. A new joint Regional Cabinet in relation to the CCRCD is currently being set up with Cardiff as the Accountable Body. In addition, the Council has to meet a number of levies and contributions.

Joint Committees and relevant Bodies	2016/17 Revenue Contribution £	2017/18 Revenue Contribution £
Joint Committees		
Glamorgan Archives	211,520	209,280
Prosiect Gwyrdd	37,000	37,000
CSC Joint Education Service	1,504,650	1,419,429
Shared Regulatory Service	3,023,000	2,976,000
CCRCD	0	237,000
Joint Bodies		
South Wales Fire & Rescue	16,775,747	16,857,566
Natural Resources Wales	136,467	137,925
Cardiff Port Health Authority	114,904	113,755
Newport Port Health Authority	4,819	4,771

269. The figures shown for 2017/18 are subject to confirmation by the respective Joint Committees. The fees and charges for the Shared Regulatory Service are set either by the Joint Committee or externally by statute or other regulation.

Activities inherited from Cardiff Bay Development Corporation including Harbour Authority

270. 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 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.

271. The arrangement has been subject to a number of negotiated changes over the past 17 years; the latest variation was signed on 3rd April 2014 and included a three year fixed cost budget for April 2014 to March 2017. The revisions ensured that a sufficient funding level was made available to the Harbour Authority to meet the liabilities under the agreement and any additional duties relating to the Cardiff Bay Barrage Act 1993.

272. During 2016/17 negotiations have taken place between the Council and WG officers to agree a new three year budget for the period 2017/18 to 2019/20.

273. Following a comprehensive review of the future resource requirements, a fixed cost and asset renewal budget was submitted to the WG for their formal approval. This identified a total funding requirement of £5.795 million for 2017/18 reducing to £5.299 million by 2019/20.

Harbour Authority Funding Requirement 2017/18 – 2019/20

2016/17		2017/18	2018/19	2019/20
£000		**£000**	**£000**	**£000**
6,365	Expenditure	6,348	6,395	6,079
(820)	Income	(930)	(1,030)	(1,064)
5,545	**Fixed Cost Budget**	**5,418**	**5,254**	**5,015**
346	Asset Renewal	377	440	284
5,891	**Total Budget**	**5,795**	**5,694**	**5,299**

274. The proposed budget for 2017/18 is a net reduction of £96,000 compared to the revised 2016/17 budget. This reflects a combination of operating cost reductions and increased income totalling £211,000 offset by inflationary and financial pressures of £84,000 and an increase of £31,000 in Asset Renewal funding.

275. The budget reductions reflect current spending trends, thereby minimising risk. It is proposed to generate additional income of £110,000 by developing a more commercial approach to its activities. This should enable an additional £50,000 to be generated through car parking charges, £45,000 from lease and licence fees from various locations and a further £14,000 from other sources such as education, concessions and harbour dues.

276. The budget incorporates inflationary allowances for a pay award, general price increases and a provision for increased pension contributions following the outcome of an actuarial review.

277. An additional budget of £32,000 has been provided to cover the audit and accountancy charges following the requirement to prepare a separate Statement of Accounts for the Harbour Authority.

278. With the overall reduction in budgets the ability for the Council to fund large unforeseen operational costs is reduced. It is therefore proposed to remove the requirement to retain £100,000 as a minimum retention figure for unforeseen additional costs within the project and contingency fund. In future any unforeseen costs will be recoverable from the WG through an additional claim.

279. It is also proposed that funding from the WG should be provided to cover the actual net cost of discharging its obligations. Currently any underspend against the Fixed Cost budget is shared on a 50/50 basis but in the future any underspend will be retained by the WG.

280. Furthermore in respect of any major projects or enhancements it is proposed to agree or establish a protocol whereby the Cardiff Harbour Authority submits a proposal to the WG on a business case basis for consideration.

281. It is also estimated that funding of £377,000 will be required for asset renewal in 2017/18. The identified works include £300,000 for the replacement of a sailing vessel, £71,000 for various barrage structural work and £6,000 for the replacement of an aeration system compressor.

282. The Harbour Authority maintains a Project and Contingency Fund which is used to support small scale projects and provides a contingency if the approved budget is exceeded. The Fund receives contributions from a combination of receipts from the sale and disposal of land and past year underspends on the Fixed Cost budget. The balance is currently £756,000 with a further £320,000 expected in 2017/18 from land sales. A drawdown of £37,000 is required towards the cost of de-shoaling part of the River Taff and a £400,000 commitment has been made towards the hosting costs of the Volvo Ocean Race in 2018. There is also a plan to redevelop land at Alexandra Head in association with the VOR which would also provide opportunities for future events. This would require a contribution in the region of £500,000 from the fund thereby leaving a residual balance of £139,000.

283. The proposed budget and revised changes have provisionally been accepted by the WG but are subject to approval by Welsh Ministers. This will require a Deed of Variation and it is anticipated this will be concluded by 31st March 2017.

Capital

284. The Capital Programme for the period 2017/18 to 2021/22 has been prepared following consideration of the demands on capital expenditure as well as resources for capital investment.

285. The Prudential Code for Capital Finance in Local Authorities includes Capital and Treasury Management indicators to be considered by the Council when approving capital expenditure plans and borrowing limits to ensure they are affordable, prudent and sustainable. Capital indicators are set out in this section of the report and treasury indicators and limits are included as part of the Treasury Strategy, also in this report.

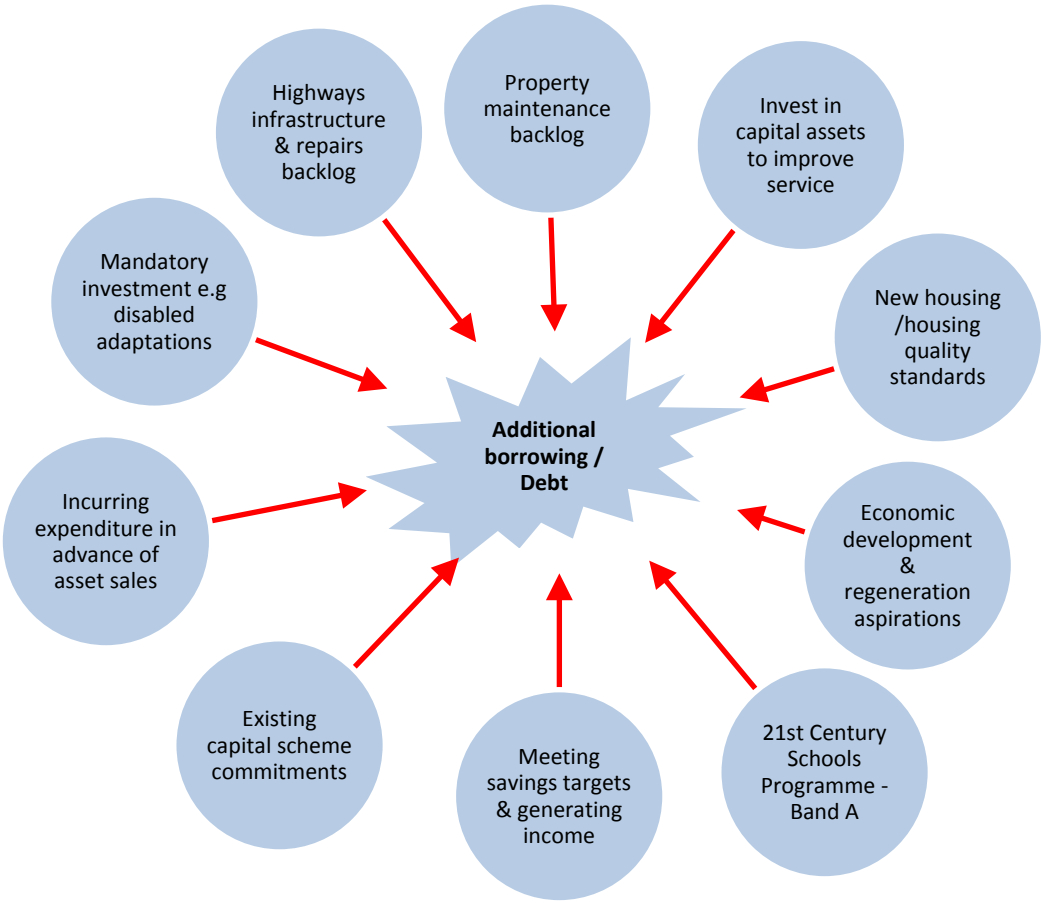
286. The Council is, over a period of time, increasing the amount it needs to borrow which will have a consequential increase on the capital financing budget within the revenue account and the Council's MTFP. The local capital financing prudential indicator shown later in this report highlights that the proportion of the Council's General Fund revenue budget that it spends on capital financing is increasing.

287. There are other initiatives such as the CCRCD and 21st Century Band B schools investment being developed which, when progressed, will have significant capital expenditure implications. Careful consideration will need to be given to the affordability of additional borrowing as well as the amount and timing of income receivable to support any borrowing and risk implications on the Council's Treasury Management Strategy.

288. However in the medium term the Council must decide, following consideration of advice from the Section 151 Officer, the affordability of additional Council borrowing.

Capital Programme Plan and Capital Financing Requirement (CFR)

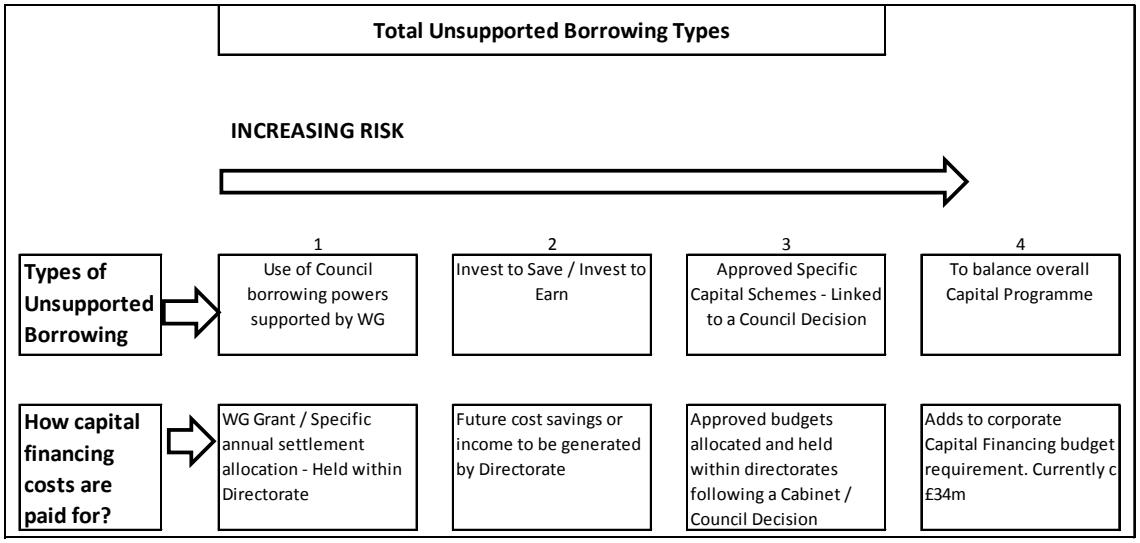
289. Capital Expenditure commitments and pressures are arising from a number of sources as illustrated below.



290. Expenditure in excess of WG funding can only be met by taking additional unsupported borrowing or from selling assets.

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

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



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

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

293. The actual CFR as at 31 March 2016 (excluding provision for landfill) and estimates for current and future years are shown below:

Capital Financing Requirement as at 31 March					
	2016 Actual £m	**2017 Estimate £m**	**2018 Estimate £m**	**2019 Estimate £m**	**2020 Estimate £m**
General Fund	432	449	476	472	462
Housing Revenue Account	277	274	282	291	292
Total	**709**	**723**	**758**	**763**	**754**

294. The timing of capital expenditure, capital receipts and new schemes that may be considered for approval in future years are risks to the CFR forecast, however summarising the above, it can be seen that the Council's underlying need to borrow is increasing. This will eventually need to be paid for by revenue savings, revenue income or Council Tax and Housing Rents.

295. Set against the demand for capital resources, 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. As the Council realigns itself strategically to lower funding levels it needs to consider the level of debt, potential financial resilience and Well-being of Future Generations (Wales) Act 2015 issues that may be a consequence of increasing borrowing. The percentage of controllable budget that is committed to General Fund capital financing costs in the long term is increasing. Even if they remain static, they will account for a greater proportion of the Council's revenue base budget as the level of demand continues to exceed funding. This clearly limits the scope for additional borrowing in future years and will be a factor considered by Members when determining the current and future capital programme along with: -

- the prudential indicators highlighting the longer term impact of capital decisions on the revenue budget and affordability, prudence and sustainability
- use of control mechanisms for different types of unsupported borrowing before approval
- determining core areas of long term investment e.g. maximum exposure limits to unsupported borrowing for 'discretionary' type services
- whether the inherent risks in a project are better managed via commercial options rather than direct Council investment
- the key long term strategic priorities for the City for which investment to be funded by additional borrowing is to be approved.

Capital Programme 2017/18 – 2021/22

296. The Capital Programme has been profiled in accordance with technical advice relating to regulatory processes, timetables and work plans. Whilst acknowledging that some delay cannot be avoided, directorates are reminded of the importance of:

- minimising slippage wherever possible
- their responsibilities to ensure that they have sufficient and capable resources to develop and deliver capital schemes
- notifying Finance of slippage at an early stage for inclusion in budget monitoring reports
- having contract management processes and procedures in place and ensuring variations are approved in accordance with the Council's Constitution.

297. The proposed Capital Programme for 2017/18 and indicative Programme for 2018/19 to 2021/22 is summarised in the following table:-

Capital Programme	2017/18* £000	2018/19 Indicative £000	2019/20 Indicative £000	2020/21 Indicative £000	2021/22 Indicative £000	Total £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	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	32,960	9,672	500	500	500	44,132
Total General Fund	**113,044**	**81,037**	**18,277**	**18,283**	**16,290**	**246,931**
Total Public Housing (HRA)	**30,005**	**31,350**	**24,490**	**18,250**	**22,050**	**126,145**
Total Capital Programme	**143,049**	**112,387**	**42,767**	**36,533**	**38,340**	**373,076**

* Includes slippage estimated at Month 9. The final slippage figure, which will be known at outturn, will be reflected in the Month 4 2017/18 budget monitoring report.

298. The five year programme is detailed in Appendix 21, with some of the main items of expenditure highlighted below:-

Theme	Types of expenditure
Annual Sums	• Disabled adaptations to allow people to remain in their homes • Highway infrastructure and property asset renewal • Neighbourhood regeneration • Parks asset renewal • Road safety; cycle and public transport network improvements including Western bus interchange
Previously Agreed / Ongoing Schemes	• Completion of Citizen Hub Strategy • Day Centre Opportunities Strategy • Maelfa Centre regeneration • Whitchurch High School accessibility for disabled pupils • Carriageway reconstruction • Bereavement Strategy • Roath Park improvements • Central Square public realm and Integrated Transport Hub • Dumballs Road land purchase • Modernising ICT to Improve Business Process • Children's Service Accommodation Strategy

Theme	Types of expenditure
New Capital allocation approved in 2017/18 Budget	• Further expansion of day centre strategy for dementia and other high need clients • Domestic abuse victims multi agency hub • Additional budget for carriageway reconstruction and highway resurfacing • Additional investment in the cycle network • Additional investment in school buildings
External Grant and Contribution assumptions	• Subject to approval of bids, 21st Century School Band A grant from WG • Dwr Cymru and landfill communities fund for Greener Grangetown scheme • WG Transport and road safety grants • Harbour Authority asset renewal • Planning gain and other contributions received towards a range of schemes
Invest to Save	• 21st Century Schools Band A including completion of Eastern High, a new high school in the West and also new primary schools Glan Morfa, Howardian and Hamadryad • LED lighting on principal roads • Council leisure and arts venues investment as part of alternative service delivery • Energy efficiency measures • Dumballs Road land purchase • Recycling machinery upgrades
Public Housing	• Improvements to garages, gullies and open spaces • Investment in existing stock to sustain Welsh Housing Quality Standards (WHQS) • Energy efficiency • High rise block upgrades • Sheltered accommodation remodelling • New build Council dwellings as part of the HPP, with the first site to be started in March 2017 • Opportunities for acquisition of stock and development of new dwellings on sites not part of the HPP • Disabled adaptations

Annual Sums

299. The level of general capital funding provided annually by the WG is insufficient to meet current, essential, annual capital expenditure commitments, which means additional unsupported borrowing is being undertaken annually to support a minimum level of investment.

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

300. The General Fund Programme includes significant borrowing commitments of £44.1 million for directorate schemes modelled to pay for themselves over a set period of time, either from revenue resources budgeted for in future years, revenue savings or income generation. Directorates responsible for Invest to Save schemes will need to repay amounts owed from existing revenue budgets irrespective of whether the level of savings or income initially expected materialise. Accordingly it is essential that there is a robust review of business cases before commitments are entered into, a requirement supported by the Investment Review Board.

301. WG has increasingly been providing interest free loans or repayable grants using Financial Flexibility funding available to them for a range of schemes. Whilst welcome, where there is linkage between the strategic aims of the Council, these and other schemes that use Local Government borrowing powers present an ongoing risk to the Council. Such schemes increase the Council's capital expenditure and WG funding must be paid back in full.

New Capital Allocations Approved in 2017/18 Budget

302. The Budget Strategy report considered by Council in July 2016, highlighted the pressures on the Capital Programme. Borrowing is a long-term commitment to the revenue budget and must be prudent, sustainable and affordable now as well as in the long term.

303. Whilst it was important to consider new pressures and the need for investment, any capital bids were only to be submitted if they met the following criteria:-

- delivers a statutory service and core strategic long term outcomes included in the Corporate Plan
- has undergone a thorough options appraisal
- investment needs to be made by the Council and cannot be better made by others
- in accordance with property or other asset management plans proposed by scheme sponsors and has a robust and deliverable profile of expenditure in order to avoid slippage after the programme has been set
- generates income from capital receipts, revenue savings or external grants.

304. Overall, the new schemes proposed in the 2017/18 budget support key priorities and improvement objectives of the Corporate Plan including investment in schools, highways and social housing.

External Grant and Contribution Assumptions

305. Over the life of the Capital Programme and even in 2017/18 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 a bid submission process which clearly causes difficulty in longer term planning and implementation of capital investment decisions.

306. Any external grant approvals received during the year will be reported as part of the Council's budget monitoring as a basis for inclusion in the budget framework.

Public Housing/Housing Revenue Account (HRA)

307. Investment in Public Housing includes the revenue benefit from housing finance reform in 2015/16 which is to be retained on an annual basis for re-investment in enhancing the condition of existing housing stock and development of new stock. It also assumes the continued receipt of £9.6 million annual Major Repair Allowance grant from WG in order to sustain the WHQS improvements made to the stock.

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

309. The programme allows for creation of 600 new social rented and assisted home ownership properties as part of the HPP. The Council is also developing an additional house building and acquisition programme with the target to deliver, as a minimum, an additional 400 units over five years, bringing the total delivery of new affordable Council homes to 1,000 units over five years. A programme of housing development together with options for land and property purchase are currently being considered based on the priorities identified in the housing market needs assessment and in response to ongoing Welfare Reform parameters. The inclusion of acquisitions within the programme reflects the urgent need to increase the number of permanent and temporary affordable housing options across the City alongside more traditional house building projects.

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

Capital Resources 2017/18 to 2021/22

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

Capital Resources	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	Total £000
WG General Capital Funding - Supported Borrowing	8,412	8,412	8,412	8,412	8,412	42,060
WG General Capital Funding - Grant	5,119	5,119	5,119	5,119	5,119	25,595
Major Repair Allowance Grant (HRA)	9,600	9,600	9,600	9,600	9,600	48,000
Additional borrowing	57,999	30,562	12,606`	6,682	8,606	116,455
Earmarked Capital Receipts	28,760	35,874	0	0	0	64,634
Non earmarked Capital Receipts	2,000	1,000	1,000	1,000	1,000	6,000
Revenue & Reserves	6,175	5,755	5,745	5,720	5,603	28,998
Other External Grants and Contributions	24,984	16,065	285	0	0	41,334
Total Resources	**143,049**	**112,387**	**42,767**	**36,533**	**38,340**	**373,076**

312. The Council will receive £13.531 million in 2017/18 through grant and supported borrowing approval from the WG in order to determine its own spending priorities for capital items. This is a £41,000 increase from 2016/17 but a significant reduction of circa 35% compared with 2010/11. This means that WG resources barely meet current annual capital expenditure commitments therefore the Council has to increase its borrowing. The Council will be required to submit its Public Housing business plan to WG in March 2017, which assumes Major Repairs Allowance remains at previous levels of £9.6 million per annum.

313. Expenditure funded by unsupported additional borrowing of £116.5 million is proposed over a five year period. This is in order to meet General Fund capital expenditure and to pay for Invest to Save schemes of £70.5 million and £46 million of public housing capital expenditure. This excludes proposed land appropriations between the General Fund and the HRA.

314. Over the five years of the Capital Programme, £6 million of non-earmarked capital receipts has been assumed. In addition, earmarked receipts and specific contributions of £26 million have been identified to offset expenditure and minimise levels of borrowing for the 21st Century Schools Programme and £34.9 million for other schemes including Central Square redevelopment and the integrated transport hub. Until such sums are actually received this remains a significant risk to the level of additional borrowing. Should there be a delay in realising receipts or should amounts be lower than anticipated after contracts for expenditure have been let this will create significant financial risks to the Council.

315. Within this financial climate of reducing revenue resources it is clear that all necessary actions must be taken to reduce both initial capital expenditure by accelerating a reduction in the Council's asset base within a limited timeframe and also the subsequent need to borrow.

316. 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 involved. Accordingly, it is not prudent to set a Capital Programme on capital receipt assumptions alone without a clear and approved strategy for the realisation and timing of such receipts in so far as this can be determined. To do otherwise will put additional pressure on the Council's borrowing requirement and future revenue budget pressures. In addition, with most receipts from disposals proposed to be earmarked for capital schemes, the availability of capital receipts to reduce the Council's borrowing requirement is limited.

Planning Gain (Section 106) and Other Contributions

317. 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.

318. The following table summarises the balances of Section 106 funding and other contributions currently held by the Council on a service basis, together with a planned profile of spend over future years determined by directorates. Due to the level of uncertainty, future amounts potentially receivable in respect of Section 106 balances have not been included, but could be significant in relation to large sites. In previous years the planned profile of Section 106 spend for Parks and Public Open Space has not been achieved. The Directorate is undertaking a ward based review of priorities and will need to ensure sufficient staff resource is available to implement improvements using this source of funding held.

Areas of Service	Projected Balance at 31 March 2017 £000	Planned Use 2017/18 £000	Planned Use 2018/19 £000	Planned Use 2019/20 and beyond £000
Traffic & Public Transport	1,849	458	667	724
Parks & Sport	3,350	884	1,328	1,138
Planning	295	93	186	16
Education	273	218	0	55
Economic Development	1,204	486	718	0
Neighbourhood Regeneration	896	276	570	50
Other				
General Fund Total	**7,867**	**2,415**	**3,469**	**1,983**
Housing Total	2,756	2,309	447	0
Total	**10,623**	**4,724**	**3,916**	**1,983**

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

- Traffic & Transportation – public transport improvements, junction improvements, bus stops and bus borders; 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 – Subject to the ward based review potential schemes and amounts are subject to change and include:- Llanishen Park (£165,000), Hendre Lake (£152,000), Canal Park (£120,000), Hammond Way play area and other parks projects in Penylan (£117,000), Pontcanna and Llandaff Fields (£134,000), public open space and Cemetery Park in Adamsdown.
- Strategic Planning – public realm improvements at Bridge Street, Charles Street, Newport Road, Mount Stuart Square and the entrance to Cathays station.
- Schools – Howardian Primary School (£119,000) and Cardiff West Community High School (£76,000).
- Neighbourhood Regeneration – provision of library service within the Cardiff Royal Infirmary site (£205,000) in addition to the refurbishment of community facilities in Lisvane, Butetown and Cathays.
- Housing – development of new Council housing as part of the HPP.

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

321. The money raised through CIL can be used to help fund a wide range of relevant infrastructure that is needed to support the development of an area. Relevant infrastructure is not clearly defined in the regulations but may include:

- roads and other transport facilities
- flood defences
- schools and other educational facilities
- sporting and recreational facilities
- open spaces

322. An Infrastructure Plan has been prepared in association with the LDP. This gives a broad indication of the range and extent of community infrastructure needed to support the projected level of growth as a result of the Council's LDP. It also provides an indicative cost and identifies potential funding sources to deliver the required infrastructure, however the financial implications of this will need to be considered as proposals are developed.

323. Public consultation on the stage two Draft Charging Schedule (DCS) was undertaken in September/October 2016. It is anticipated that the DCS will be

submitted for public examination during spring 2017, with the intention to be in a position to implement the CIL towards the end of the year.

Other Capital Prudential Indicators

324. The Council is required to set a number of indicators for the years 2017/18 to 2019/20 to assist in determining whether it establishes a prudent, affordable and sustainable Capital Programme. The CFR forecast considered earlier is an example of capital prudential indicators. In addition, the Council has developed a local indicator which is detailed in this report for the period up to 2021/22. Treasury indicators are included in the Treasury Management section of this budget report.

Capital Expenditure

325. The capital expenditure incurred in 2015/16 and estimates of capital expenditure for the current and future years as set out in the programme are as follows:

Capital Expenditure					
	2015/16 Actual £m	**2016/17 Estimate £m**	**2017/18 Estimate £m**	**2018/19 Estimate £m**	**2019/20 Estimate £m**
General Fund	82	85	113	81	18
HRA	207	23	30	31	24
Total	**289**	**108**	**143**	**112**	**42**

Incremental Impact of New Capital Investment Decisions

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

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

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

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

Incremental Impact of New Capital Investment Decisions			
	2017/18 Estimate £	**2018/19 Estimate £**	**2019/20 Estimate £**
For the Band D Council Tax	0.25	2.01	3.80
Average Weekly Housing Rent	0.30	1.55	3.12

Ratio of Financing Costs to Net Revenue Budget Stream

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

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

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

Ratio of Financing Costs to Net Revenue Budget Stream						
	2015/16 Actual %	**2016/17 Estimate %**	**2017/18 Estimate %**	**2018/19 Estimate %**	**2019/20 Estimate %**	**2020/21 Estimate %**
General Fund	6.21	5.98	5.77	5.80	5.92	6.33
HRA	31.96	30.53	30.53	30.89	30.97	30.12

331. The percentage for the General Fund is estimated to increase from an estimated 5.98% in 2016/17 to 6.33% in 2020/21. This masks a change in the approach to calculating the prudent minimum revenue provision for supported borrowing from 2017/18 onwards, which is reduced from 4.5% to 4% per annum.

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

- no new approvals of additional borrowing apart from that currently proposed over the period
- estimated interest rates.

- the level of internal borrowing and timing of external borrowing decisions and capital expenditure
- the total level of the WG revenue support etc, which can fluctuate due to transfers in or out of the settlement.

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

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

- it does not take into account the fact that some of the Council's revenue budget is outside of its direct control
- it is impacted by transfers in and out of the settlement
- it includes investment income which is highly unpredictable, particularly in future years
- it does not reflect gross capital financing costs for schemes where additional borrowing is undertaken to be repaid from within directorate budgets.

334. Although there may be short term implications, Invest to Save schemes are intended to be net neutral on the capital financing budget. However, there are risks that the level of income, savings or capital receipts anticipated from such schemes will not materialise and would have a detrimental long term consequence on the revenue budget. This requires careful monitoring when considering future levels of additional borrowing.

335. Accordingly an additional local indicator has been developed for the General Fund and is shown in the table below for the period up to 2021/22. These local indicators show the ratio of capital financing costs of the Council expressed as a percentage of its controllable budget, excluding investment income:

Capital Financing Costs expressed as percentage of Controllable Budget								
	2011/12 Actual %	**2016/17 Estimate %**	**2017/18 Estimate %**	**2018/19 Estimate %**	**2019/20 Estimate %**	**2020/21 Estimate %**	**2021/22 Estimate %**	**Difference 11/12-21/22 %**
Net	13.47	15.78	14.77	15.29	15.78	17.11	18.32	36.01
Gross	15.17	19.68	19.44	20.13	20.51	22.00	23.19	52.87

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

337. An increasing percentage indicates that a greater proportion of the controllable budget is required for capital financing costs, which are committed in the long term. The requirement to meet these additional costs can only come from future savings or from increases in Council Tax. This clearly limits the scope

for additional borrowing in future years and reduces the Council's overall flexibility when making decisions on the allocation of its revenue resources. The percentages take into account the significant level of savings having to be found in 2017/18 and over the medium term.

338. Approval of any additional capital schemes to be funded from borrowing would negatively impact upon the indicator. As set out earlier, this report reviews the Council's financial position across the life of the MTFP and identifies both the challenges ahead and the radical nature of the actions required. Council-wide solutions across this time frame will need to be holistic and could include consideration of both revenue and capital spend. Whilst approving the Capital Programme for the period up until 2021/22, Cabinet should be aware that together with new material commitments the later years position will be subject to an ongoing review of the Council's financial standing and resilience.

Treasury Management

339. Treasury management involves:-

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

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

341. 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.

342. 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

343. The Strategy links plans for capital investment, financing and affordability of those plans and how cash will be safely managed to meet the Council's financial commitments and objectives. The Council accepts that no treasury management activity is without risk. However 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.

344. The successful identification, monitoring and control of risk are integral elements of treasury management activities. Risks include credit and counterparty, liquidity, interest rate, refinancing, fraud and regulatory. The Council has Treasury Management Practices to address and mitigate these risks which were last updated in March 2016 following a review by Internal Audit and Audit Committee.

345. Responsibility for treasury decisions ultimately remains with the Council however, the Council recognises the value in the use of treasury advisors to support the management of risk and to access specialist skills and resources. Support provided by Capita Asset Services Treasury Solutions includes advice on timing of decision making, training, credit updates, economic forecasts, research, articles and advice on capital finance, with the terms of appointment reviewed periodically.

346. The proposed strategy is an integrated strategy for the Council including the HRA. Significant changes will be reported in future scheduled reports to Council, Cabinet and Audit Committee during the course of the year. The strategy includes: -

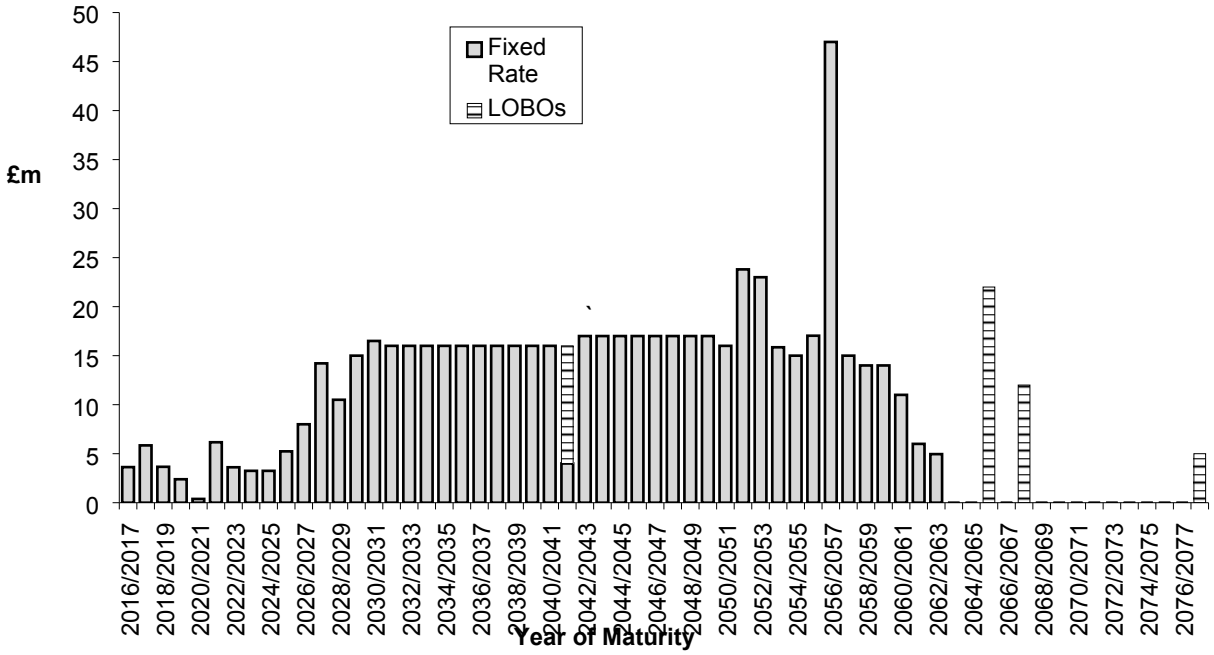
- the current treasury position
- economic background and prospects for interest rates
- borrowing, including: -
  - Policy
  - Annual Minimum Revenue Provision (MRP) Policy Statement
  - Council borrowing requirement and choice between internal and external borrowing and
  - Borrowing Strategy
- treasury management indicators and limits for 2017/18 to 2019/20
- investment Policy and Strategy, including security and investments approved for use
- training.

The Treasury Position

347. Borrowing and investments as at 31 December 2016 are 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	620.8	4.87
Market Loans	51.0	4.02
Welsh Government	2.6	0.00
Other	0.9	0.00
Total Debt	**675.3**	**4.78**
Treasury Investments	**75.1**	**0.61**

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



349. Loan maturities during 2017/18 are circa £6 million. Unless the Council's Lender Option Borrower Option (LOBO) loans are required to be repaid early, very little debt matures within the next 10 years. LOBO products are loans to the Council where the lender can request a change in the rate of interest payable by the Council on pre-determined dates. The Council at this point has the option to repay the loan. The Council has six such loans totalling £51 million.

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

Lender Option Borrower Option (LOBO) Loans			
Potential Next Repayment Date	**Loan Value £m**	**Option Frequency Every**	**Full Term Maturity Date**
01/03/2017	6	6 months	23/05/2067
21/05/2017	6	6 months	21/11/2041
21/05/2017	6	6 months	21/11/2041
21/05/2017	6	6 months	23/05/2067
15/01/2018	5	5 years	17/01/2078
21/11/2020	22	5 years	23/11/2065

351. It should be noted that £24 million of the LOBO loans are currently subject to the lender potentially requesting a change in the rate of interest payable every six months. A further £5 million and £22 million have call options in January 2018 and November 2020 respectively and every five years thereafter. 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

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

	January 2017 %	**March 2017 %**	**March 2018 %**	**March 2019 %**	**March 2020 %**
Bank Rate	0.25	0.25	0.25	0.25	0.75
5yr PWLB rate	1.35	1.60	1.70	1.80	2.00
10yr PWLB rate	2.08	2.30	2.30	2.50	2.80
25yr PWLB rate	2.71	2.90	3.00	3.20	3.40
50yr PWLB rate	2.46	2.70	2.80	3.00	3.20

Forecast at December 2016

353. Financial markets remain volatile and economic forecasts remain uncertain particularly due to international political factors and the implications of the referendum vote in June 2016 on the economy. Growth and consumer confidence for the UK economy has remained strong however and inflation expectations in the short term have risen due to the fall in value of sterling impacting on the price of imports. Growth and inflation are two key factors used by the Bank of England in determining when to change interest rates.

354. The bank rate was reduced in August 2016 to 0.25%, having remained unchanged since March 2009, and further quantitative easing and low cost funding was made available for bank lending to counter what the Bank of England forecast would be a sharp slowdown in the Economy. Given uncertainty regarding growth prospects, base rate is forecast to remain at current levels until 2019. As a consequence, and coupled with the Bank of England's funding for lending scheme, returns from Council investments are likely to remain minimal. In respect of future borrowing rates, PWLB rates have been experiencing significant volatility due to political events nationally and internationally, however the overall longer term trend is for borrowing rates to rise, albeit gently. This is as a result of higher levels of UK Government borrowing and reversal in quantitative easing. This will result in higher future borrowing costs for the Council.

Borrowing

Borrowing Policy

355. Borrowing to pay for capital investment has long-term financial consequences and risks, with decisions taken many years ago impacting currently and in the future in the form of interest and provision for repayment of capital expenditure. These costs are assumed in the Council's revenue budgets.

356. Loans are not generally undertaken for specific schemes or directorates; they are pooled and taken in the name of the Council and secured on all revenues of the Council. This includes HRA debt and investments for the reasons set out in the Budget Report of February 2016.

357. The Council's Borrowing Strategy for 2017/18 and the capital financing revenue budgets included in the MTFP will consider all options to meet the long-term aims of:

- promoting revenue cost stability to aid financial planning and avoid a stop-start approach to service delivery, although it is recognised that this may have a financial impact
- pooling borrowing and investments to ensure the whole Council shares the risks and rewards of treasury activities
- reduction over time in the average rate of interest on overall Council borrowing
- ensuring any refinancing risk is manageable each financial year, using opportunities to re-profile borrowing where cost effective to do so both in the short and long term
- ensuring borrowing plans are aligned to known capital expenditure spending plans, the useful life of assets created, financial reserve levels and consistent with the prudent provision for the repayment of any such expenditure paid for by borrowing
- having regard to the effects on current and future Council Tax and Rent Payers.

358. The Council will only borrow if needed and may not do so just to gain financially. However, this option may be considered if it is felt that by borrowing in advance of need up to a maximum of three years, there may be opportunities to lock into favourable long-term rates with associated credit risks that can be managed.

Prudent Repayment of Capital Expenditure – Annual Minimum Revenue Provision (MRP) Policy Statement for 2017/18

359. The Council has a statutory duty to calculate and set aside each year from its annual revenue budget an amount 'which it considers to be prudent'. This results in a reduction in the Council's underlying need to borrow known as the Capital Financing Requirement (CFR).

360. Legislation does not define what constitutes a 'prudent provision'. Instead WG has provided guidance and examples in order to interpret that term. Whilst authorities must consider that guidance, other approaches can be adopted if they are deemed prudent by the Section 151 Officer and individually designed for each local authority circumstance.

361. 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. Decisions in respect of the allocation of MRP have short, medium and very long term impacts. Impacts of changes in policy decisions should be considered over that time horizon including compliance with legal duties under the Well-being of Future Generations (Wales) Act 2015.

362. Following consideration by Audit Committee in November 2016, it is proposed that the Council's MRP Policy will be as included in Appendix 24.

Council's Borrowing Requirement

363. The following table shows the level of external borrowing currently held by the Council and any scheduled loan repayments. It compares this to the projected CFR based on current, known estimates and timing of the Council's capital expenditure plans. The difference between the projected CFR in 2019/20 (£754 million) and the level of external borrowing after any planned repayments (£666 million) is £88 million, i.e. there is a requirement for further external borrowing over the medium term.

Gross Debt compared to Capital Financing Requirement					
	2015/16 Actual £m	**2016/17 Estimate £m**	**2017/18 Estimate £m**	**2018/19 Estimate £m**	**2019/20 Estimate £m**
External borrowing at 1 April	470	666	673	671	668
Known New borrowing	202	14	4	tbc	tbc
Scheduled repayments	(6)	(7)	(6)	(3)	(2)
External Borrowing at 31 March	**666**	**673**	**671**	**668**	**666**
Capital Financing Requirement	709	723	758	763	754
Under / (Over) borrowing	**43**	**50**	**87**	**95**	**88**

364. 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. Some of the CFR may be financed by internal borrowing in the short term, dependent on the sustainability and risks of any internal borrowing position.

External versus Internal Borrowing

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

366. A high level balance sheet review undertaken suggests that a maximum level of internal borrowing is circa £80 million. However, this is dependent on cash flows, the timing of use of earmarked reserves and provisions and longer term pressures in the MTFP. During the year options will be considered with the Council's Treasury Advisors as to whether trigger points could be determined to support the timing of borrowing decisions and level of internal borrowing. This will include benchmarking with other Local Authorities the levels of internal borrowing, whilst noting context and the risks of comparison.

Borrowing Strategy

367. In the short term, using internal borrowing to meet the CFR is deemed manageable. However, based on the current forecasts of 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 very short term.

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

- Whilst investment rates remain lower than long term borrowing rates internal borrowing will be used to minimise short-term costs where possible.
- In order to mitigate against the risk of borrowing rates rising faster than currently anticipated, external borrowing for an element of the Council's borrowing requirement will be taken as has been done in previous years.

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

370. 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.

Treasury Management Indicators and Limits

Indicators and Limits for 2017/18 – 2019/20

371. The Council is required to set its treasury management indicators for the years 2017/18 - 2019/20. Appendix 23 gives further background in respect of the Prudential Indicators.

372. The Council must set and keep under review how much it can afford to borrow from debt or other long-term liabilities for the forthcoming year and the following two financial years (the Affordable Borrowing Limit). It must have regard to the Prudential Code and locally determined indicators when setting this limit and be content that capital investment plans are within sustainable limits and that the impact upon future Council Tax payers and Council tenants is acceptable.

373. 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 2016/17 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

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Limit for external borrowing and other long-term liabilities	780	776	776	776

374. This limit is consistent with proposals contained within the budget for capital expenditure, financing and revised accounting requirements in relation to landfill obligations. The limit for the Council overall has been set at a constant level of £776 million for 2017/18 to 2019/20.

375. Whilst there is currently no self-imposed or nationally imposed overall cap on the level of General Fund borrowing, the exit from the Housing Subsidy system set a cap for the HRA based on its CFR, with financial penalties from WG if breached. The table below shows the Council is forecast to be within the cap currently set.

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
HRA CFR forecast at 31 March	274	282	291	292
HRA CFR Current Cap	316	316	316	316
Headroom / (Excess)	**42**	**34**	**25**	**24**

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

Operational boundary for external debt

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

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Boundary for external borrowing and other long-term liabilities	723	758	756	754

378. The Council's actual external debt represented by borrowing at 31 March 2016 was £666 million, with no significant other long-term liabilities.

Limits for fixed and variable interest rate exposure

379. Various upper limits must 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.

	2016/17 %	2017/18 %	2018/19 %	2019/20 %
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

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

Maturity structure of borrowing in 2017/18	Upper limit %	Lower limit %	Actual to Maturity %	Actual if LOBOs Repaid Early %
Under 12 months	10	0	0.53	4.83
12 months and within 24 months	10	0	0.87	0.87
24 months and within 5 years	15	0	0.95	4.21
5 years and within 10 years	20	0	3.19	3.19
10 years and within 20 years	30	0	21.35	21.35
20 years and within 30 years	35	0	24.29	22.51
30 years and within 40 years	35	0	26.46	26.46
40 years and within 50 years	35	0	19.84	16.58
50 years and within 60 years	15	0	1.78	0.00
60 years and within 70 years	5	0	0.74	0.00

Investments

Policy

381. 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).

382. 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 the 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.

383. The Markets in Financial Instruments Directive (MiFID II) is to be implemented in the UK in January 2018. The aim is to ensure financial institutions undertake more extensive checks on their client's suitability for investment products. Organisations undertaking investments will be either classified as 'retail' or 'professional'.

384. Whilst there is likely to be additional administrative costs to the Council, the Council will aim to secure professional status with each organisation it invests with. Not doing so may limit the products and interest rates offered by financial institutions for what may be similar risk.

385. In order to secure professional status, the Council will need to demonstrate to each financial institution, that it meets certain qualitative and quantitative criteria. These are likely to include an assessment of expertise, size of portfolio, number of similar transactions undertaken in a year.

Specified Investments

386. 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.

387. 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

388. 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
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

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

Security

390. Credit and fraud risk are managed through procedural requirements and controls. The Council uses Fitch Credit ratings as a basis for assessment of credit worthiness of institutions it will invest with (See Appendix 25). Changes in the criteria and decisions with whom to invest are delegated to the Section 151 Officer. Commercial organisations (counterparties) on its approved list will have at least the short-term credit rating of F1 and be authorised institutions within the meaning of the Financial Services and Markets Act 2000. The rating F1 infers "Highest Credit Quality" and indicates the strongest capacity for timely payment of financial commitments.

391. 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

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

393. 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.

394. 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.

395. 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 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

396. 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

397. 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.

398. 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.

399. The Investment Strategy for 2017/18 will continue to adapt to changing circumstances and market sentiment, with a pragmatic approach taken. Credit criteria changes are delegated to the Section 151 Officer. This 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

400. 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.

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

Budgetary Framework

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

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

403. 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.

404. 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

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

- the Revenue and Capital budget and to set the Council Tax for 2017/18
- the budget for the Housing Revenue Account
- the Treasury Management Strategy

- the Prudential Code for Borrowing indicators for 2017/18-2019/20
- the Capital Programme for 2017/18 and the indicative programme to 2020/21, 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 2017/18.

406. To enable Cabinet to:

- approve the level of fees and charges for Council goods and services for 2017/18
- approve the level of rent and charges for 2017/18 in respect of Council Houses, garages and other service charges
- approve the Supporting People Spending Plan for 2017/18
- note the work undertaken to raise awareness of and ensure the financial resilience of the Council
- note the financial challenges facing the Council as set out in the Medium Term Financial Plan
- note the opportunities for savings over the medium term and that officers will continue to develop them to inform the Budget Strategy Report in July 2017.

HR Implications

407. The Final Settlement was better than anticipated in the Budget Strategy Report, however the overall budgetary position remains challenging. The final proposals are based on the outcome of the consultation exercise and the priorities set out in the Corporate Plan. The budgetary position as outlined in this report represents a necessary response to the identified budget shortfall. Appendix 10 shows that there will be a net increase of 53.55 FTE Council posts overall made up of the deletion of 43.90 FTEs offset by the creation of 97.45 FTEs. This reflects posts deleted through a combination of vacant posts, redeployment and voluntary redundancy. The net increase in posts is a positive position to note in the context of previous years of net decreases in council posts.

408. Whilst the numbers of staff impacted by this budget proposal may not be as significant, the Council retains a range of mechanisms designed to support the people implications of the Council's budget proposals. Through the continued use of such mechanisms, the Council will consistently work hard to reduce the number of compulsory redundancies wherever possible. In addition to redeployment, other mechanisms include use of flexible working policies plus access to skills support through the Cardiff Academy and Trade Union Learning Representatives (TULR). Access to skills training either through the Academy or TULRs will continue to support staff in either refreshing their existing skills or developing new skills in order to enhance their opportunities to find another role in the Council or externally.

409. The Trade Unions have been consulted throughout the budget planning process and their comments have been considered. As part of the Council's commitment to partnership working, the Trade Unions will continue to be involved in all the proposals which impact on staff.

Legal Implications

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

Budget duties

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

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

413. Local authorities must decide every year how much income they are going to raise from Council Tax. This decision must be based on a budget that sets out estimates of what the Council plans to spend on services. As the Council Tax must be set at the start of the financial year and cannot be increased during the year, consideration must be given to risks and uncertainties, and allowances made in funds for contingencies and reserves.

414. The budget and the Council Tax must be set by 11th March in the preceding financial year. A failure to comply with the time limit may leave the Council open to challenge by way of judicial review.

415. 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.

416. Members should note that, after the Council has approved its budget and Council Tax, it is possible for the Council to make substitute calculations during the year (although the basic amount of Council Tax cannot be increased),

subject to certain provisos (s.37 LGFA 1992). The Local Government Act 2003 establishes a system to regulate the capital expenditure and borrowing of the Council. The heart of the prudential borrowing system is the duty imposed upon authorities to determine and keep under review how much money they can afford to borrow. The Local Authorities (Capital Financing and Accounting) (Wales) Regulations 2003 (as amended) specify the prudential code for capital finance to which local authorities in Wales must have regard in setting and reviewing their affordable borrowing limits (sections 3 and 5 of the 2003 Act).

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

Cardiff Capital Region City Deal

418. The body of the report contains provisions relating to the CCRCD. The CCRCD has recently been the subject of separate reports to Cabinet and Council, with the detailed legal advice being set out in those previous reports .

Equality Duty

419. The Council has to satisfy its public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties) – the Public Sector Equality Duties (PSED). These duties require the Council to have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of 'protected characteristics'. The 'Protected characteristics' are:

- Age
- Gender reassignment
- Sex
- Race – including ethnic or national origin, colour or nationality
- Disability
- Pregnancy and maternity
- Marriage and civil partnership

- Sexual orientation
- Religion or belief – including lack of belief

420. As noted in the report, consideration has been given to the requirements to carry out Equality Impact Assessments in relation to the various saving proposals and EIAs have been carried out in respect of certain of the saving proposals, to ensure that the decision maker has understood the potential impacts of the proposals in terms of equality. This assists the decision maker to ensure that it is making proportionate and rational decisions having due regard to the public sector equality duty.

421. Where a decision is likely to result in a detrimental impact on any group sharing a Protected Characteristic, consideration must be given to possible ways to mitigate the harm. If the harm cannot be avoided, the decision maker must balance the detrimental impact against the strength of the legitimate public need to pursue the service remodelling to deliver savings. The decision maker must be satisfied that having regard to all the relevant circumstances and the PSED, the proposals can be justified, and that all reasonable efforts have been made to mitigate the harm.

422. It is noted that Equality Impact Assessments (which include consideration of views and information obtained through consultation) are available on the Council's website and as background papers to this report. 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

423. The report recognises that notwithstanding efforts to reduce impacts on staff resulting from the level of funding cuts imposed, there will be some staff reductions during the financial year 2017/18. Legal Services are instructed that (I) engagement has been ongoing between Directors and Trade Unions to discuss budget saving implications and (ii) the Council has formally consulted with Trade Unions about the 2017/18 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. In relation to any potential redundancies it is important that all required statutory notices are served.

424. Due to the fact that the potential number of redundancies could exceed 20 posts 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. To this end Legal Services are instructed that consideration is being given to redeployment opportunities, VR and that consultations are ongoing. It is noted that the budget proposals also provide for the creation of posts.

Charging

425. 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.

426. Where reliance is placed on the power to charge for discretionary services (Section 93 of the Local Government Act 2003), any charges must be set so that when the charges are taken as a whole no surpluses are made (i.e. the power is limited to cost recovery).

427. Where activities are being undertaken for which charges are being made with the intention of producing surplus income, it is necessary to consider whether that activity is material and would amount to "commercial trading". For commercial trading, the Council must develop a business case and establish an arms' length company to undertake that activity (in accordance with the general trading power under Section 95 Local Government Act 2003), or identify another statutory power for a particular trading activity.

Consultation

428. Duties to consult certain stakeholders in respect of proposals may arise from a number of different sources. Members will note that the Council has engaged in consultations as part of the budget process as set out earlier in the report under the heading "Consultation and Engagement". In considering this matter, Members must genuinely and conscientiously consider the feedback from each consultation and have proper regard to it when making any decision in relation to the subject matter of that consultation. Members should carefully consider the results of the consultation as set out in Appendix 2.

The Well-Being of Future Generations (Wales) Act 2015

429. This places a well-being duty on public sector bodies to take action to achieve 7 well-being goals in accordance with the 'sustainable development principle'. The 7 well-being goals are: "a prosperous Wales", "a resilient Wales", "a healthier Wales", "a more equal Wales", "a Wales of cohesive communities", "a Wales of vibrant culture and thriving Welsh language" and "a globally responsible Wales"; and a description of each goal is given in the Act. Decision makers should consider how the proposed decision may contribute towards, or impact upon, achievement of the well-being goals. The Council must set well-being objectives to achieve the well-being goals and publish these objectives by 31 March 2017. Once the Council's well-being objectives have been set, decision makers must have regard to the same, and must be satisfied that all reasonable steps have been taken to meet those objectives. In order to comply with the well-being duty, the Council must act in accordance with the 'sustainable development principle', which is defined as meaning that the Council must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must

take into account the impact of their decisions on people living their lives in Wales in the future. There are a number of factors which the Council must take into account in this regard, specifically, decision makers must:

- Look to the long term
- Focus on prevention by understanding the root causes of problems
- Deliver an integrated approach to achieving the 7 well-being goals
- Work in collaboration with others to find shared sustainable solutions
- Involve people from all sections of the community in the decisions which affect them

430. In considering the above, due regard must be given to the Statutory Guidance issued by the Welsh Ministers.

General

431. All decisions taken by or on behalf of the Council must:

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

<u>Financial Implications</u>

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

433. The financial outlook over the medium term remains a concern and the Medium Term Financial Plan details these challenges in respect of ongoing financial austerity, increasing financial pressures and the difficulty of setting and realising year on year budget savings.

434. The budget for 2017/18 has been compiled against the backdrop of continued financial constraint with many expert commentators suggesting that the period of austerity will now last at least to the end of the decade. In commenting on his Financial Settlement for Local Government the Welsh Government's Cabinet Secretary for Finance said that local government should use an "18 month period of relative stability to prepare for harder choices and more difficult times ahead" and that they should not "sit back and have a breather because for one year, things are less awful than they have been."

435. The details included in the Final Local Government Revenue Settlement announced in December 2016 confirmed that for 2017/18 Cardiff will receive a cash increase in its funding of £2.3 million (0.5%) when compared with 2016/17. However, the actual increase in spending power reduces to £294,000 once new responsibilities and other differentiating year on year factors are taken into account. In addition, when inflation is taken into account the Settlement can be seen as a real terms cut in resources.

436. The Cabinet in its budget strategy and subsequent budget proposal has been conscious of the impact its proposal may have on the citizens and communities of Cardiff. For 2017/18, budget consultation has been carried out in two stages. General financial and service questions were included in the Summer 2016 Ask Cardiff survey while the specific budget proposals were subject to a period of public scrutiny lasting for over four weeks during late Autumn. Responses to these consultations have been reflected on by Cabinet and senior officers as part of their final deliberations. The Cabinet's budget proposal has, therefore, considered the issues raised having regard to the WG Settlement, the requirements of the Future Generations Act and in conjunction with the priorities in the draft Corporate Plan.

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

438. Particular challenges for 2017/18 and the medium term have been identified and are set out in paragraph 64 of the report with the most significant being:

- 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 may have on the budget monitoring position
- continuing demographic demand for social care services reflecting both volume and complexity of need
- the level of additional borrowing undertaken in previous years and proposed in the Capital Programme will require the use of more revenue resources for capital financing in future years
- the challenging financial position in respect of reducing WG resources, increasing financial pressures against a reducing controllable base

budget together with increasing volatility and uncertainty in respect of hypothecated grants
- the identified maintenance backlog impacting on the condition of property and infrastructure assets including statutory maintenance obligations places additional pressure on scarce resources
- The uncertain implications of BREXIT on the economy.

439. The budget process has been rigorous and has fully engaged the expertise of officers in directorates across the Council.

440. In formulating their budget proposal, the Cabinet through deliberation 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 WG's financial settlements, the Council's budget now stands at £586.984 million, an increase of £8.823 milliion over 2016/17.

441. It should be noted that although the Council received a better than anticipated WG Settlement, the budget for 2017/18 still contains a significant element of risk and complex savings proposals will need to be relentlessly driven if they are all to be achieved as planned. In summary, the revenue budget proposal includes:

- savings of £13.264 million from directorate proposals and £3.743 million from addressable spend savings
- inclusion of the General Contingency of £3 million to mitigate the achievability risks associated with the level of savings to be delivered
- continuation of the Specific Issues contingencies of £2.029 million broken down between £950,000 for external placement costs in Children's Services, £350,000 to protect against price volatility in the MRF and £729,000 to recognise the difficulty of predicting Waste Disposal tonnages
- reinstatement of budget savings amounting to £1.073 million outstanding from 2016/17 and 2015/16 where, following review they are deemed to be no longer achievable
- directorate financial pressures amounting to £4.638 million
- the use of £1.5 million from earmarked reserves to support the budget based on a review of the Council's Balance Sheet
- continuation of the £4 million Financial Resilience Mechanism that was introduced in 2016/17 to reduce future risk, improve resilience and allow one-off investment and development in priority areas
- estimated net increase of 53.55 posts made up of the creation of 97.45 fte posts partially offset by a reduction of 43.90 fte posts
- increase in the Schools Budget of £7.233 million including both demographic and 70% of non-demographic growth
- a Council Tax increase of 3.7% resulting in a Band D charge of £1,099.52

442. Within the budget proposals are a number of initiatives that may require option appraisal, complex procurement arrangements or the implementation of new operating or delivery models. These elements of work will need to be completed within strict timescales in order that the budgeted levels of savings can be achieved. A number of the budget proposals require the continued development of a commercial approach that will enable the Council to respond speedily to market shifts and financial opportunities within an appropriate risk appetite. The Investment Review Board will continue to be the forum to test these matters before they progress to the appropriate governance route.

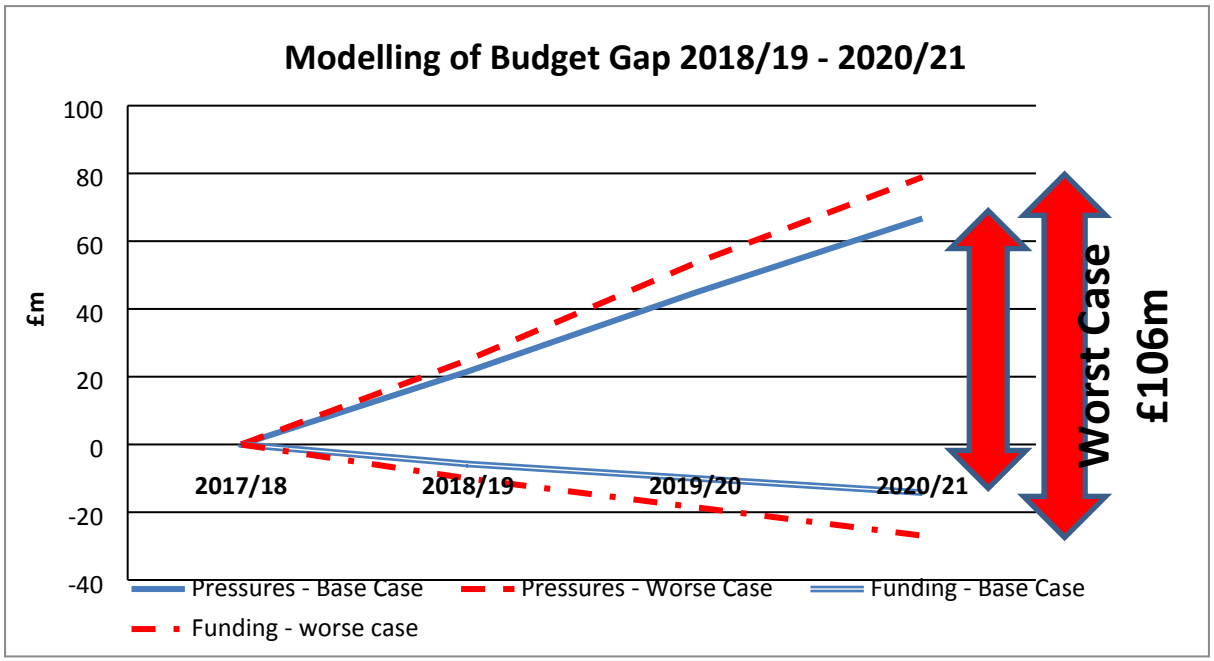
443. In addition, it is important that the Council retains sufficient support and project management capacity to enable the transition to a lower financially sustainable cost base.

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

445. The Council's position in respect of its reserves has again been assessed as part of budget preparation. The resultant judgement is that the projected level of both general and earmarked reserves up until 31 March 2018 is adequate when considering the 2017/18 budget. The expected balance on earmarked reserves as at 31 March 2018 is £36.186 million while the Council's General Reserve currently stands at £14.255 million.

446. The level of School Balances requires close attention as at 31 March 2016, within an overall net surplus of £1.7 million are deficit balances amounting to £3.5 million. Council officers will continue to support schools to ensure that spending plans are in alignment with their budgets and deficit budgets are avoided or reduced.

447. The Medium Term Financial Plan set out in paragraphs 166 to 218 uses the best available information to assess the financial gap facing the Council over the next three years. It is clear that anticipated resources will not cover emerging financial pressure*s* 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. Although the Council has made over £213 million savings over the past decade, the base budget has not reduced by this amount. This is because the most significant reason for the Council to need to find savings is escalating demand, as illustrated by the following graph:



448. The next table demonstrates the funding gaps forecast to 2020/21 using sensitivity analysis to demonstrate a further potential adverse position.

Medium Term Financial Plan	**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**

449. The above table shows a base case scenario Budget Gap of £81 million over the next three years and while detail proposals to meet the gap in the final year are yet to be determined, it is clear that the focus will need to be on increased digitalisation of services and back office functions, commercialisation of activities, review of grants and subsidies together with prevention and early intervention actions. The ODP continues to play a key role in understanding these challenges and supporting the Council in realigning itself to a lower, financially sustainable base. For 2018/19 and 2019/20 savings options are being developed as set out in Appendix 17(b) and work will continue apace on 2018/19 proposals so that the Budget Strategy Report in July 2017 will include early considered proposals.

450. Notwithstanding the importance of the three year time horizon for medium term planning, councils also need to consider 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 in hindsight over an extended timeframe.

451. Following the significant cuts that the Council has made in the recent past, either of the above scenarios reaffirms the positon expressed in the 2015/16 Budget Report that radical changes are required in order for it to remain operational and resilient. In order to assist with this a re-assessment of

directorate base budgets will be undertaken to inform work leading to the Council's next Budget Strategy Report in July 2017.

452. The Council has a statutory duty to ensure that the HRA achieves a balanced budget and this has been evidenced as part of this Budget Report. The average weekly increase in housing rents of £4.20 (excluding service charges) is within the WG's Target Rent Band.

453. The SOP Financial Model brings together the projected capital expenditure and funding schedule over the life of the SOP initiative. The model is designed to be self-funding and the projects, included within the Council's Capital Programme, commence once the particular scheme business case has been approved by WG. However, the resultant significant financial exposure for the Council demands that close monitoring of the key risks is continued, contract management is robust and issues are escalated where necessary.

454. The inclusion of schemes in the Capital Programme have been profiled in accordance with technical advice relating to regulatory processes, timetables, expectation of grants and workflow priorities. In previous years the Council has experienced significant slippage of capital schemes which has prompted adverse comments from the Wales Audit Office and the Audit Committee. Consequently, capital scheme sponsors have again been reminded of the importance of robust profiling in order that capital plans are achieved as expected. Nevertheless, with such an extensive programme there is a residual risk that expenditure will slip between years and so any resultant impact on the programme will be addressed through the monitoring process in 2017/18.

455. Robust control of project costs is another area where issues have been in evidence and so it is important that directors give sufficient weight to good contract management capacity when allocating resources.

456. Resources to finance the General Fund Capital Programme between 2017/18 and 2021/22 include non-earmarked capital receipts to be achieved of £6 million. Additional borrowing of £71.7 million is also required to resource the programme and is made up of:

Additional borrowing	**£m**
To support estimated slippage from 2016/17	6.9
Capital Programme 2017/18 approved in February 2016	9.2
Finance for new schemes to be approved in February 2017	11.5
Invest to save schemes	44.1
Total	**71.7**

457. Particular attention needs to be given to the medium and long term impact of additional borrowing on the Council's revenue budget as it is clear that continuing to increase levels of additional borrowing within the General Fund is not consistent with the significant levels of savings required to be found. Accordingly, local affordability indicators are maintained to track the impact of decisions in the medium term although this is also impacted by reductions in the level of RSG received. It should be noted that whilst approving the Capital

Programme for the period up to 2021/22, Cabinet should be aware that the later years of the Programme will be subject to an ongoing review of the Council's financial resilience.

458. In addition to the Capital Programme included within this Report there are two further areas of investment that will need to be considered during the next twelve months and that are likely to require revisions to the Programme set as part of this Budget Report:

- The Council has recently confirmed its involvement in the CCRCD with full financial commitment invoked once the Reserved Matter has been discharged. At that stage the Capital Programme and related Treasury and Prudential indicators will need to be amended to recognise the additional commitment.

- The second stage of the WG's 21st Century School Programme is due to be formalised during 2017/18 and this will also impact on the Council's future Capital Programme, external borrowing and related revenue implications.

459. In the current extensive period of significant budget reductions and consequential loss of employee resources in many parts of the organisation, financial control continues to be of fundamental importance. It is vital that responsible officers take ownership of their budgets and that expenditure remains within the approved positions. Compliance with financial rules and governance requirements is expected and this will continue to be monitored and reported regularly as part of performance management arrangements.

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

"*In the financial implications of the 2015/16 Budget Report I referred to the materiality of the service choices ahead of the Council and that those difficult choices were facing all Councils. The 2016/17 Budget Strategy responded to this challenge through development of the reshaping of the Base Budget approach to determining targets for directorates over the medium term. It is positive that during 2016/17 some significant decisions in respect of service changes have been taken and the changes implemented, although the risk remains that the Council may not be able to achieve financial savings of sufficient magnitude to meet the target savings over the medium term. I will keep this under review and report progress to members as part of the financial monitoring regime. As well as highlighting the financial challenges in the medium term, the role of the Section 151 Officer is to advise members if the Cabinet risks setting an unbalanced budget. I do not consider this to be the case in 2017/18.*"

Cabinet Consideration

The Cabinet considered the budget proposals on 16 February 2017 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 is recommended to:

8.0 the changes to fees and charges as set out in Appendix 12(a) & 12(c) to this report be approved

9.0 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.

10.0 the rents of all Housing Revenue Account dwellings (including hostels and garages) be increased having taken account of WG guidance.

11.0 the service charges and the management fee for leaseholders as set out in Appendix 12(b) be approved

12.0 all Housing Revenue Account rent increases take effect from 3 April 2017.

13.0 the work undertaken to raise awareness of the financial resilience of the Council be recognised and the steps taken within the budget to improve this position.

14.0 R 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 be noted.

15.0 the Supporting People Programme Grant Spending Plan for 2017/18 as set out in Appendix 16 be approved.

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 3.7% as set out in this report and that the Council resolve the following terms.

2.0 That it be noted that at its meeting on 15 December 2016 the Council calculated the following amounts for the year 2017/18 in accordance with the regulations made under Section 33(5) of the Local Government Finance Act 1992:-

a) 143,032 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	2,350
Pentyrch	3,258
Radyr	3,651
St. Fagans	1,295
Old St. Mellons	1,400
Tongwynlais	823

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 2017/18 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 £309,600). £1,077,570,600

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

£492,127,791

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. £585,442,809

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 and redistributed Non-Domestic Rates.

£428,216,560

e) The amount at 2.1(c) above less the amount at 2.1(d) (net of the amount for discretionary relief of £350,000), 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.

£1,101.69

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

£309,600

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.

£1,099.52

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	1,113.99
Pentyrch	1,127.45
Radyr	1,132.39
St. Fagans	1,113.42
Old St. Mellons	1,119.23
Tongwynlais	1,122.61

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	742.66	866.43	990.21	1,113.99	1,361.54	1,609.10	1,856.64	2,227.98	2,599.31
Pentyrch	751.63	876.90	1,002.18	1,127.45	1,378.00	1,628.55	1,879.08	2,254.90	2,630.72
Radyr	754.92	880.74	1,006.57	1,132.39	1,384.03	1,635.68	1,887.31	2,264.78	2,642.24
St. Fagans	742.28	865.99	989.71	1,113.42	1,360.85	1,608.28	1,855.70	2,226.84	2,597.98
Old St. Mellons	746.15	870.51	994.87	1,119.23	1,367.96	1,616.68	1,865.39	2,238.47	2,611.55
Tongwynlais	748.40	873.14	997.87	1,122.61	1,372.08	1,621.55	1,871.01	2,245.21	2,619.42
All other parts of the Council's Area	733.01	855.18	977.35	1,099.52	1,343.86	1,588.20	1,832.53	2,199.04	2,565.55

2.2 That it be noted that for the year 2017/18, 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
£	£	£	£	£	£	£	£	£
145.50	169.75	193.99	218.24	266.74	315.24	363.74	436.49	509.24

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 sets the following amounts as the amounts of Council Tax for the year 2017/18 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	888.16	1,036.18	1,184.20	1,332.23	1,628.28	1,924.34	2,220.38	2,664.47	3,108.55
Pentyrch	897.13	1,046.65	1,196.17	1,345.69	1,644.74	1,943.79	2,242.82	2,691.39	3,139.96
Radyr	900.42	1,050.49	1,200.56	1,350.63	1,650.77	1,950.92	2,251.05	2,701.27	3,151.48
St. Fagans	887.78	1,035.74	1,183.70	1,331.66	1,627.59	1,923.52	2,219.44	2,663.33	3,107.22
Old St. Mellons	891.65	1,040.26	1,188.86	1,337.47	1,634.70	1,931.92	2,229.13	2,674.96	3,120.79
Tongwynlais	893.90	1,042.89	1,191.86	1,340.85	1,638.82	1,936.79	2,234.75	2,681.70	3,128.66
All other parts of the Council's **Area**	878.51	1,024.93	1,171.34	1,317.76	1,610.60	1,903.44	2,196.27	2,635.53	3,074.79

2.4 That the Corporate Director Resources be authorised 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 2017 to March 2018 in respect of the precept levied by the Police and Crime Commissioner for South Wales in the sum of £31,215,904.

2.5 That the Common Seal be affixed to the said Council Tax.

2.6 The Common Seal be affixed to precepts for Port Health Expenses for the period 1 April 2017 to 31 March 2018 namely

	£
The County Council of the City and County of Cardiff	113,755
The Vale of Glamorgan County Borough Council	12,846

2.7 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 Indictors for 2017/18, 2018/19 & 2019/20 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 2017/18 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 2017/18.

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 in the strategy 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
18 February 2017

The following Appendices are attached:

Appendix 1
(a) Budget and Corporate Plan
(b) Budget and Sustainable Development Principle

Appendix 2 Consultation responses

(a) Changes For Cardiff Budget Consultation
(b) Budget Letter - School Budget Forum – 14 December 2016 (Cllr Hinchey)
(c) Budget Scrutiny Letter – Children & Young People Scrutiny Committee – 14 February 2017 (Cllr Hinchey)
(d) Budget Scrutiny Letter – Community & Adult Services Scrutiny Committee – 14 February 2017 (Cllr Bale)
(e) Budget Scrutiny Letter – Economy & Culture Scrutiny Committee – 14 February 2017 (Cllr Bale)
(f) Budget Scrutiny Letter – Economy & Culture Scrutiny Committee – 14 February 2017 (Cllr Hinchey)
(g) Budget Scrutiny Letters – Economy & Culture Scrutiny Committee – 14 February 2017 (Cllr Bradbury)
(h) Budget Scrutiny Letters – Environmental Scrutiny Committee – 14 February 2017 (Cllr Hinchey)
(i) Budget Scrutiny Letters – Environmental Scrutiny Committee – 14 February 2017 (Cllr Derbyshire)
(j) Budget Scrutiny Letters – Environmental Scrutiny Committee –14 February 2017 (Cllr Patel)
(k) Budget Scrutiny Letters – Policy Review & Performance Scrutiny Committee – 15 February 2017 (Cllr Bale)

Appendix 3	List of known Specific Grants from Welsh Government at the all Wales level
Appendix 4	Revenue Resources Required
Appendix 5	Directorate Financial Pressures
Appendix 6	2017/18 Budget Savings (a) Overview 2017/18 Savings (b) Directorate Savings 2017/18 (c) Addressable Spend Savings
Appendix 7	Risk Assessment Summary of Savings Proposals
Appendix 8	Financial Snapshot report – Budget Report version
Appendix 9	Earmarked Reserves (a) General Fund (b) Housing Revenue Account
Appendix 10	Employee Implications of Budget
Appendix 11	Use of Financial Resilience Mechanism
Appendix 12	Summary of Fees and Charges (a) General Fund (b) Housing Revenue Account (c) Outdoor Activities (d) Fees and Charges - *confidential*
Appendix 13	Directorate Revenue Budgets
Appendix 14	Cabinet Portfolio Revenue Budgets
Appendix 15	Amendments since publication of consultation proposals
Appendix 16	Supporting People Programme Grant Spending Plan
Appendix 17	Medium Term Financial Plan (a) MTFP 2018/19 – 2020/21 (b) Themed Opportunities for savings – 2018/19 and 2019/20
Appendix 18	Housing Revenue Account
Appendix 19	School Organisation Plan Reserve
Appendix 20	Civil Parking Enforcement Account
Appendix 21	Capital Programme Expenditure
Appendix 22	Capital Programme Resources
Appendix 23	Glossary of Terms (a) Prudential Indicators (b) General
Appendix 24	Minimum Revenue Provision Policy
Appendix 25	Approved list of Counterparties

The following Background Papers have been taken into account:

- Budget Strategy Report (July 2016)
- 2017/18 Budget Proposals – For Consultation (November 2016)
- The WG Final Financial Settlement (December 2016)
- Equality Impact Assessments of Cardiff Council's 2017/18 Budget
- Details of Fees and Charges
- Analysis of Section 106 Balances
- Treasury Management Practices (April 2016)

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APPENDIX 1

APPENDIX 1A – BUDGET & CORPORATE PLAN

APPENDIX 1B – BUDGET AND SUSTAINABLE DEVELOPMENT PRINCIPLE (FUTURE GENERATIONS

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Appendix 1a

An economy that benefits all our citizens ↔ **Values: Open, Fair, Together** ↔ **Working together to transform services**

Budget 2017/18

An economy that benefits all our citizens

- Support for Cardiff Capital Region City Deal
- Dumballs Road Regeneration
- Extra planning resource for major new developments
- Central Square

The Council is open about the difficult choices faced, engages and consults on them & properly evaluates their impact

Working together to transform services

- Capital sums to modernise business processes
- Savings supported by Organisational Development Programme
- Savings inevitable BUT aim to adopt a more commercial approach:- alternative delivery, maximise income, work with partners, continue to challenge internal processes, maximise use of technology and secure value on contracts

Supporting vulnerable people

- £9.2m extra for Social Services
- 68 extra Social Services posts
- Capital investment in disabled adaptations and learning disabilities
- £144k for budget advice at foodbanks
- £218k for Reuse and Recycling Centre
- Savings with Early Intervention / Prevention focus

One off investment in highways, cleansing initiatives, community sport and communities first

Better education and skills for all

- £7.2m extra for Schools
- Transitional support for loss of WG Challenge Cymru funding
- Support to complete Schools Organisation Plan (Band A)
- Capital investment in school condition

Supporting vulnerable people ↔ **Vision: Europe's most liveable capital city** ↔ **Better Education and skills for all**

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CARDIFF COUNCIL BUDGET 2017/18

Appendix 1b

Examples of how the Budget Invests in the Future

CARDIFF VISION	BUDGET	WALES' GOALS
GREAT TO LIVE WORK AND PLAY	• £0.6m - Neighbourhood Regeneration • £1.6m - Community Shopping Centres • £125m - Long term investment in social housing & housing estates • Leisure & culture services maintained – commercialism & collaboration • Strengthening bilingualism in workforce recruitment	VIBRANT CULTURE & THRIVING WELSH LANGUAGE
THRIVING & PROPEROUS ECONOMY	• Support for Cardiff Capital Region City Deal • Central Enterprise Zone / Central Square - £27.1m • Dumballs Road Regeneration - £4.1m	PROSPEROUS
PEOPLE ACHIEVE THEIR FULL POTENTIAL	• £7.2m additional revenue support for schools • 21st Century Schools Programme (Band A) - £26.7m • Investment in existing schools estate - £23m • Trainee Placement Programme – £230,000	
PEOPLE ARE SAFE & FEEL SAFE	• Alley-gating - £300,000 • Road Safety Schemes - £1.7m • Public Area Protection - £250,000 • £9.2m additional revenue support for Social Services • Disabled adaptations to enable people to remain in their home - £31.7m	COHESIVE COMMUNITIES
PEOPLE ARE HEALTHY	• Investment in community sport - £300,000 • City leisure centre offer retained - new model • Advice at foodbanks - £144,000 • Parks infrastructure and play equipment - £6m	HEALTHIER
FAIR, JUST AND INCLUSIVE	• Early preventative action and locality working in social services • Support for Hubs where citizens can access advice - £3.9m • Disabled access - £3m • Unicef Child Friendly Cities Initiative - £80,000 • Taking on Welsh Interpretation and Translation Service	MORE EQUAL
CLEAN, ATTRACTIVE & SUSTAINABLE	• Greener Grangetown - £1.7m • LED technology and energy sustainability - £5.6m • Cycling Strategy - £800,000 • Parking pilot (electric vehicles) - £50,000 • Additional support for recycling activity & investment in Reuse Centres - £225,000	RESILIENT

Examples of how the Budget Invests in the Future

The above investment comprises 5 year capital spend included in the capital programme along with Revenue Investment for 2017/18

CARDIFF COUNCIL BUDGET 2017/18

Appendix 1b

Examples of the five ways of working within the Budget Process

	The Five Ways of Working at the Heart of the Future Generations Act
LONG TERM	• Long-term affordability of the capital programme - prudential & local indicators • Prudent debt repayment periods set to avoid "mortgaging" future generations and limiting their ability to take forward their own investment priorities • Modelling a future budget outlook to understand how today's decisions and assumptions will affect the future shape of the budget • Identifying current and future risks and their potential financial impact • Carefully evaluating the Council's financial resilience • Highlighting that budget opportunities forgone in one year (e.g. income generation / price increases) will have a cumulative effect over time • Seeking opportunities for savings that avoid service removal despite the challenging financial climate • Identifying opportunities to meet the changing needs and requirements of citizens, for example, by exploring use of technology
PREVENTION	• Exploring opportunities for early intervention and prevention in social services to reduce costs and improve outcomes – see savings on Early Years, Safer Families and Adolescent Resource Centre • Increasing the independence of individuals to live in their own homes and signposting to third sector organisations rather than institutionalised care • Carefully evaluating the use of finite resources to try and avoid deterioration of our assets – e.g. use of FRM to address condition of property and highways • Promotion of choice of care for the vulnerable • Preventing homelessness through development of new affordable housing
COLLABORATION	• Exploring opportunities to work with others to continue to deliver services, e.g. Leisure and Regulatory Services • Work with partners to develop services for the future e.g. work with Cardiff and Vale college to deliver the school in the East of Cardiff • Ongoing collaborative work re: waste treatment • Multi-Agency Safeguarding Hub – working across multiple organisations and sharing information to promote a joint approach to the safeguarding of vulnerable children and Adults • Hubs – integration with other Agencies to provide the customer with a one-stop service • Time-credits – working with partners to support opportunities for volunteering • CCRCD – working with other Authorities for the benefit of the wider region

CARDIFF COUNCIL BUDGET 2017/18

Appendix 1b

Examples of the five ways of working within the Budget Process

	The Five Ways of Working at the Heart of the Future Generations Act
INTEGRATION	• Integrated working – proposals for joint commissioning between the UHB, Cardiff and Vale Councils • Working with other Authorities for the benefit of the wider region - CCRCD • Intermediate Care Fund with Health – promoting joint initiatives between the UHB and Council specifically in relation to discharges from hospitals • Providing services across the Welsh Public Sector – WITS • Integration of the Budget with the Council's Priorities and Vision
INVOLVEMENT	• Two stage consultation process • Successfully engaging with groups that have been traditionally less involved • Service user specific consultation on proposals where appropriate • Consideration of consultation feedback in drafting final budget proposal • Budget Scrutiny and engagement with key stakeholders – schools budget forum, Trade Unions, staff

Extract from Liveable City Report

APPENDIX 2

City Of Cardiff Council Budget Consultation 2016/17

2(a) Changes for Cardiff Budget Consultation

2(b) Budget Letter - School Budget Forum – 14 December 2016 (Cllr Hinchey)

2(c) Budget Scrutiny Letter – Children & Young People Scrutiny Committee – 14 February 2017 (Cllr Hinchey)

2(d) Budget Scrutiny Letter – Community & Adult Services Scrutiny Committee – 14 February 2017 (Cllr Bale)

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2(j) Budget Scrutiny Letters – Environmental Scrutiny Committee – 14 February 2017 (Cllr Patel)

2(k) Budget Scrutiny Letters – Policy Review & Performance Scrutiny Committee – 15 February 2017 (Cllr Bale)

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Appendix 2a

CHANGES FOR CARDIFF

Consultation on Budget Proposals for 2017/18

RESULTS & FEEDBACK REPORT

make the difference

CARDIFF
CAERDYDD

This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg.

Changes for Cardiff - Consultation on the City of Cardiff Council's Budget Proposals for 2017/18

Contents

1. Executive Summary

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

The consultation on these proposals ran from **10th November 2016** until **Friday 16th December 2016**.

Engagement activities included: Electronic questionnaire distribution via social media and email address lists, paper copy distribution across libraries and hubs, postal delivery to selected households across the city, face to face engagement with targeted groups and selected locations across the city.

A total of 2,520 returns were received to the electronic/postal surveys. Within this:

- Almost two-thirds (63.1%) agreed that schools should be protected from financial challenges faced by the rest of the Council.
- A fifth (19.2%) of respondents were aware that the Council is proposing to sell bedding plants & nursey stock directly from the Bute Park Nursery although this is something that two-thirds (66.9%) were reportedly interested in for the future
- A third (32.0%) of respondents reported to use Hubs. Citizens Advice and Adult Education classes were amongst the additional services that people were most keen to see provided within Hubs.
- A quarter (23.9%) of respondents claimed to already participate in volunteering activities whilst 441 also provided contact details indicating an interest in learning more about potential volunteer opportunities. When asked "would you be more likely to volunteer if you knew that you were helping someone in your own local community?" 45.0% responded 'yes', 28.5% No and 26.5% don't know.
- A third (32.0%) were interested in being involved with local 'social action' initiatives.
- More than four fifths (83.3%) of respondents believed the provision of an early stage dementia mobile monitoring device to be a good idea.
- The Council's plans to deliver care on an area basis were supported by 78.0% of those responding.
- Four fifths (80.3%) agreed that working at a local level is the best way to approach local problems.
- Additionally almost 200 people were directly involved in face to face voting activity across the city which asked ***"Where would you like to see more money spent in future?"*** Participants 'spent' a total of £14,750 with the repair of potholes in roads across the city coming out as a clear priority.

2. Background

Public services are going through a period of rapid change. For the foreseeable future Councils, along with other public services, will have less money available to deliver local public services.

This comes at a time of economic uncertainty following the vote to leave the European Union, combined with a number of other pressures such as a rapidly growing population and changes in welfare reform meaning that demand for services is increasing year on year.

The City of Cardiff Council is facing significant and ongoing financial challenges with a budget gap of **£25 million** for 2017/18 and a potential shortfall of **£76 million** over the next three years. This comes on top of £200m which has already been found over the last 10 years.

The Council is legally required to set a balanced budget. To make the savings needed and to protect the quality of our public services, significant changes have been made, and will continue to be made, to the way things are done.

There is no easy way to bridge a **£25 million** budget gap. The City of Cardiff Council's Cabinet is looking at the best way to do this but as a cooperative Council we also seek the views of the public as to what they perceive as the most important issues for Cardiff.

In addition, the budget strategy includes assumptions in relation to a 3.7% increase in Council Tax. An increase of this amount equates to £39.23 per household in Council Tax Band D.

3. City-wide Public Consultation - Methodology

3.1 City Wide Survey

Consultation on the budget proposals took 3 forms:

- **City-wide Public consultation** on proposals which affect all citizens (The contents of this report)
- **Service-specific consultation** with identified service users/groups or organisations
- **Internal Council consultation** -these elements relate to internal changes within the Council including back office efficiencies, staff changes and process improvements.

The questionnaire contained 40 individual questions (excluding demographic information) and covered a range of topics including:

- Austerity
- Being more commercial
- Making better use of our buildings
- Involving and empowering communities
- Going digital
- Providing care and support services locally
- Increasing fees and charges

3.2 Engagement Mechanisms

The city-wide public consultation focused on the issues of general interest set out in the Changes for Cardiff document but also gave people an opportunity to give their views on any budget related issues. The consultation was undertaken via the following mechanisms:

- Questionnaire survey – available on-line and via 3,000 hard copies distributed through libraries, leisure centres and hubs
- 18 Community Engagement held across the city at locations including libraries and supermarkets as well as direct engagement with specific groups who are less frequently heard i.e. learning disability groups, BME women. (See Appendix 1)
- Easy read versions produced to assist those with learning disabilities or literacy issues to participate
- Consultation information and questionnaire made available online via the Council's dedicated budget pages www.cardiff.gov.uk/budget as well as on the websites www.cardiffdebate.co.uk and www.askcardiff.com
- Regular promotion throughout the consultation period through social media via @cardiffcouncil, @cardiffdebate and using #cdfbudget
- Face book 'Boosts' to increase the visibility of the promotion
- Direct mail of 3,000 to households across the city with a boosted sample amongst those areas with a traditionally lower response rate namely Cardiff East and City & Cardiff South
- Opportunity for people to email comments via budget@cardiff.gov.uk
- Consultation promoted via email to stakeholders including partner organisations, MPs and AMs, Neighbourhood Partnerships and community group leaders.
- Consultation promoted via email to members of the Cardiff Citizens' Panel and Library Card Holders (53,281 unique email addresses)
- Communicated to approximately 6,000 staff within the City of Cardiff Council via Your News

The consultation on these proposals began on **10th November 2016** and run until **midnight** on **Friday 16th December 2016**.

The final budget will be set at the meeting of Full Council on 23rd February 2017.

4. Key Findings

4.1 Austerity

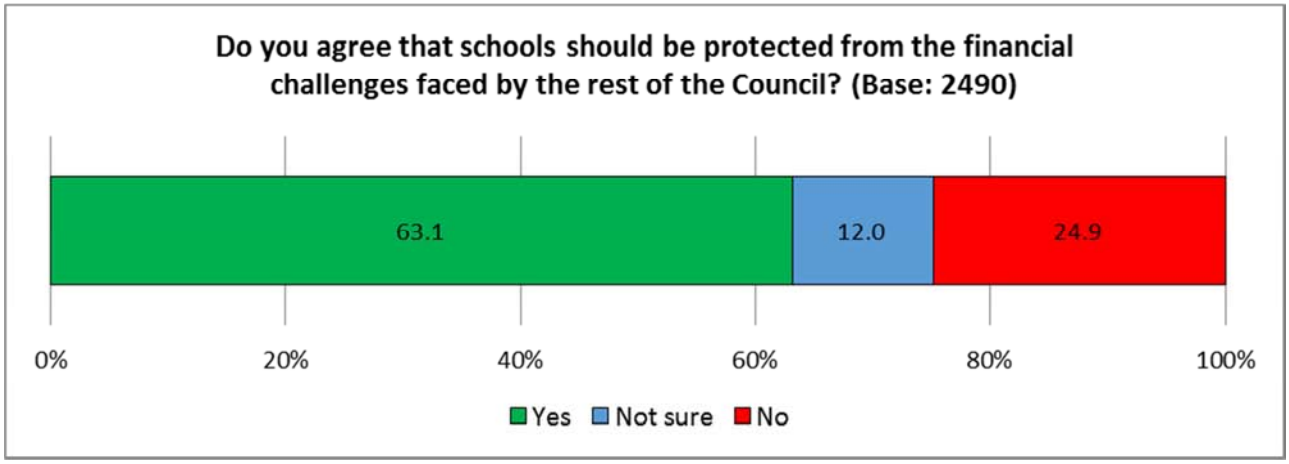
At the same time as a rapid growth in demand for public services, the City of Cardiff Council is facing significant and ongoing financial challenges with a potential budget shortfall of **£76 million** over the next three years.

The Council has an overall budget of **£578 million**. There is however a significant portion of this money that has historically been protected from funding cuts. This means that the amount we have flexibility to make savings from is actually much smaller, totalling **£219 million**.

Delegated schools budgets, which account for over a third of the Council's overall budget, have not been subject to the same level of cuts as other Council services

Do you agree that schools should be protected from the financial challenges faced by the rest of the Council?

Base: 2490	No.	%
Yes	1572	63.1
No	619	24.9
Not sure	299	12.0



Amongst those respondents aged under thirty-five the proportion in agreement that schools should be protected from financial challenges rose to 70.5%. In comparison just 57.5% of respondents aged fifty five plus shared this view, a range of 13.0%.

Similarly more than two thirds (68.5%) of females were in agreement that schools should be protected compared to 59.3% of males – a range of 9.2%.

No discernible difference could be identified geographically across the city. See Appendix 2 for more info.

CHANGES FOR CARDIFF 2017/18

Please tell us why:

A total of 1,723 respondents provided additional comments to support their decision.

Those believing that schools should be protected from financial challenges typically described education as an 'essential service', paramount to the success of the next generation. It was felt by this group that cuts made here would impact not only on young people but on the wider future for us all.

Those respondents that felt that schools need to contribute to cuts like other services expressed schools as no more deserving than some other areas and that inefficiency and surplus needs to be tackled across all Council services.

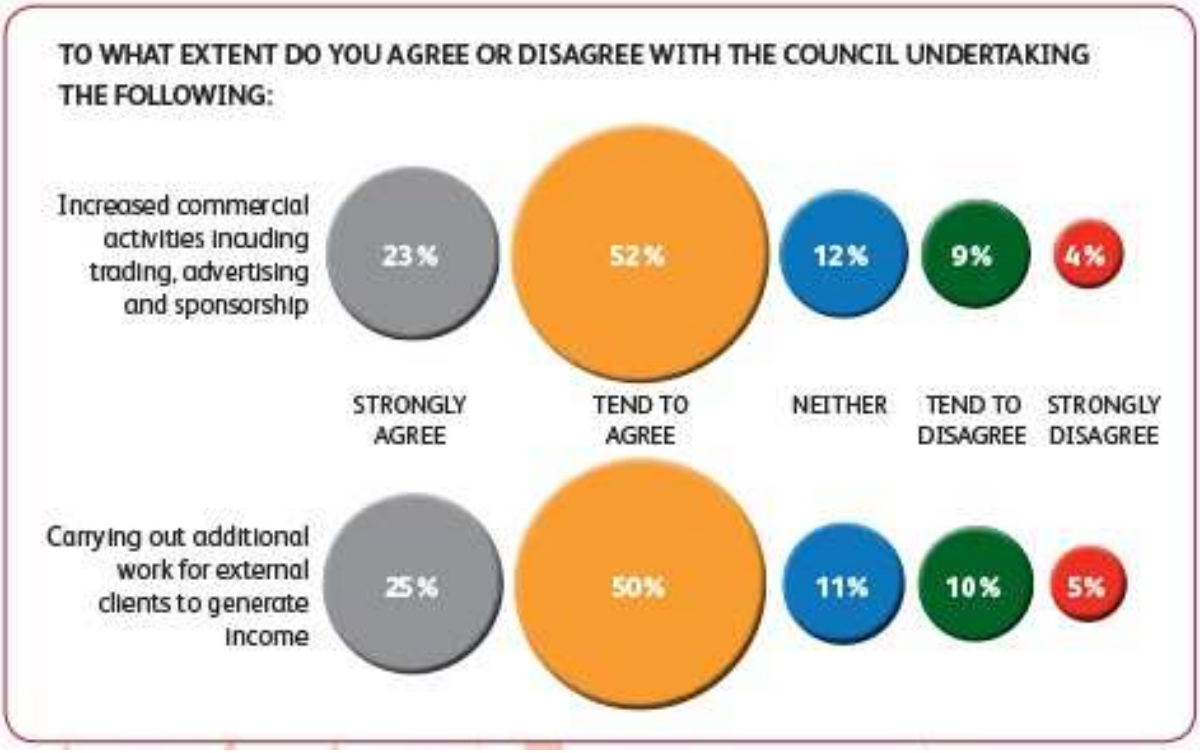
Provided below are some examples of the comments received:

In favour of schools being protected	Opposed to schools being protected
• *"It is important to give future generations the best start in life, beginning with a first class education."*	• *"Some schools could make savings by employing full-time staff rather than using agency & supply workers that are VERY expensive. Every school should be asked if they feel they could make savings."*
• *"If we produce a disenfranchised poorly educated youth, we seriously jeopardise the future."*	• *"Other areas such as child protection are equally important. All must share the difficulties"*
• *"Children have their whole lives ahead of them - cuts now could affect their entire future."*	• *"There are other services in need also. In terms of equity and fairness, this does not seem fair."*
• *"The education of the pupils is paramount. Any cuts will result in a drop in standards which will have a knock on effect in the future. It's short sighted to implement cuts in education."*	• *"Budgets proposed by schools governing bodies should be independently examined to see if savings could be made for example by sharing resources with other schools."*
• *"Education is one of the most precious civic goods, an investment in the future, and most importantly a major attractant to new Cardiff citizens -- it seems vital to retain the excellent schools Cardiff has"*	• *"Schools should take their share of the cuts as well. Economic development and transport always lose out, which is not fair. It is no good spending millions on educating people, but then having no jobs for those educated people to go to."*
• *"Children are the future, it's not beneficial to be selfish and only think about the present. With Brexit looming we need to invest in education for the sake of the future of the country."*	• *"Ring-fencing budgets in some areas only makes other areas take a larger, unfair hit. Schools should be equally well equipped to be creative about ways to save or raise money."*
• *"Our children are our genetic and financial future. Without high quality education we will be unable to compete in a future global market and ultimately afford to look after our elderly population."*	• *"All Areas should seek efficiency improvements, including schools. Protecting Schools from efficiency improvements, yet again, suggests that they are 100% efficient, and that no improvements can or need to be made in this area, which is very unlikely to be true"*
• *"Great education and support will hopefully pay off in later years when well educated individuals pay back into the city as taxes etc."*	• *"There may be areas of schools spending that should be scrutinised as to whether they provide good value. Education is obviously one of the most vital areas of council spending but nothing should be sacrosanct."*
• *"Children are the future and educating them properly ensures brighter futures and healthier lifestyles."*	• *"If the council can cut services to the most vulnerable then surely it should (at least) explore efficiencies within education services."*

4.2 Being More Commercial

The Council is changing how we deliver our services. We are making sure that front line services are as efficient as they can be, and represent good value for money. Now we want to look for opportunities to increase income and help offset the budget shortfall. This means the Council is looking at how we can attract more corporate sponsorship, buy resources at a lower cost, make better use of our assets, and adopt more commercial models which involve carrying out additional work for other public, third or private sector organisations to generate income.

In response to the recent Ask Cardiff Survey three quarters agreed that the City of Cardiff Council should increase commercial activities and that we should also look to carry out work for external clients to generate income.



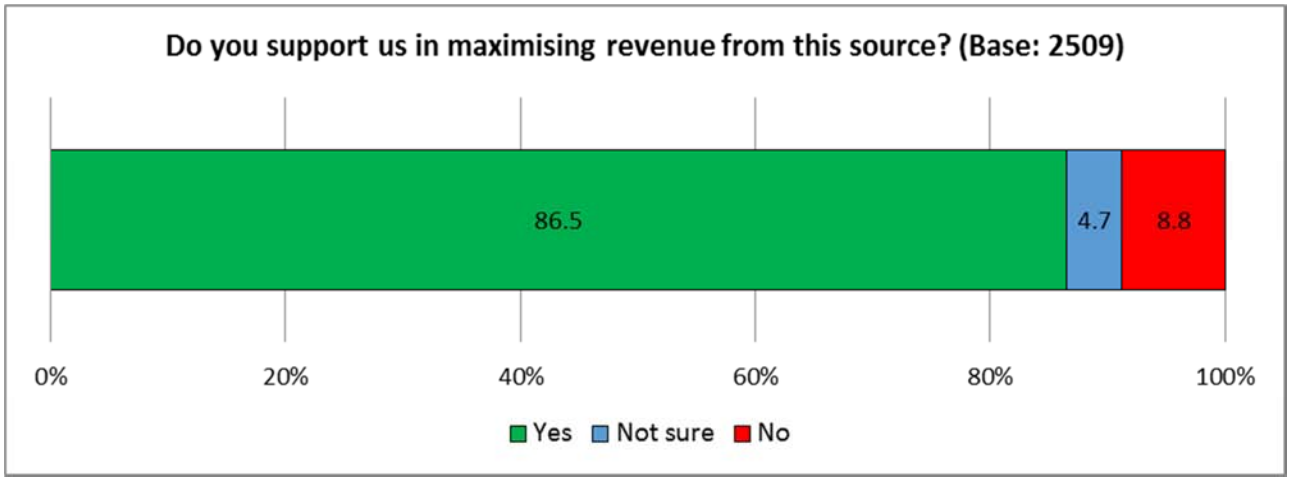
As a result the City of Cardiff council makes the following proposals:

Sponsorship

The City of Cardiff Council offers advertising and sponsorship opportunities on certain roundabouts and lampposts across the city

Do you support us in maximising revenue from this source?

Base: 2509	No.	%
Yes	2171	86.5
No	221	8.8
Not sure	117	4.7



If you have responded 'No' please explain why

A total of 185 additional comments were received in reaction to this proposal. Reasons provided for opposition to the proposal fall into two main themes:-

Distraction to Drivers / Associated Dangers – could be a cause of distraction when concentration needed, it is dangerous, it is very dangerous and distracting seeing signs on roundabouts

Unsightly/Negative effect on environment – Spoils the look of the city, it would lower the tone and there are already too many adverts in daily life, Ugly.

A selection of those received include:

In general these are very poorly designed and diminish the quality of the built environment…look unsightly and increase possibility of collision between cyclists and pedestrians.

Roundabouts are a great opportunity to make a city beautiful and striking. Having lots of adverts makes the city look cheap. I think it is a bit dangerous too as quite distracting for drivers.

The Council should not infer approval or support of any commercial organisations.

Advertising should be for the benefit of the people of Cardiff rather than advertising places like McDonald's that are so unhealthy should be banned just like alcohol and tobacco

We are trying to make roads safer and every distraction means less time driving with due care and attention

The level of income gained this way is not likely to be high and the impact on the visual aspect of our neighbourhoods, for a small amount of money, does not justify it.

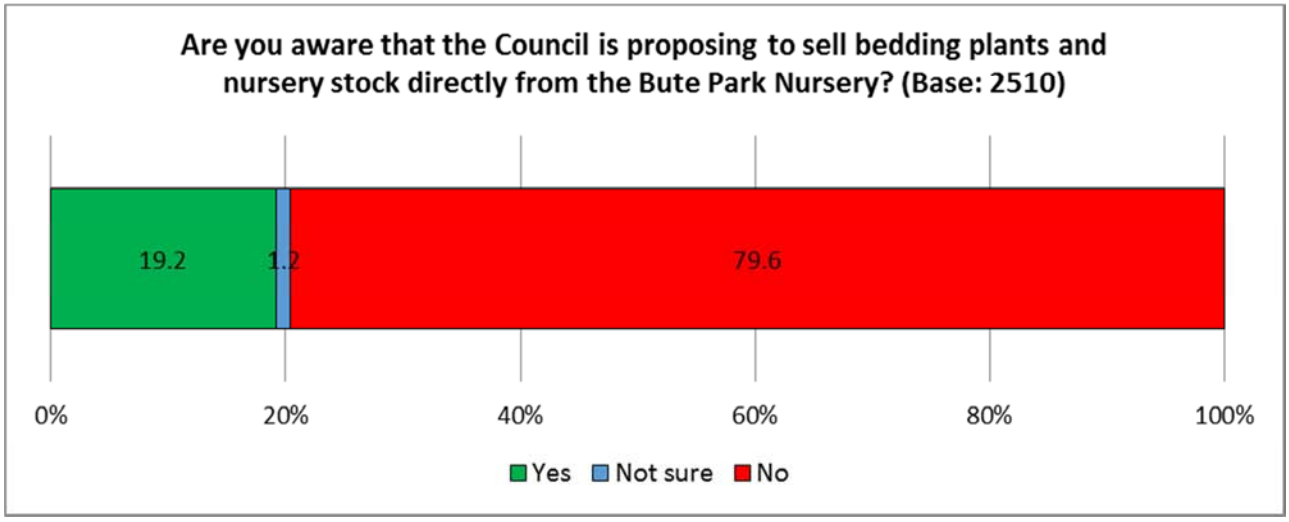
I think advertising on roundabouts would a dangerous safety risk. Advertising is designed to be distracting and people shouldn't be distracted while on roundabouts.

Parks

We are now proposing to expand the commercial trading of hardy nursery stock, bedding and houseplants to the public from the nursery based at Bute Park.

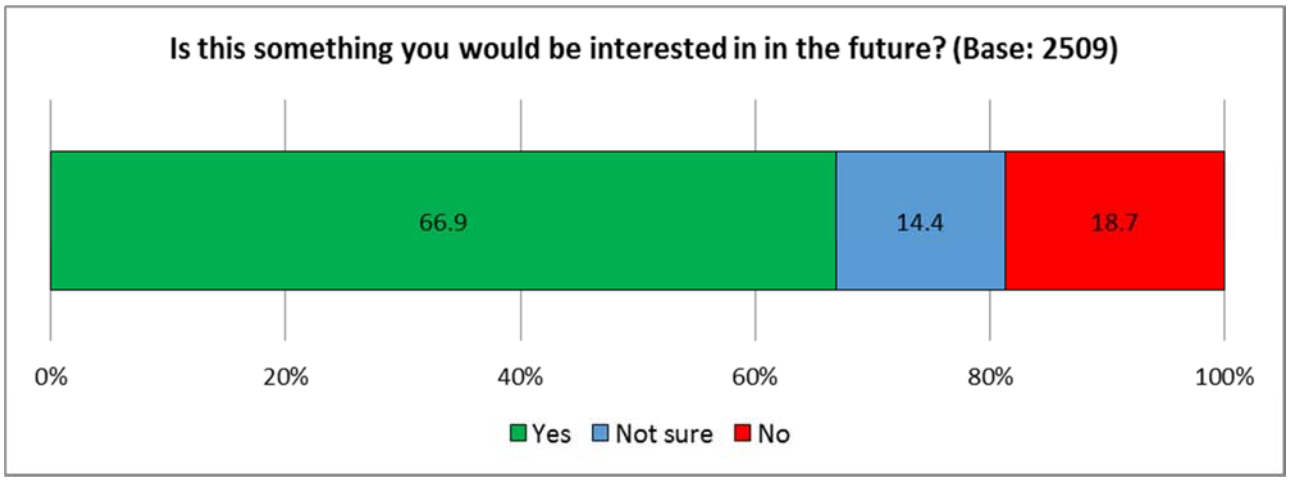
Are you aware that the Council is proposing to sell bedding plants & nursey stock directly from the Bute Park Nursery?

Base: 2510	No.	%
Yes	482	19.2
No	1997	79.6
Not sure	31	1.2



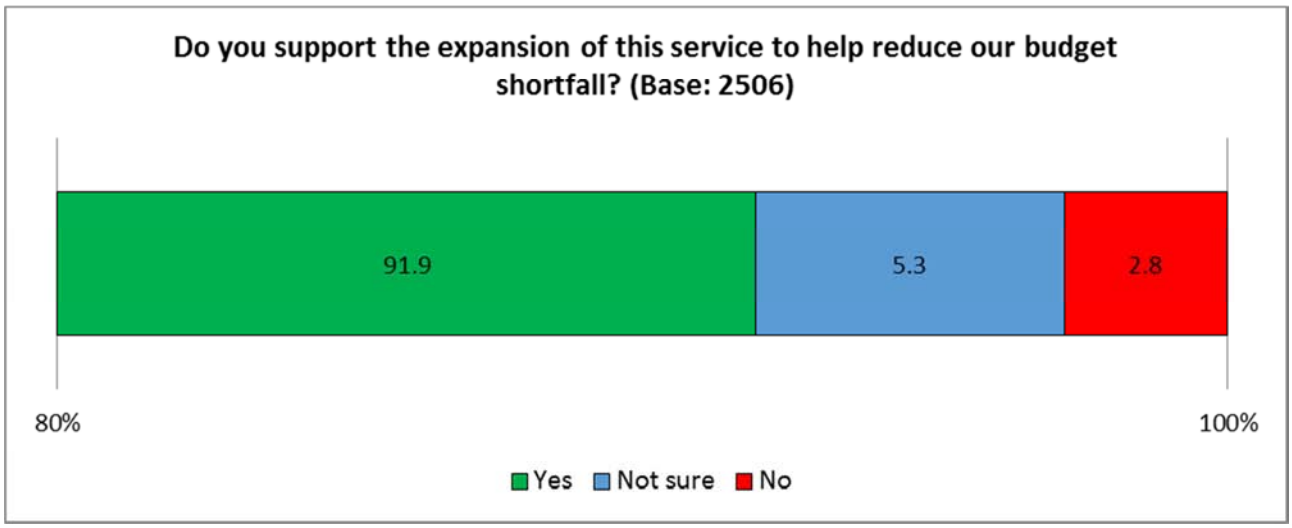
Is this something that you would be interested in in the future?

Base: 2509	No.	%
Yes	1679	66.9
No	469	18.7
Not sure	361	14.4



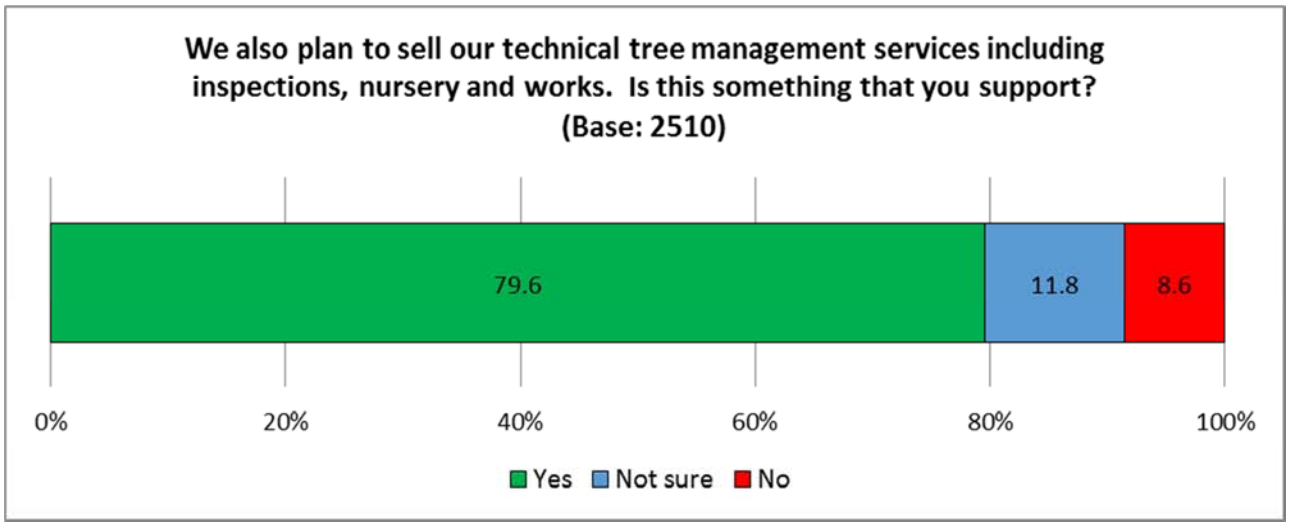
Do you support the expansion of this service to help reduce the budget shortfall?

Base: 2506	No.	%
Yes	2304	91.9
No	70	2.8
Not sure	132	5.3



We also plan to sell our technical tree management services including inspections, surveys and works. Is this something that you support?

Base: 2510	No.	%
Yes	1998	79.6
No	215	8.6
Not sure	297	11.8


We also plan to sell our technical tree management services including inspections, nursery and works. Is this something that you support?
(Base: 2510)
79.6
11.8
8.6
0%
20%
40%
60%
80%
100%
Yes
Not sure
No

4.3 Making Better Use of Our Buildings

Hubs

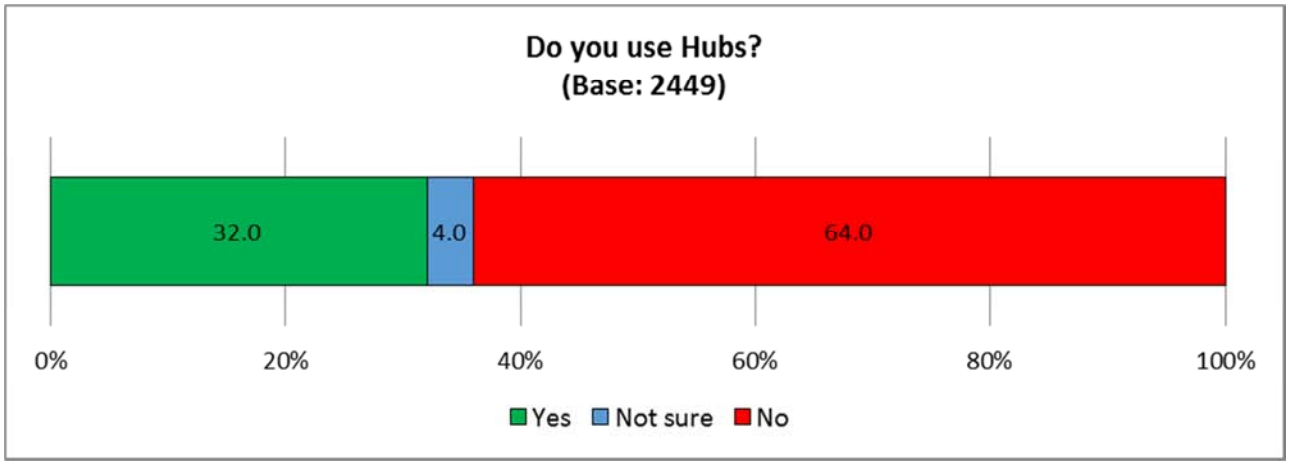
Given the collective challenges faced across public and third sector organisations in Cardiff, it is essential that we work together more closely to join up our services. Over the last year we have expanded our successful Hub Programme working with our partners to offer an increased range of services in one place.

There are now 10 Hubs across the city with additional facilities currently planned in Llandaff North and Llanishen.

Do you use Hubs?

A third (32.0%) or respondents reported that they currently use Hubs.

Base: 2499	No.	%
Yes	800	32.0
No	1600	64.0
Not sure	99	4.0



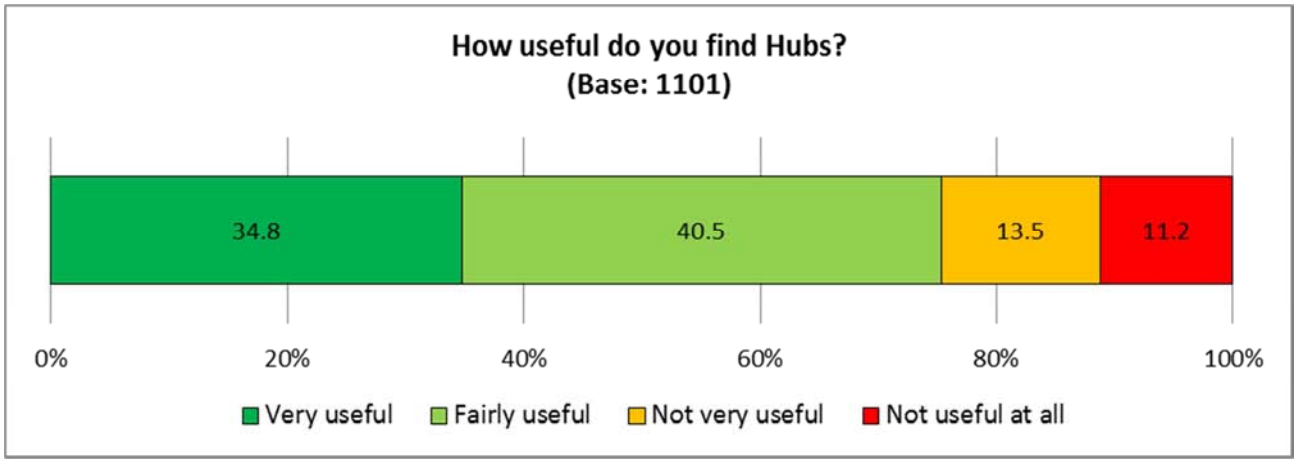
Above average levels of use were identified from; those identifying as disabled (45.5%), respondents from a minority ethnic background (38.4%) and those without full time employment (35.1%).

Additional differences were evident geographically with more than twice as many respondents in Cardiff East reporting to use Hubs than those in Cardiff North (57.4% and 24.4% respectively). See Appendix 2 for more information.

How useful do you find Hubs?

Three quarters (75.3%) of respondents reported that they find Hubs either 'very' or 'fairly useful'.

Base: 2382/1101	No.	%	% minus 'not applicable'
Very useful	366	15.4	34.8
Fairly useful	428	18.0	40.5
Not very useful	148	6.2	13.5
Not useful at all	121	5.1	11.2
Not applicable	1319	55.4	*

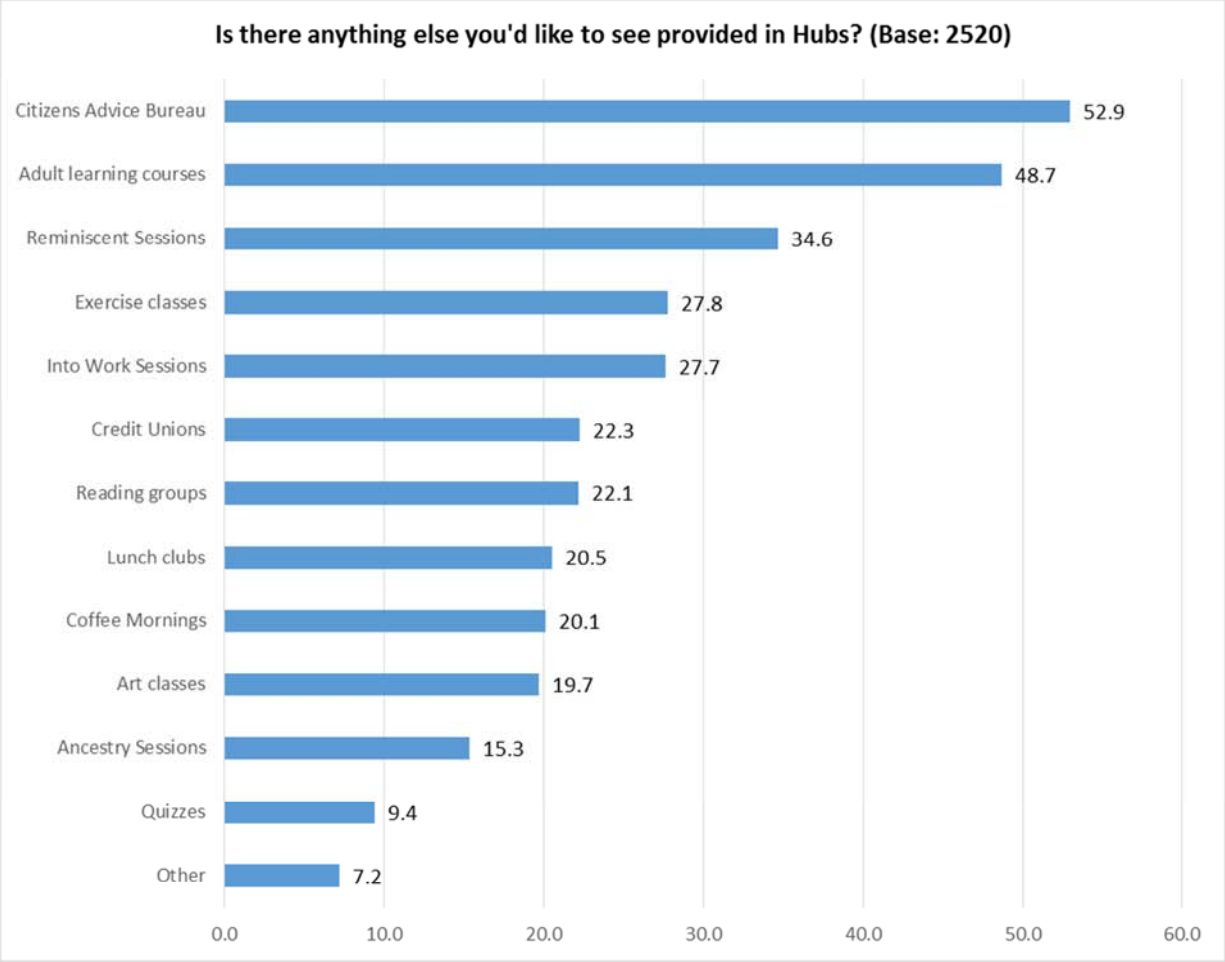


Amongst those aged under thirty-five the proportion reporting to find Hubs 'very' or 'fairly interesting' rose to 82.7% whilst 86.0% of respondents from Cardiff City and South found them useful compared to 69.7% in Cardiff West.

The resources available may differ from Hub to Hub depending upon the specific needs of a community. Typically, they may include library services, Housing and benefit advice and IT facilities. See Appendix 2 for more information.

Is there anything else you would like to see provided in Hubs?

Citizen's advice, adult learning courses and reminiscence sessions to support those affected by Dementia where the services that respondents were most in favour of seeing provided in Hubs.



A total of 154 respondents made additional suggestions as to the services and activities that they would like to see provided via the cities Hubs. Whilst the suggestions were far ranging, general themes included:

<u>Drop in sessions/ Support/ information</u>

Accesses to mental health and counselling services featured prominently within the suggestions made. Additionally some were keen to see health advice including nutrition provided through these locations as well information from South Wales Police regarding safety, security and crime concerns.

<u>Youth Activities</u>

Reading groups play session and services to support children and young people were suggested as appropriate activities to be held within the Hubs. It was suggested that the hosting of play sessions etc. would provide an excellent means of introducing young people to libraries and may ultimately impact positively on issues such as anti-social behaviour.

Community Groups

Comments also focused on the significance of the Hubs as a local community resource. It was considered vital that as wide a range of local community and charity groups as possible are provided with access to the Hubs to host their sessions. Furthermore it was stressed that the associated costs must not be prohibitive to local groups and that the Council should look to a 'not for profit' model for the benefit of the wider community. It was felt that a well-functioning community hub could ultimately provide a key role in tackling loneliness and creating a happier & healthier society.

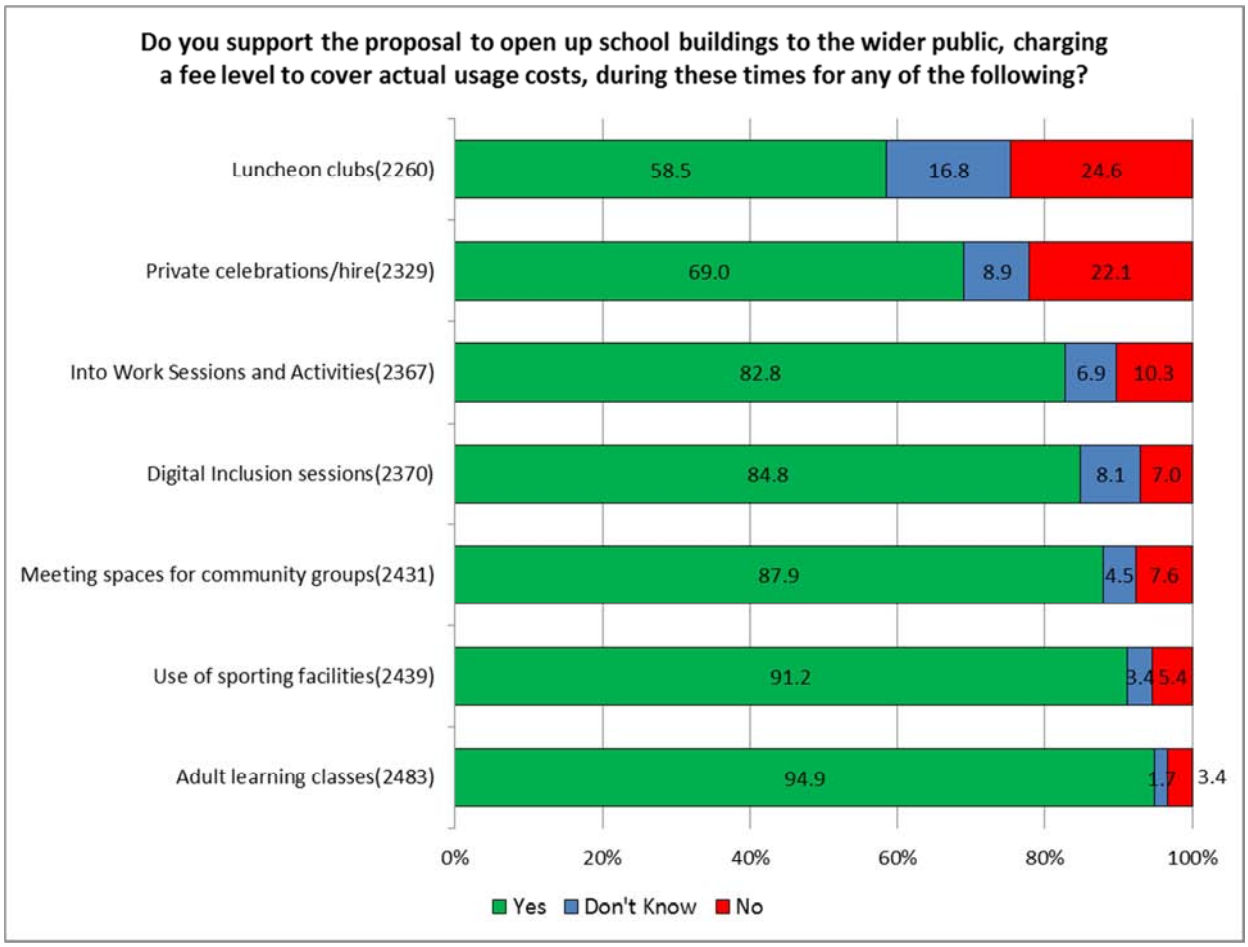
School buildings

School buildings are central to many local communities but usage during evenings and weekends varies significantly.

Do you support the proposal to open up school buildings to the wider public, charging a fee level to cover actual usage costs, during these times for any of the following?

Respondents were most in favour of seeing school buildings being accessed by the wider public for adult learning classes, use of sporting facilities and as meeting spaces of community groups.

	Yes		No		Don't Know	
	No.	%	No.	%	No.	%
Adult learning classes	2357	*94.9*	84	*3.4*	42	*1.7*
Use of sporting facilities	2224	*91.2*	132	*5.4*	83	*3.4*
Meeting spaces for community groups	2136	*87.9*	185	*7.6*	110	*4.5*
Digital Inclusion sessions	2010	*84.8*	167	*7.0*	193	*8.1*
Into Work Sessions and Activities	1960	*82.8*	244	*10.3*	163	*6.9*
Private celebrations/hire	1607	*69.0*	514	*22.1*	208	*8.9*
Luncheon clubs	1323	*58.5*	557	*24.6*	380	*16.8*
Other	385	*29.7*	107	*8.3*	803	*62.0*



A total of 194 additional responses were received in relation to the use of school buildings. Many of those commenting specifically said that they were '*open minded'* about how schools could be used and believed that '*anything should be considered'*. Furthermore respondents felt that they should be used '*as much as possible*', stating that, *"it makes sense to benefit from resources already in place".*

Suggested additional uses for the facilities were wide ranging and included a variety of community group activities including art and drama groups. Other suggestions included rehearsal rooms, exhibition areas and even wedding venues. The only caveat to the use of the buildings was that the costs should not be prohibitive to small community groups.

4.4 Involving and empowering communities

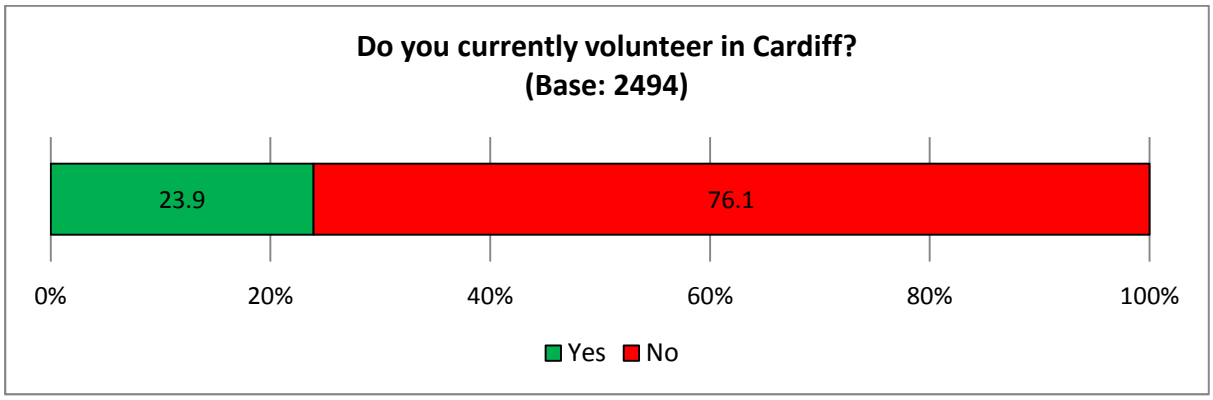
The city is facing substantial challenges and we need local residents and communities to help us by taking on additional responsibility. This could include helping elderly neighbours, recycling more, establishing local support networks, or volunteering time to help support a community service or facility

Volunteering

We know that lots of people are already volunteering across Cardiff but we are keen to link potential volunteers up to opportunities.

Do you currently volunteer in Cardiff?

Base: 2494	No.	%
Yes	597	23.9
No	1897	76.1



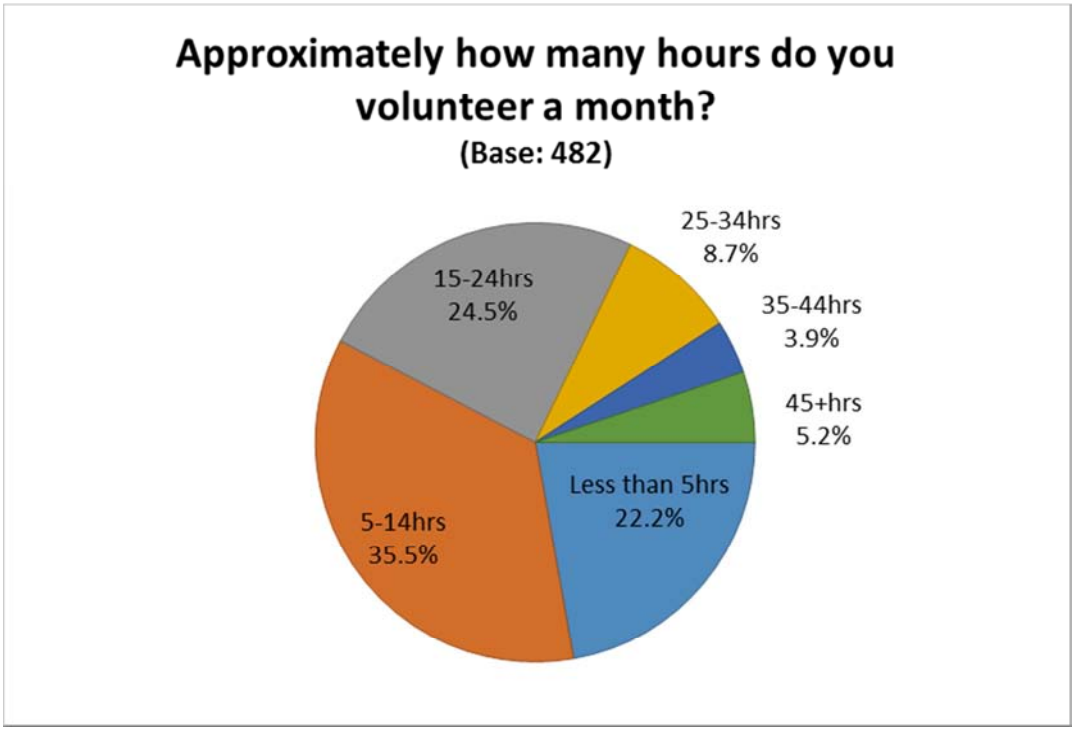
There was little variation found geographically regarding those that volunteer currently. Demographically it was younger respondents i.e. those aged under thirty-five and those from a minority ethnic background that were least likely to report involvement in volunteer activities (20.3% & 21.5% respectively).

Interestingly whilst under 35's were amongst those least likely to volunteer currently, it was also this group that were most likely to report interest in being involved in 'social action' to help tackle issues in their local community (see 4.6 – Providing Care & Support Services Locally).

Perhaps unsurprisingly those most likely to currently participate as a volunteer were people without full time employment (29.1%). See Appendix 2 for more information.

If yes, please tell us how many hours (approximately) you volunteer a month?

Of those respondents indicating that they participate in volunteer activities a quarter (24.5%) contributed between 15 and 24 hours of their time per month.



CHANGES FOR CARDIFF 2017/18

Please indicate whether you currently volunteer or would be interested in volunteering in the following roles

Areas where people were most likely to volunteer already were 'working with children and young people' (6.5%), Litter picks (4.3%) and fundraising activities (3.6%).

Respondents expressed interests in future involvement with a variety of activities including, becoming a school governor (13.6%), volunteering in libraries (12.7%) and litter picks (11.5%).

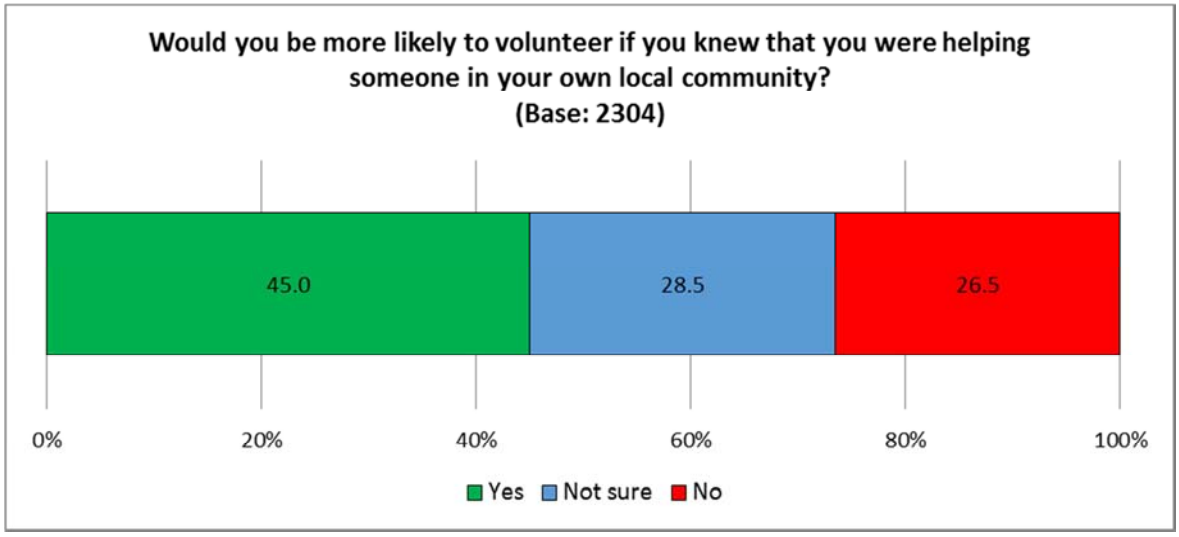
Base: 2520	Already volunteer		Interested in volunteering	
	No.	%	No.	%
Working with children and young people/after school clubs/play and youth opportunities	164	6.5	240	9.5
Litter picks	108	4.3	289	11.5
Fundraising	90	3.6	104	4.1
Becoming a school governor	79	3.1	342	13.6
Driving elderly/vulnerable people to appointments	64	2.5	196	7.8
Befriending	49	1.9	206	8.2
Park maintenance	45	1.8	265	10.5
Supporting vulnerable people shopping	44	1.7	189	7.5
Gardening	43	1.7	201	8.0
Libraries	41	1.6	321	12.7
Pet care/Dog walking	34	1.3	244	9.7
Supporting digital inclusion	28	1.1	235	9.3
Supporting lunch clubs	23	0.9	87	3.5
Employment support/CV assistance	18	0.7	218	8.7
Assisting with Meals on Wheels	13	0.5	110	4.4
Household maintenance	8	0.3	82	3.3
Other	156	6.2	55	2.2

Respondents named a large number of 'other' community based activities that they were involved with including community choirs and local charities.

Additionally a number of respondents provided reasons that they did not currently or were not interested in volunteering. These reasons included, lack of time, home/work commitments, age and the belief that this is something that the council or paid workers should be doing instead.

Would you be more likely to volunteer if you knew that you were helping someone in your own local community?

Base: 2304	No.	%
Yes	1036	45.0
No	611	26.5
Don't know	657	28.5

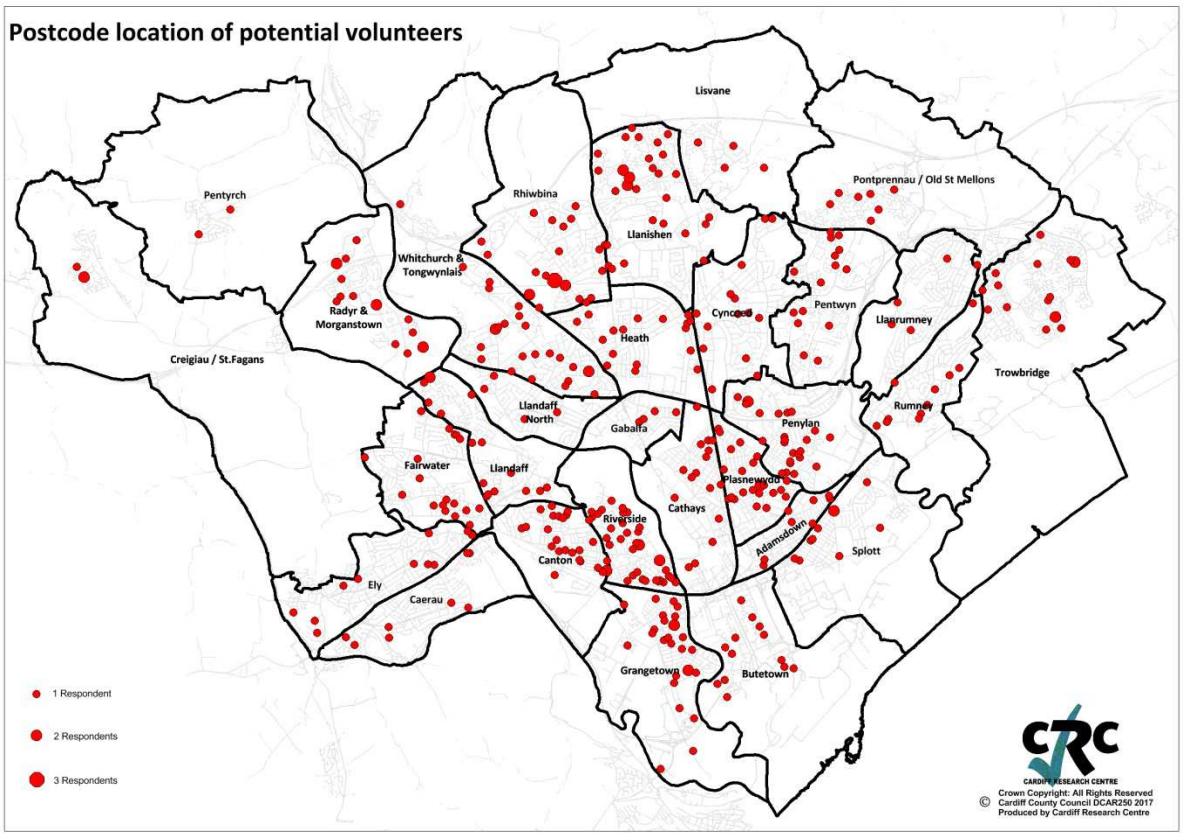


Let us know if you would be happy to be contacted about potential volunteer opportunities.

A total of 441 respondents provided further contact details indicating that they would be happy to be contacted about potential volunteer opportunities.

These individuals will be directly contacted with information around the Partnership Volunteer Portal (due to be launched in Feb 2017) and the Volunteering Wales Website, enabling to search through a range of local opportunities. Where individuals have indicated specific areas of interest e.g. becoming a school governor or involvement in library services etc. Their details will also be shared with specific services who will be able to assist in connecting them to volunteer opportunities.

The distribution of those interested in volunteering across the city is shown on the following map.


Postcode location of potential volunteers
Lisvane
Pontprennau / Old St Mellons
Pentyrch
Rhiwbina
Llanishen
Whitchurch & Tongwynlais
Radyr & Morganstown
Cyncoed
Pentwyn
Llanrumney
Heath
Creigiau / St.Fagans
Trowbridge
Llandaff North
Gabalfa
Rumney
Penylan
Fairwater
Llandaff
Plasnewydd
Cathays
Riverside
Adamsdown
Splott
Canton
Ely
Caerau
Grangetown
Butetown
1 Respondent
2 Respondents
3 Respondents
CARDIFF RESEARCH CENTRE
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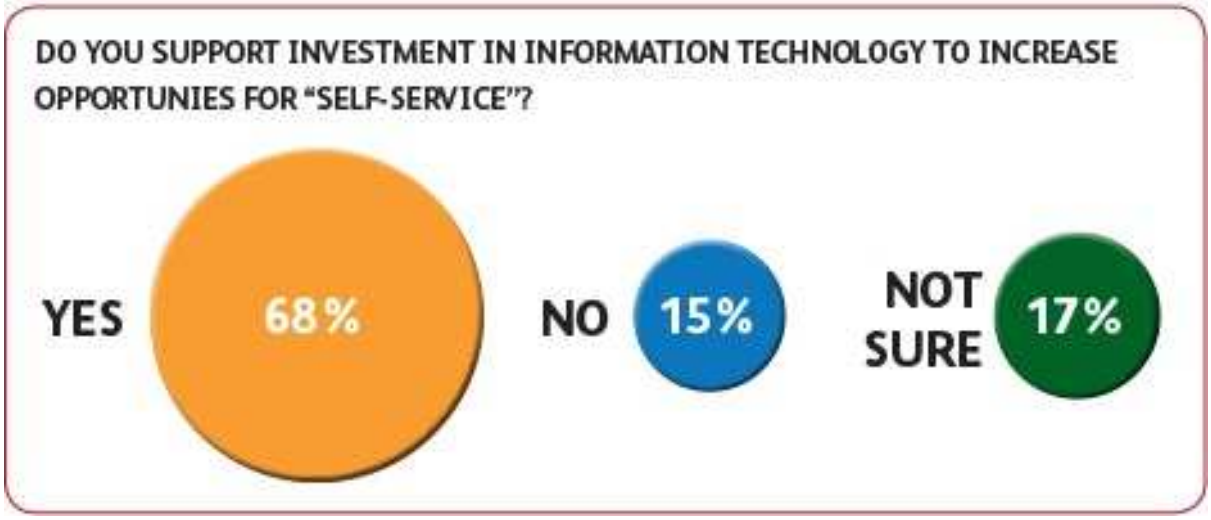
Cardiff County Council DCAR250 2017
Produced by Cardiff Research Centre

4.5 Going Digital

More than two thirds (68%) of your recently told us that you "support investment in IT (Information Technology) to increase opportunities for 'self-service"



The City of Cardiff Council is already encouraging those who are able to use digital services to make payments or report issues online and help us save money. We are now planning to further use new technologies to provide improved care and support to some of our more vulnerable citizens

Telecare

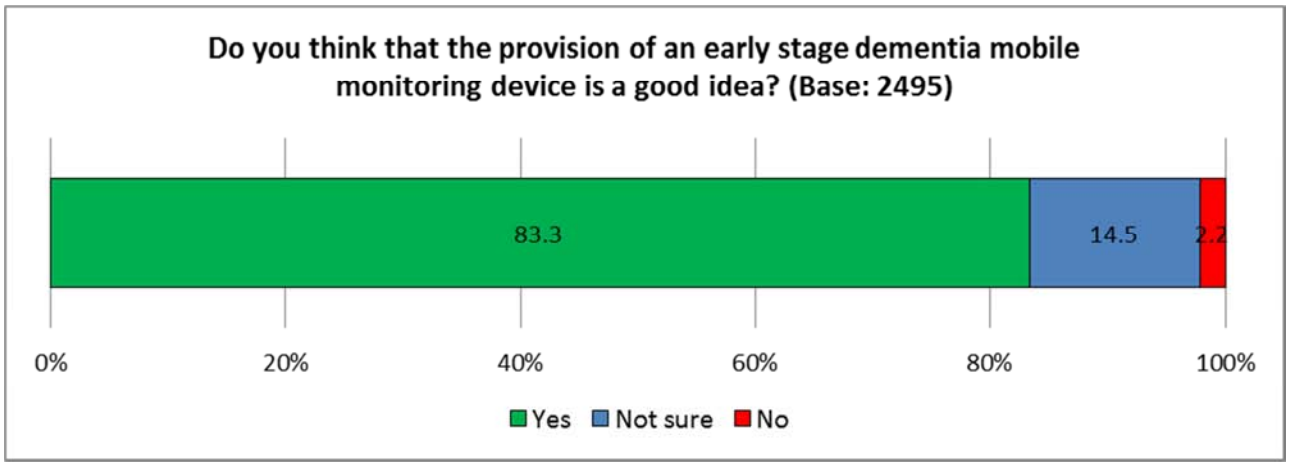
Telecare helps people to stay safe in their home. It is designed for people with any form of dementia, a mobility or sensory impairment, or mental health or learning disabilities. A telecare system is made up of sensors around the home which send an alert to the emergency response service when a sensor is triggered - for example, if someone falls over or leaves the gas on.

The City of Cardiff Council provides two levels of service within Telecare consisting of either contacting your next of kin/emergency services or having a mobile response service. The mobile response service consists of a unique team of highly trained wardens who are able to come directly to the user's aid 24 hours a day, anywhere in the City.

We will also be piloting an early stage dementia mobile monitoring device. The device will alert the service when a user leaves their home or other specified area at an unusual or unexpected time. It will also enable the user to be located by the 24/7 Services monitoring centre (Cardiff ARC). The Telecare service will then co-ordinate an appropriate response to physically help the user. The mobile device will promote independent and active living for people living with early stage dementia,

Do you think that the provision of an early stage dementia mobile monitoring device is a good idea?

Base: 2495	No.	%
Yes	2078	83.3
No	55	2.2
Not sure	362	14.5



If you have responded 'No' please explain why

A total of 36 additional comments were provided by respondents. Reasons provided by the minority who were in opposition to the proposal centred around three issues:

- A lack of confidence in the technology
- Concerns regarding privacy
- Unwillingness to replace human interaction with technology

Specific comments included:

Technology can fail, it is important to have personal face to face contact with people with dementia, anyone suggesting otherwise clearly has no understanding of the complexities of the disease

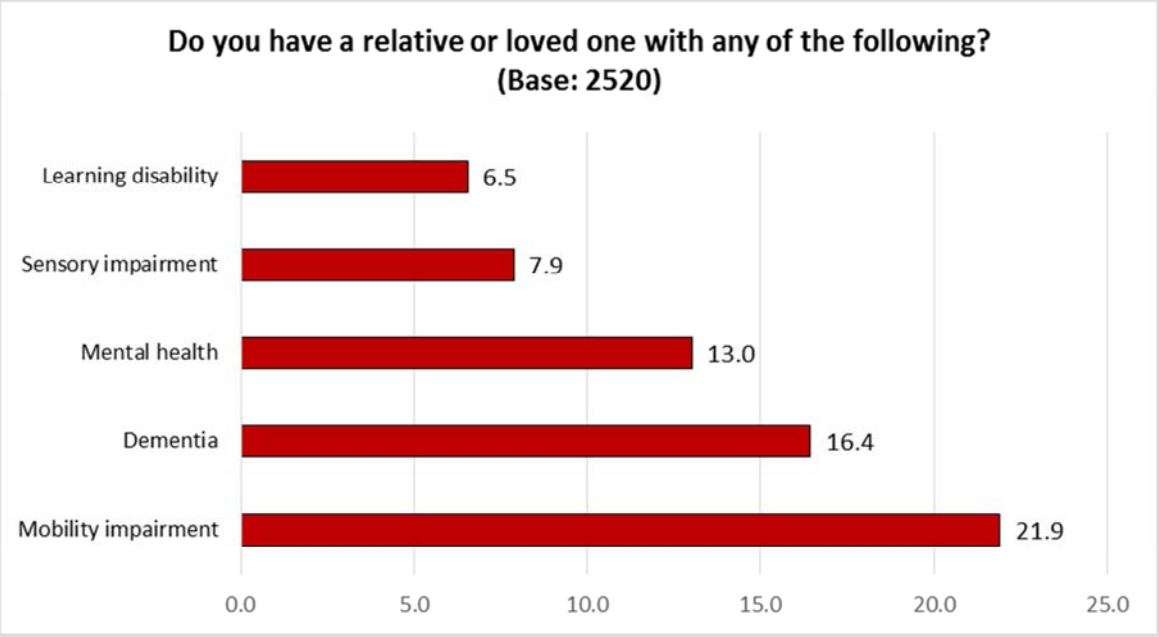
Early stage dementia can place clients at risk so mobile monitoring may not meet the risk

It should only enhance services and not replace interaction with people

Do you have a relative or loved one with any of the following?

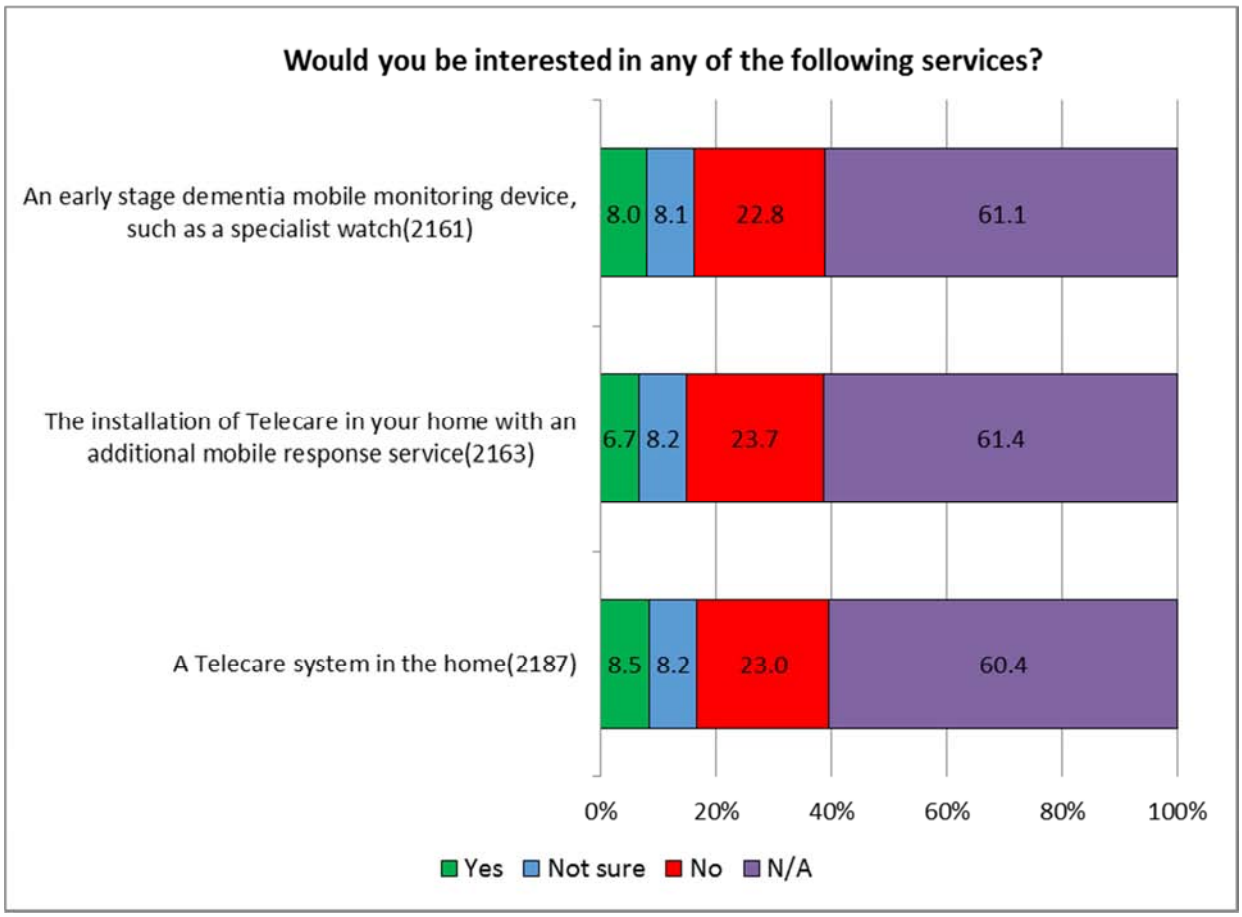
Around a fifth (21.9%) of all respondents reported to have a relative or loved one with mobility issues whilst a further 16.4% had someone with Dementia.

Base: 2520	No.	%
Mobility impairment	552	21.9
Dementia	414	16.4
Mental health	328	13.0
Sensory impairment	199	7.9
Learning disability	165	6.5



Would you be interested in any of the following services?

One hundred and seventy three people (8.0% of respondents) said that they would be interested in and early stage dementia monitoring device such a as a specialist watch.

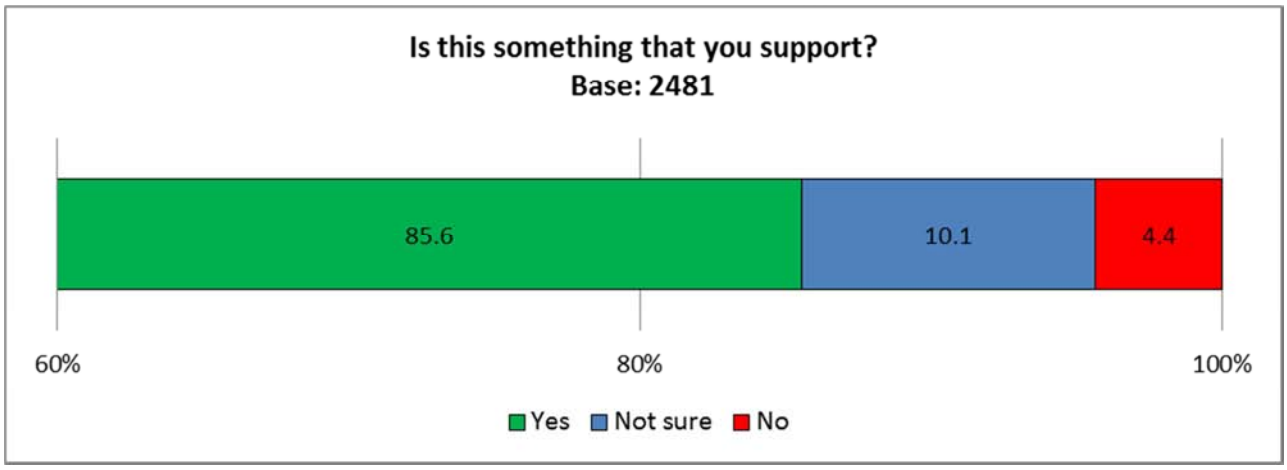


Registration Services

We are currently planning to create an online system for booking birth and death registration appointments, and potentially marriage and civil partnership notice appointments. We will also look to offer the online ordering of certificates and accepting payments. This will be a significant step forward for the service which currently handles over 32,000 calls a year.

Is this something that you support?

Base: 2481	No.	%
Yes	2123	85.6
No	108	4.4
Not sure	250	10.1



If you have responded 'No' please explain why

A total of 83 comments were received in relation to why respondents opposed the proposal. The reasons given included:

- Concern regarding the loss of face to face interaction
- Fears in relation to security

Specific comments included:

Bereavement is an extremely distressing time and registering a death on line might not be easy for some people.

If you are registering a matter to do with identity this needs to be done in person with the appropriate checks. There is already a vast source of online fraud that is not adequately policed or sanctioned due to a lack of public funds and policing resource. This proposal is likely to add to this problem.

It is too personal it should be done on a one to one basis

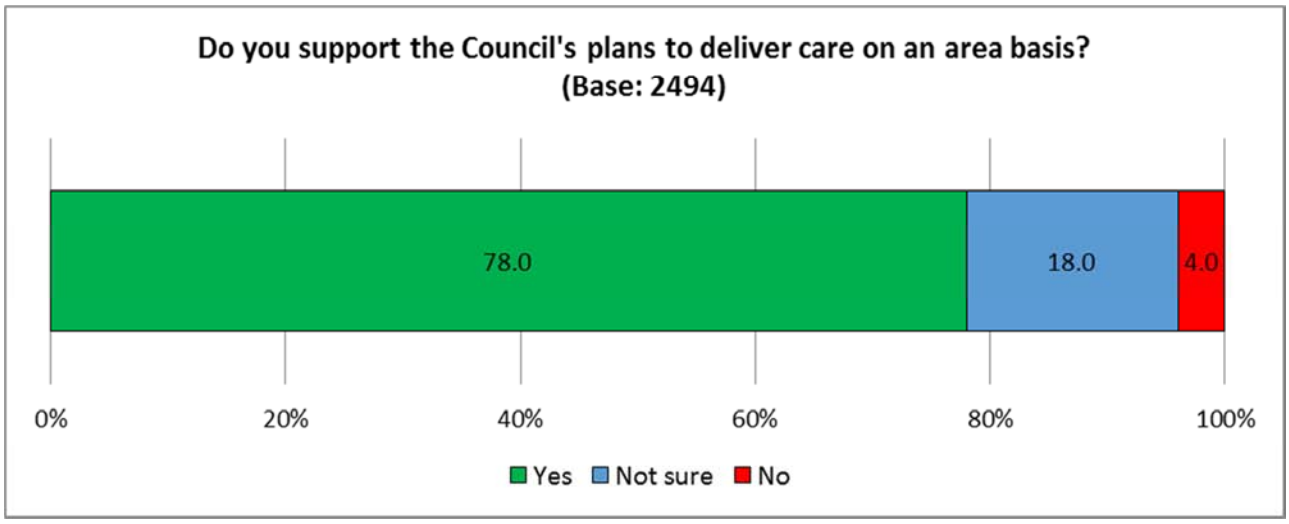
4.6 Providing Care and Support Services Locally

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

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

More than three quarters (78/0%) of respondents were supportive of proposals to deliver care on an area basis.

Base: 2494	No.	%
Yes	1945	78.0
No	99	4.0
Not sure	450	18.0



Support for an area based approach was highest amongst those respondents who identified as disabled (83.3%) and those aged 55+ (83.1%). No significant differences were evident on an area basis. See Appendix 2 for more detail.

If you have responded 'No' please explain why

Seventy two additional comments were made by the minority of respondents that were opposed to the proposal. Several of the remarks made relating to the proposal asserted that care should be based solely on individual care needs and not subject to a 'postcode lottery'.

Examples of the specific comments made include:

Certain areas will get preferential treatment. Keeping services city wide stops to showing preferential treatment to your "favourite" areas

Council service should be equal wherever you live. It will be like a postcode lottery

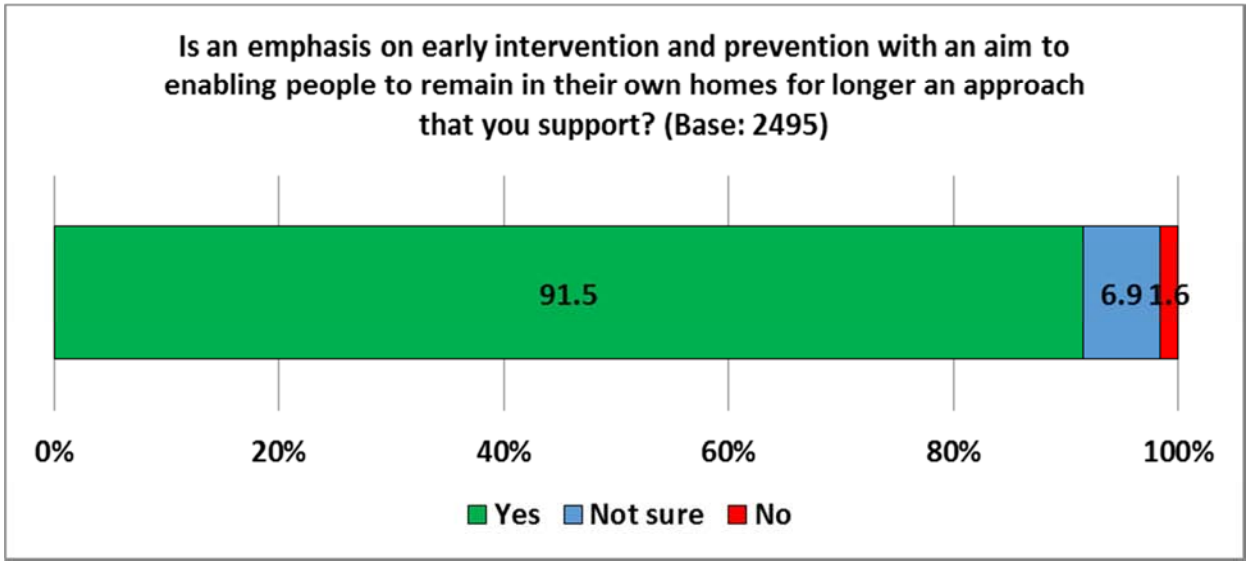
People deserve the best appropriate care not what is given because they live in a certain area.

We are working with partner organisations to focus resources on developing services based on early intervention and prevention in respect of Social Care. This means that we will work with individuals and families when difficulties are first identified rather than when they become critical. This will give better support to citizens whilst also being financially efficient.

Is an emphasis on early intervention and prevention with an aim to enabling people to remain in their own homes for longer an approach that you support?

Nine in ten respondents were supportive of an emphasis being taken on early intervention and prevention.

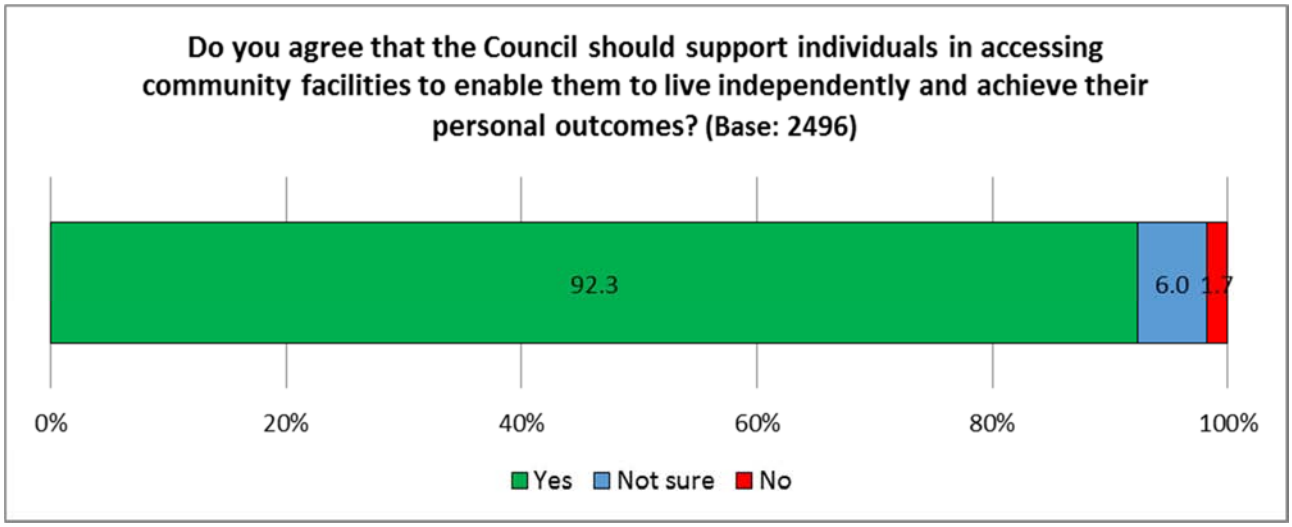
Base: 2495	No.	%
Yes	2284	91.5
No	40	1.6
Not sure	171	6.9



Do you agree that the Council should support individuals in accessing community facilities to enable them to live independently and achieve their personal outcomes?

More than ninety percent of respondents agreed that the Council should support individuals in accessing community facilities.

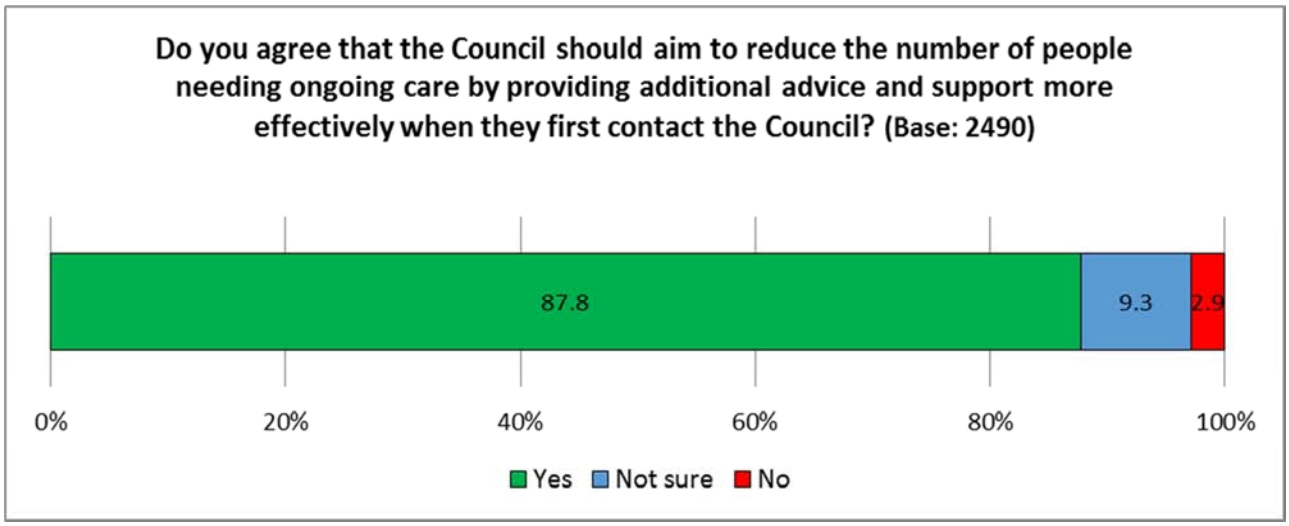
Base: 2496	No.	%
Yes	2304	92.3
No	43	1.7
Not sure	149	6.0



Do you agree that the Council should aim to reduce the number of people needing ongoing care by providing additional advice and support more effectively when they first contact the Council. (The aim is to enable people to retain their independence for as long as is possible).

Approximately nine in ten (87.8%) also agreed with the proposal to provide additional advice and support more effectively at first point of contact.

Base: 2490	No.	%
Yes	2186	87.8
No	72	2.9
Not sure	232	9.3

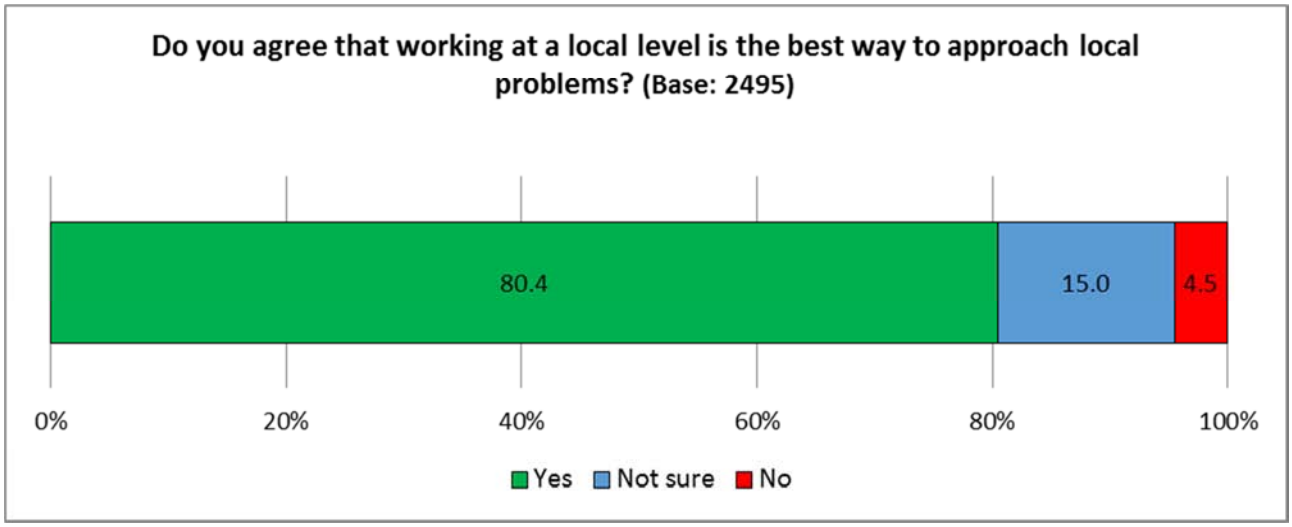


The way that we work within neighbourhoods is also being reviewed. We want to refresh the existing approach by supporting local residents and interested parties to get actively involved with local problem solving.

Do you agree that working at a local level is the best way to approach local problems?

Four fifths (80.4%) of respondents agreed that working at a local level is the best way to approach local problems.

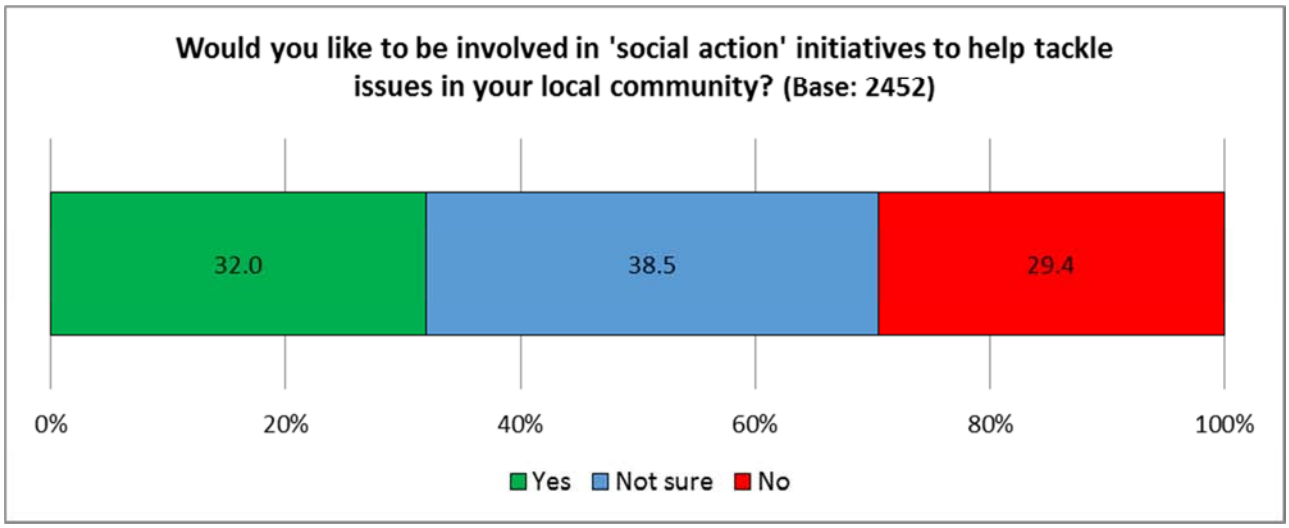
Base: 2495	No.	%
Yes	2007	80.4
No	113	4.5
Don't know	375	15.0



Would you like to be involved in 'social action' initiatives to help tackle issues in your local community?

Approximately a third (32.0%) of respondents expressed interest in being involved in local 'social action' initiatives.

Base: 2452	No.	%
Yes	785	32.0
No	722	29.4
Don't know	945	38.5



Interest in being involved in social action was highest amongst those respondents in City & Cardiff South (42.2%) and Cardiff South East (40.4%).

Involvement in social action was also found to have a greater appeal with younger respondents groups i.e. under 35 and those from an ethnic minority backgrounds (42.4% & 38.2% respectively). In comparison just a quarter (25.8%) of respondents aged 55+ stated that they would like to be involved in this way. See Appendix 2 for further detail.

How would you like to be involved?

Online involvement was the most popular option with respondents followed by participation via local events.

Base: 2520	No.	%
Online	945	37.5
Through local events	575	22.8
Attending meetings	533	21.2
Through existing networks or community groups	177	7.0
Other	36	1.4

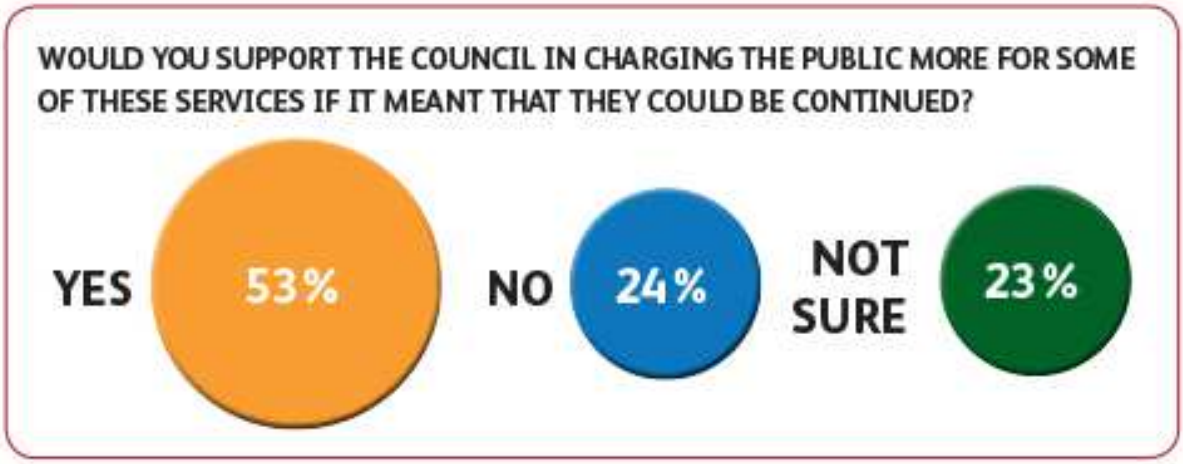
When would be the best time to have an event/meeting?

Weekend day times were identified by respondents as the most favourable time for events/meeting to be held.

	Weekday (482)		Weekend (780)		Mix (1229)	
	No	%	No	%	No	%
Day time	128	26.6	612	78.5	354	28.8
Evening	284	58.9	79	10.1	418	34.0
Mix	70	14.5	89	11.4	457	37.2

4.7 Increasing Fees and Charges

Reductions in funding and increased demand for our services mean that difficult choices, including increased fees and charges, remain options for consideration. Recent results to the Ask Cardiff Survey showed more than half (53%) of respondents to support the Council in charging the public more for some services if it meant that they could be maintained or improved.



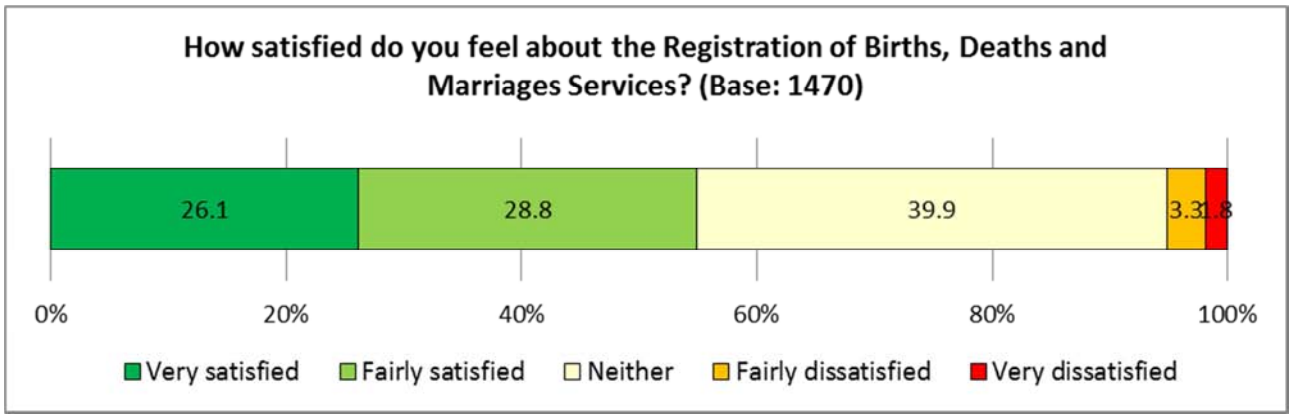
Bereavement and Registration Services

Ongoing investment is required to maintain and improve the registration of Births, Deaths and Marriages service. It is proposed that the charges for registration ceremonies be raised by 4-5%. Again a comparison with other local authorities has found that Cardiff still remains competitive for the Registration Services that it provides.

How satisfied do you feel about the Registration of Births, Deaths and Marriages Services?

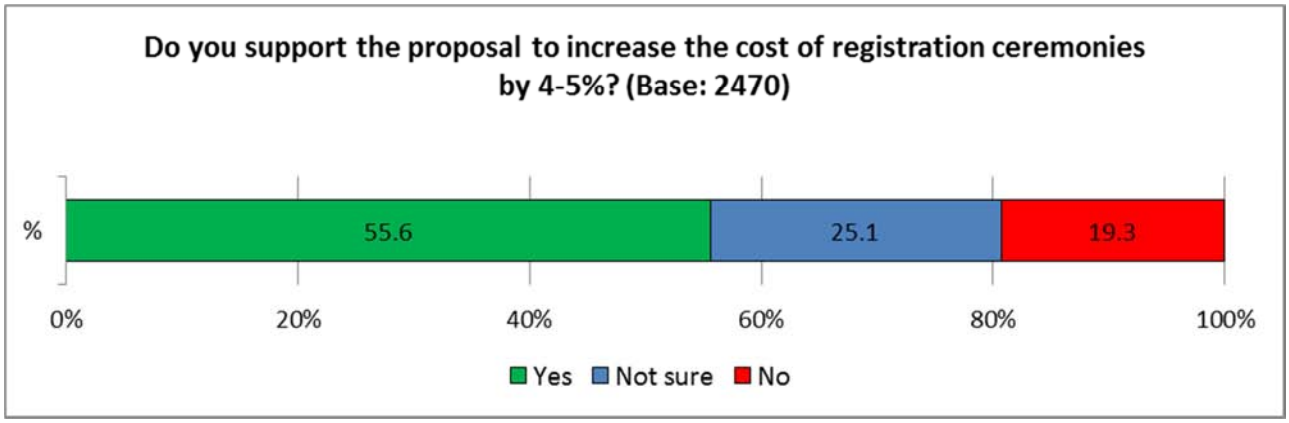
More than half (54.9%) of those expressing an opinion were either 'very' or 'fairy satisfied' with the services.

Base: 1470 (not sure discounted)	No.	%
Very satisfied	384	26.1
Fairly satisfied	423	28.8
Neither satisfied nor dissatisfied	587	39.9
Fairly dissatisfied	49	3.3
Very dissatisfied	27	1.8



Do you support the proposal to increase the cost of registration ceremonies by 4-5%?

Base: 2470	No.	%
Yes	1374	55.6
No	477	19.3
Don't know	619	25.1

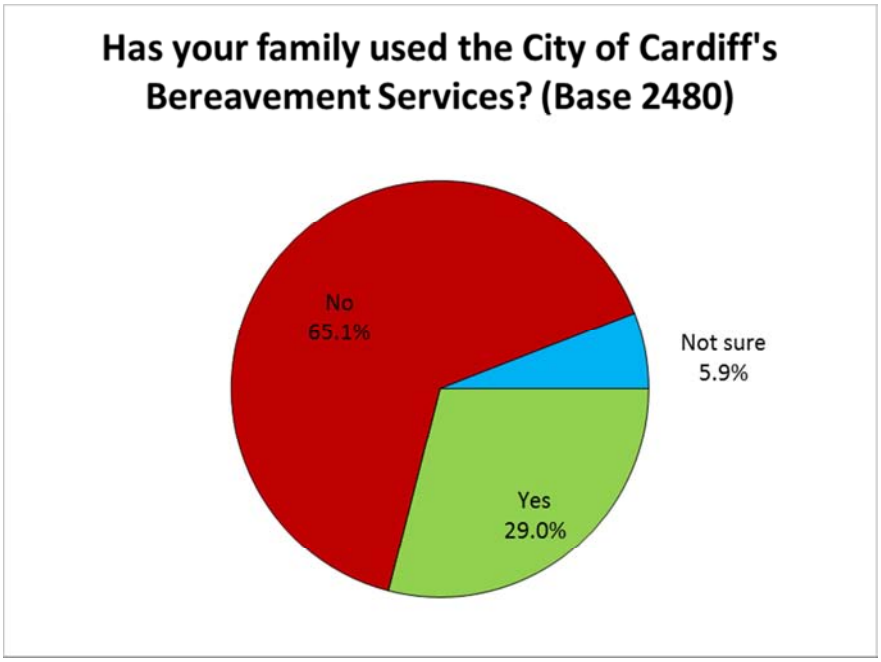


The City of Cardiff's award winning Bereavement Services are responsible for the undertaking of over 4,000 funerals per year as well as the upkeep and maintenance of 7 sites.

Income from crematoria and burials has been consistently reinvested to ensure this valuable service is as good as it can be. It is proposed that the price of a cremation be increased from £530 to £540 (an increase of 1.89%) and a burial from £600 to £630 (an increase of 5%). In reviewing these charges we have compared this price with other local authority providers and the service remains competitive.

Has your family used the City of Cardiff's Bereavement Services?

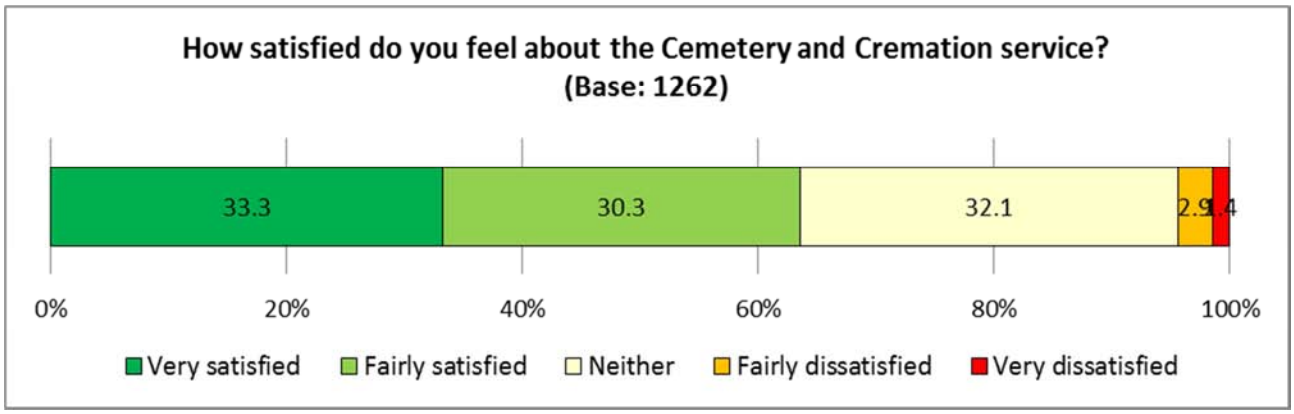
Base: 2480	No.	%
Yes	719	29.0
No	1615	65.1
Not sure	146	5.9



How satisfied do you feel about the Cemetery and Cremation service?

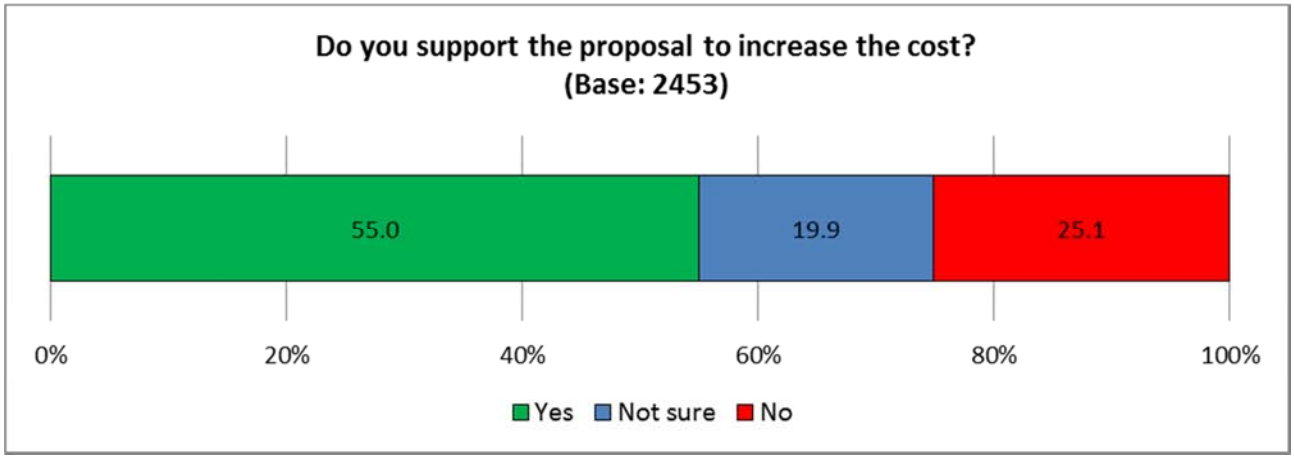
Almost two thirds (63.6%) of respondents were either 'very' or 'fairly satisfied' with the service.

Base: 1262 (not sure discounted)	No.	%
Very satisfied	420	33.3
Fairly satisfied	382	30.3
Neither satisfied nor dissatisfied	405	32.1
Fairly dissatisfied	37	2.9
Very dissatisfied	18	1.4



Do you support the proposal to increase the cost?

Base: 2453	No.	%
Yes	1349	55.0
No	616	25.1
Not sure	488	19.9



Do you have any further comments regarding the City of Cardiff's Bereavement Service?

An additional 292 comments were provided from respondents relating to bereavement services. The majority of these comments raised concern over the affordability of funeral services particularly for lower income families. A number of suggestions were made to help mitigate costs including payment plans, insurance, better proportion of low cost options and means testing.

Employees within bereavement services were praised for their compassion and professionalism when dealing with families although there were several reports of deterioration in the grounds maintenance at some of the sites.

Theme	No.	%	Comment
Concerns over high cost	137	46.9	• *It will hit families at their most vulnerable* • *Many people are already unable to meet the cost of these services-increasing costs at such a devastating point in a person's life causes huge unnecessary pressures that are insurmountable.* • *Quite frankly, the cost of burial, cremation is extortionate and I am sure that costs can actually be reduced. I have recent experience of this unfortunately and whilst I could afford the various costs, there are many that cannot and there is little funding for those on low incomes.* • *Increases should be means adjusted as charging poorer people more at a time of grief is wholly unfair and unpleasant.* • *Funeral and Cremations are already expensive. Increasing council fees will place a further burden on bereaved families. Not everyone has or can afford insurance.* •
Positive comments about the service	35	12.0	• *They are in my experience a very professional and informative team of workers* • *I found the service excellent and the staff incredibly supportive.* • *I was most impressed by the dedication and respectful manner in which staff dealt with me in times of going through a number of bereavements*
Suggested additional services/changes to service	26	8.9	• *Provide a "Direct Cremation" service* • *Provide a natural burial service so that the area will become covered in wildflowers and trees.* • *Please make cremation of dead children's bodies free of charge. Non-bereaved parents will be getting free health and education for their children throughout childhood. Making cremation free for little children would be a kind gesture of community support to already anguished and distraught bereaved parents.* • *Would like to see more natural burial grounds and links with parks*
Maintenance issues	21	7.2	• *I would like to see more water taps and also more refuse bins in our cemetery's* • *The general upkeep/maintenance around grave at Thornhill is poor* • *Thornhill grounds have deteriorated.* • *Had to phone about the state at Western Cemetery*

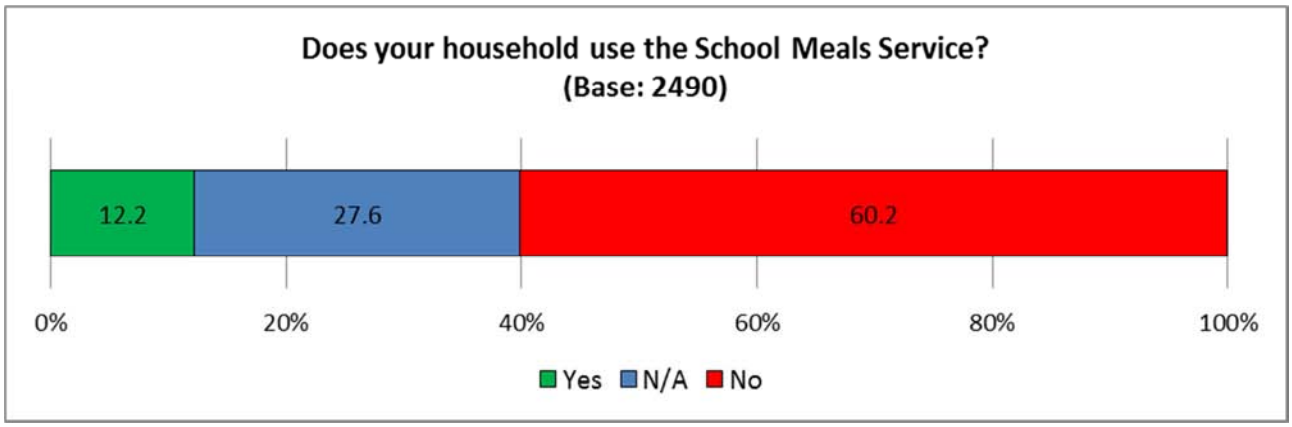
Agree with the increase	16	5.5	• *The rises you suggest are very reasonable* • *I've been lucky in not needing this service directly but I consider these costs fair*
Information/promotion	13	4.5	• *I think information should be provided (if it isn't already) about the options for dealing with the deceased other than the expensive route of engaging funeral directors* • *More information should be available about essential & non-essential costs - perhaps some leaflets. When someone dies suddenly most people do not know what to do and are vulnerable and so can easily get taken advantage of* • *There is lack of information from Council about the Hindu Cremation Service within the city.*
Waiting times	9	3.1	• *Too long between date of death and funerals. Minimum of 2 weeks lapse is too long and stressful for the bereaved.* • *We had difficulty arranging a convenient date and time for a "scattering" at Thornhill due to availability of council staff at certain times - i.e. Weekends & lunchtimes.*
Importance of sensitivity	6	2.1	• *public should be made more aware of these services* • *Perhaps some better publicity/awareness raising. I suspect that most people become aware of the service only after their bereavement.*
Other/Miscellaneous	50	17.1	• *Make it as simple as possible for people at a difficult time* • *My mother-in-law passed away late September and within 2 weeks my father in law received a letter asking him to contact the council when he felt ready with regards to the tenancy of their council home. This was far too soon and caused a great deal of upset.* • *Why are they not increased at the same rate? (One 1.9% the other 5%)* • *We did a cemetery tour and thought it was great. You could do more like that.*

School Meals Provision

The City of Cardiff's School Meals Service supply meals to every primary school and the majority of secondary schools in Cardiff. The price of a primary school meal is £2.30 and a set meal in secondary school is £2.65. The Council will be increasing the cost by 10p to £2.40 and £2.75 respectively.

Does your household use the School Meals Service?

Base: 2490	No.	%
Yes	304	12.2
No	1499	60.2
NA	687	27.6



Do you support the proposal to increase the cost of school meals by 10p each day?

More than half of respondents were in favour of the proposed increase to schools meals.

Base: 2430	No.	%	% households using the service (302)
Yes	1352	55.6	52.0
No	566	23.3	41.7
Not sure	512	21.1	6.3

Do you have any further comments regarding the School Meals Service?

A total of 505 additional comments were made in relation to school meals. Of these, almost a quarter (23.8%) came from households currently using the School Meals Service.

The comments were also evenly distributed between those in support and those opposed to the proposal (216:209).

The comments made centred on concerns regarding costs and the value for money of the service, particularly for low income and vulnerable families. For many the continuation of the service was described as 'vital' as for many children this is often their main meal of the day. Respondents were however keen to see improvements in the quality and nutritional value of the meal provided particularly should a price increase go ahead. A selection of the comments include:

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I have family members who have used the school meals service but have stopped due to the poor quality and low nutritional value. For children receiving free school meals this is often their main meal of the day and, as thus, is in need of improvement.

It is essential that youngsters get a meal at lunchtime therefore we must protect and safeguard this service and ensure it is value for money

If supermarkets can claim to be able to feed a family of 4 for £5.00 (including adults portions) then it does not seem right for the cost of 1 child meal to be nearly half of this.

For families like mine with several school age children it is already too expensive to use

They are not good value for money and do not provide sufficiently healthy food

Important to protect and nourish vulnerable children who may only have school lunch as a main daily meal.

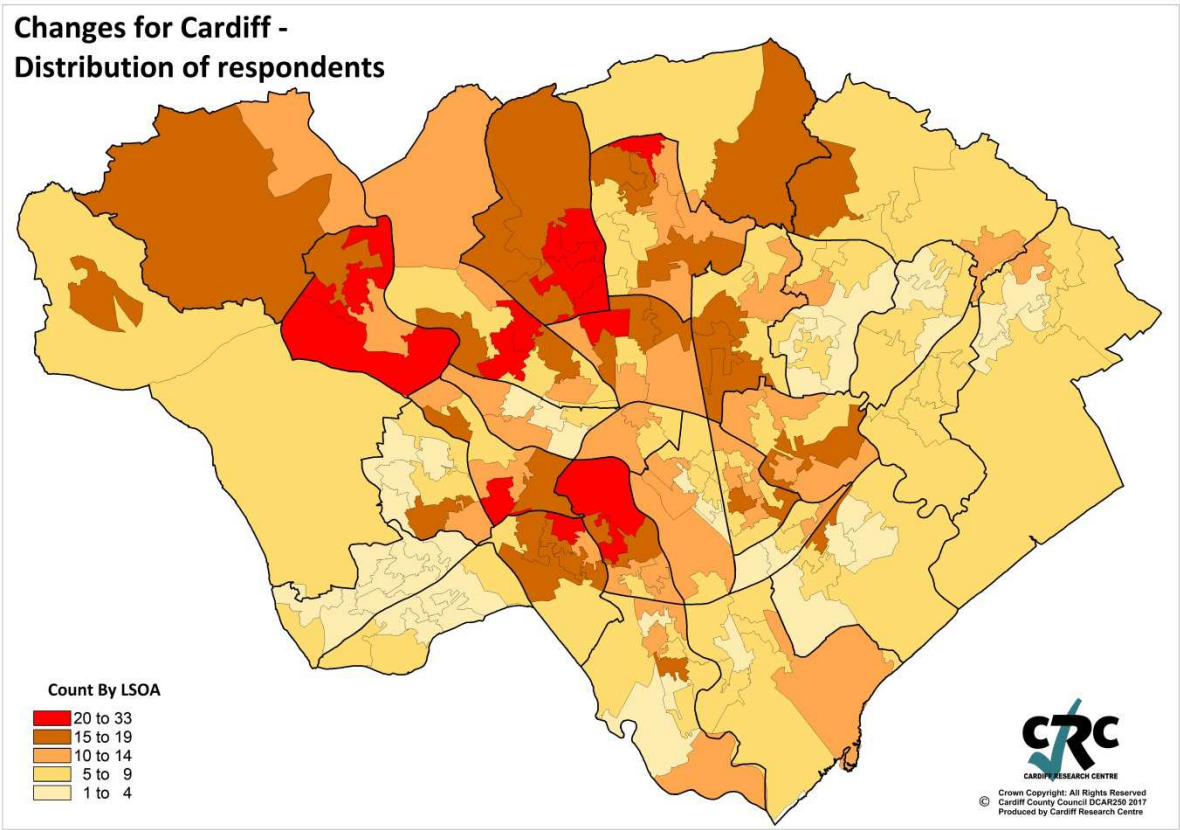
It is vitally important that children are offered wholesome meals at school.

I would support the additional cost if the nutritional value was good.

5. Response Profile

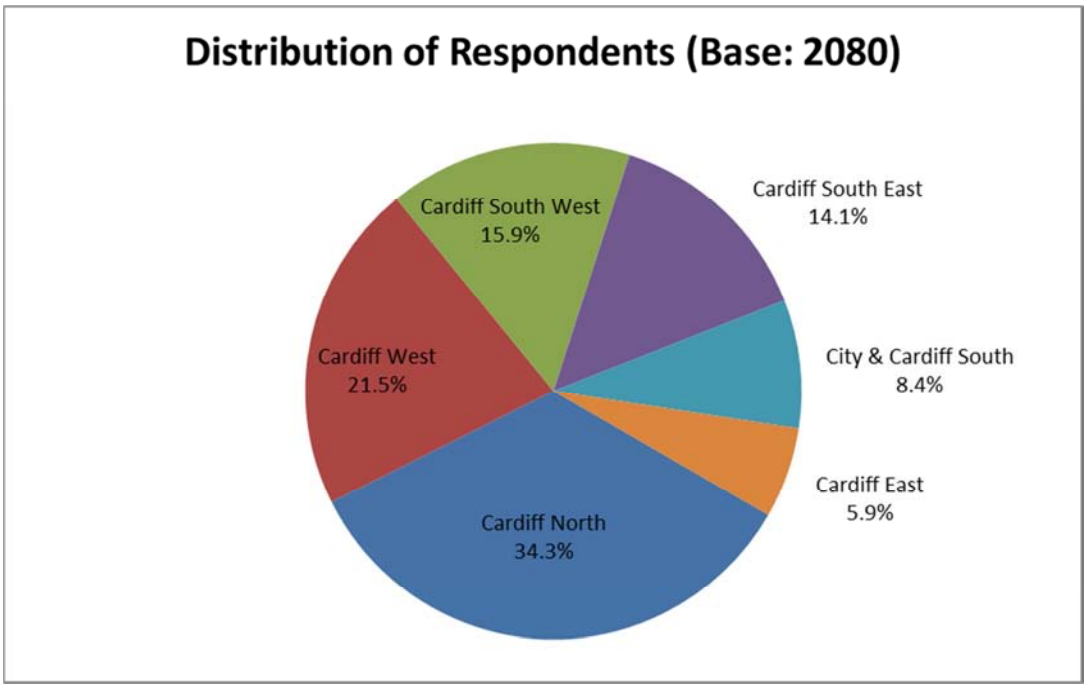
Distribution of respondents

The map below details the distribution of respondents across the city with particularly high levels of response identified in Rhiwbina, Radyr & Morganstown and Riverside.



When aggregated to Neighbourhood Partnership Area, approximately a third (34.3%) of responses belonged to residents of Cardiff North and a further fifth (21.5%) from Cardiff West.

Base: 2080	No.	%
Cardiff North	713	*34.3*
Cardiff West	447	*21.5*
Cardiff South West	330	*15.9*
Cardiff South East	293	*14.1*
City & Cardiff South	174	*8.4*
Cardiff East	123	*5.9*



Which of the following best describes you?

Base: 2471	No.	%
Member of the general public	2156	*87.3*
City of Cardiff Council employee	186	*7.5*
Member of a community group or forum	37	*1.5*
Individual business person	33	*1.3*
Member of a third sector organisation	27	*1.1*
Member of a strategic partner organisation	5	*0.2*
A City of Cardiff Councillor	3	*0.1*
Representative of a group of businesses	2	*0.1*
Cardiff Partnership	0	*0.0*
Other	22	*0.9*

Gender:

Base: 2474	No.	%
Female	1283	*51.9*
Male	1128	*45.6*
Other	5	*0.2*
Prefer not to say	58	*2.3*

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Age:

Base: 2451	No.	%
Under 16	1	*0.0*
16-24	62	*2.5*
25-34	334	*13.6*
35-44	502	*20.5*
45-54	471	*19.2*
55-64	564	*23.0*
65-74	425	*17.3*
75+	92	*3.8*

Base: 2450	%	2015 MYE
16-34	*16.2*	*40.9*
35-54	*39.7*	*30.0*
55+	*44.1*	*29.1*

Which of the following best describes what you are doing at present?

Base: 2460	No.	%
Working full-time (30+ hours per week)	1237	50.3
Wholly retired from work	608	24.7
Working part-time (less than 30 hours per week)	320	13.0
Caring for a child or adult	55	2.2
Permanently sick or disabled person	51	2.1
In full time education	49	2.0
Looking after home	32	1.3
On a zero-hour contract	26	1.1
Unemployed - Unregistered but seeking work	24	1.0
Unemployed - Registered Job Seeker	8	0.3
On a government training scheme	0	0.0
Other	50	2.0

Do you identify as a disabled person?

Do you identify as a disabled person? (Base: 2412)	No	%
Yes	210	*8.7*
No	2119	*87.9*
Prefer not to say	83	*3.4*

Which apply to you (Base: 2520)	No	%
Long-standing illness or health condition	288	*11.4*
Mobility impairment	143	*5.7*
Deaf/Deafened/Hard of Hearing	134	*5.3*
Mental health difficulties	106	*4.2*
Prefer not to say	85	*3.4*
Visual impairment	33	*1.3*
Learning impairment/difficulties	17	*0.7*
Wheelchair user	15	*0.6*
Other (please specify below)	35	*1.4*

How would you describe your sexual orientation?

Base: 2356	No.	%
Heterosexual/Straight	1924	*81.7*
Gay Man	94	*4.0*
Bisexual	45	*1.9*
Gay Woman/Lesbian	24	*1.0*
Other	14	*0.6*
Prefer not to answer	255	*10.8*

Ethnic Group:

Base: 2362	No.	%
White - Welsh/English/Scottish/Northern Irish/British	2084	*85.7*
White - Any other white background	94	*3.9*
White - Irish	17	*0.7*
Asian/Asian British - Indian	29	*1.2*
Any other ethnic group	9	*0.4*
Asian/Asian British - Any other	3	*0.1*
Mixed/Multiple Ethnic Groups - White and Black Caribbean	4	*0.2*
Asian/Asian British - Chinese	11	*0.5*
Mixed/Multiple Ethnic Groups - White & Asian	10	*0.4*
Black/African/Caribbean/Black British - African	5	*0.2*
Mixed/Multiple Ethnic Groups - Any other	9	*0.4*
Asian/Asian British - Pakistani	3	*0.1*
Black/African/Caribbean/Black British - Caribbean	6	*0.2*
Arab	1	*0.0*
Asian/Asian British - Bangladeshi	0	*0.0*
White - Gypsy or Irish Traveller	2	*0.1*
Mixed/Multiple Ethnic Groups - White and Black African	1	*0.0*
Black/African/Caribbean/Black British - Any other	12	*0.5*
Prefer not to say	131	*5.4*

Appendix 1 - Community Engagement Events

A series of 18 Community Engagement events were held across the city during the course of the consultation period (**Table 1**). These sessions involved either a) Promoting the consultation through involvement in pre-existing meetings or activities of target groups or b) visiting places with an existing high foot fall e.g. local supermarkets. The purpose of these activities was to:

- Provide an opportunity for the public to receive information regarding the current challenges being faced by the City of Cardiff Council.
- Provide information surrounding the proposals put forward for the 2016/17 budget.
- Promote the actual consultation document
- Provide an opportunity for any concerns regarding the impact of the proposed changes to be recorded.
- Encourage participation form those groups less frequently heard i.e. BME women, people with a learning disability, residents within particular geographies of the city e.g. Cardiff East.

Table 1 – Community Engagement Events

Date	Event	Target group	Venue/location
14 November 2016	TESCO (Stand & hard copy distribution)	Cardiff East	Pengham Green
14 November 2016	TESCO (Stand & hard copy distribution)	All	Western Ave
15 November 2016	TESCO (Stand & hard copy distribution)	Cardiff East	St Mellons
15 November 2016	FAN (Women only) Attending meeting	City & Cardiff South/ME Communities/Women	Butetown Community Centre
17 November 2016	Cardiff People First – Facilitated Session	Learning Disability	Canton (City Wide)
18 November 2016	FAN (Women only) Attending meeting	City & Cardiff South/ME Communities/Women	Grangetown (Salvation Army)
19 November 2016	Public Engagement at Canton Library	Cardiff South West	Canton
21 November 2016	TESCO (Stand & hard copy distribution)	Cardiff East	Pengham Green
22 November 2016	Splott Hub Official Opening – In attendance	Cardiff South East	Splott Hub
22 November 2016	TESCO (Stand & hard copy distribution)	Cardiff East	St Mellons
22 November 2016	FAN (Riverside Women only) - Attending meeting	City & Cardiff South/ME Communities/Women	City Church (Lower Cathredral Road)
23 November 2016	Healthy, Wealthy & Wise - Attending meeting	Older Persons	Church of the Resurection, Ely
23 November 2016	FAN	Cardiff South West/ME Communities	Severn Road (Canton)
26 November 2016	Health Fair	City & Cardiff South	Grangetown Medical Practice
28 November 2016	Healthy, Wealthy & Wise – attending meeting	Older persons	Fairwater Leisure Centre
29 November 2016	Healthy, Wealthy & Wise attending meeting	Older persons	John Reynolds Centre, Llanrumney,
30 November 2016	County Hall Canteen	Staff	County Hall
02 December 2016	Engagement with Cardiff Access Forum	Mixed disability	County Hall

Format of the Community Engagement Events:

The format of the community engagement events were adapted to the needs and requirements of the individual groups involved. Events held in supermarkets aimed to harness the high volume of footfall and provide a visual display to attract members of the public. Officers were on hand to provide information regarding the consultation, offer copies to take away, take questions and assist people to participate in the accompanying voting activity.

FAN groups expressed a preference that officers attend their groups primarily as participants whilst Healthy, Wealthy and Wise groups preferred a more formal presentation of the consultation exercise.

A simple voting exercise was used as a means of engagement across all of the public groups. This involved members of the public each being given £50, £20 and £10 replica 'notes' and asked to 'vote' for the areas where they would most like to see more money spent in the future. Options included:

- Children's Play
- Jobs/Apprenticeships
- Parks
- Street Cleansing
- Potholes
- Arts & Culture
- Healthy Living
- Cycling facilities

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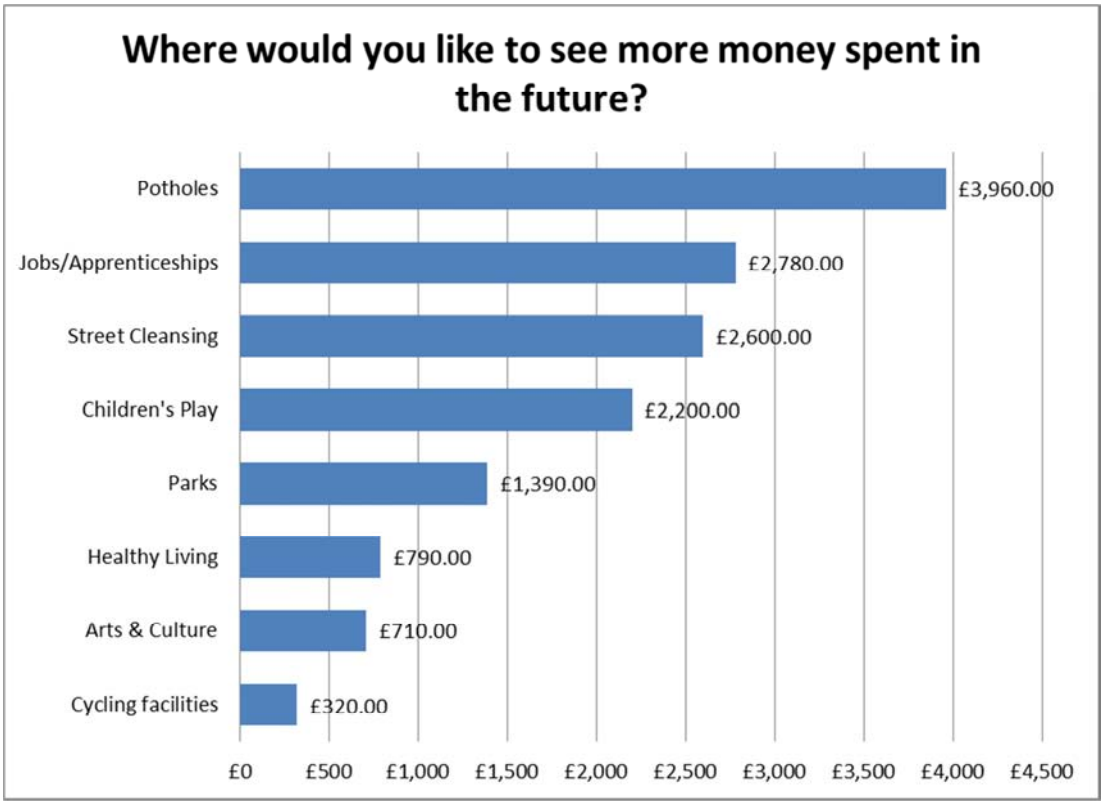
Results of public engagement voting activity

Almost 200 people were directly involved in face to face voting activity which asked ***"Where would you like to see more money spent in future?"***

Participants 'spent' a total of £14,750 with the repair of potholes in roads across the city coming out as a clear priority.

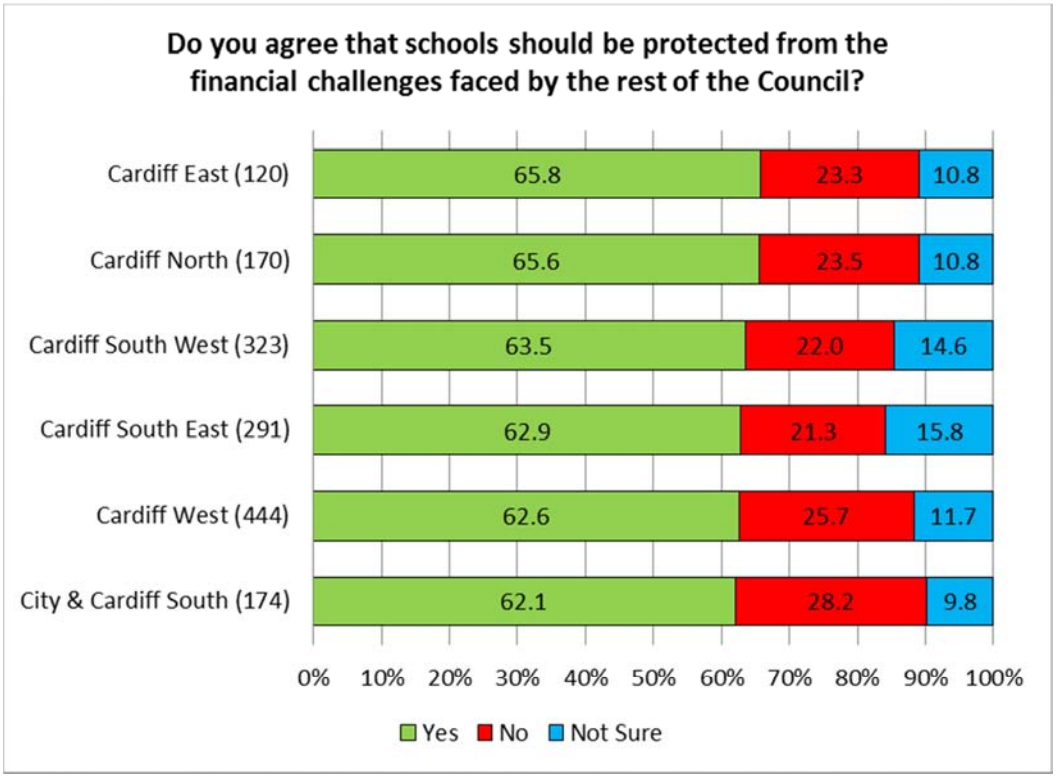


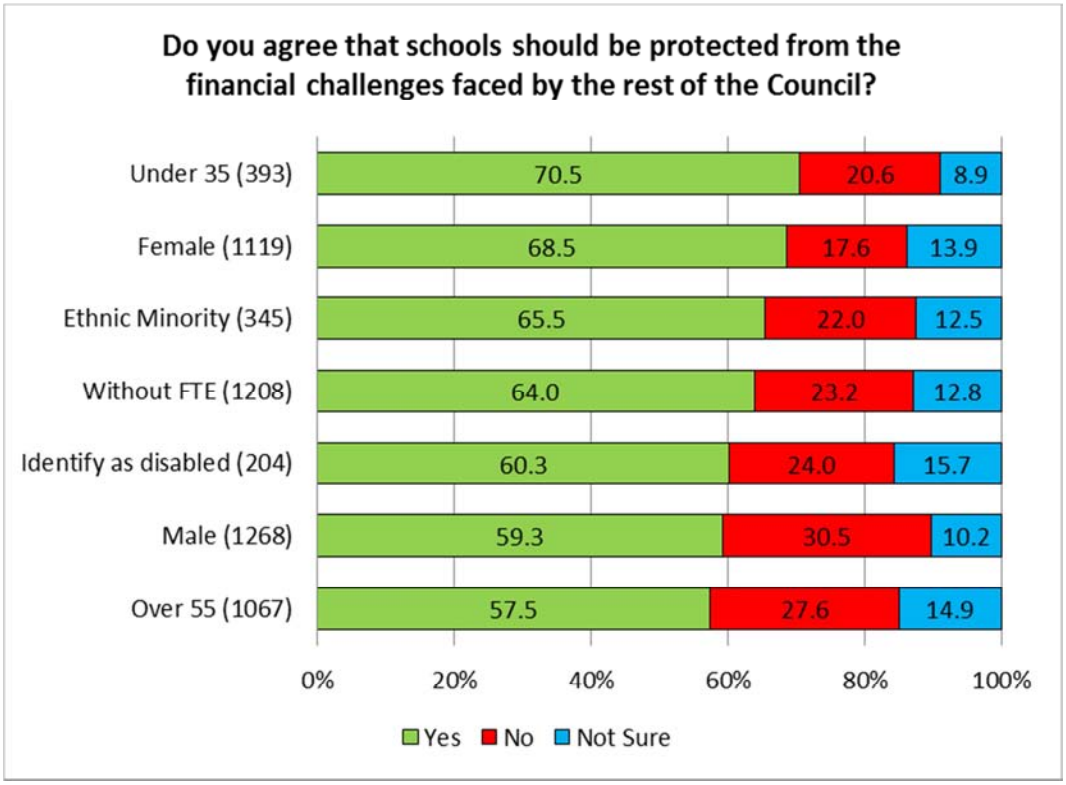
Other priorities to the public that were identified through the engagement included:

- Reduction in illegal/inconsiderate parking
- Improvements to city transport
- Prosecuting against fly tipping
- The impact of high rates on small businesses
- Flooding caused by blocked drains
- Provision of public toilets
- Protection of municipal bowling greens

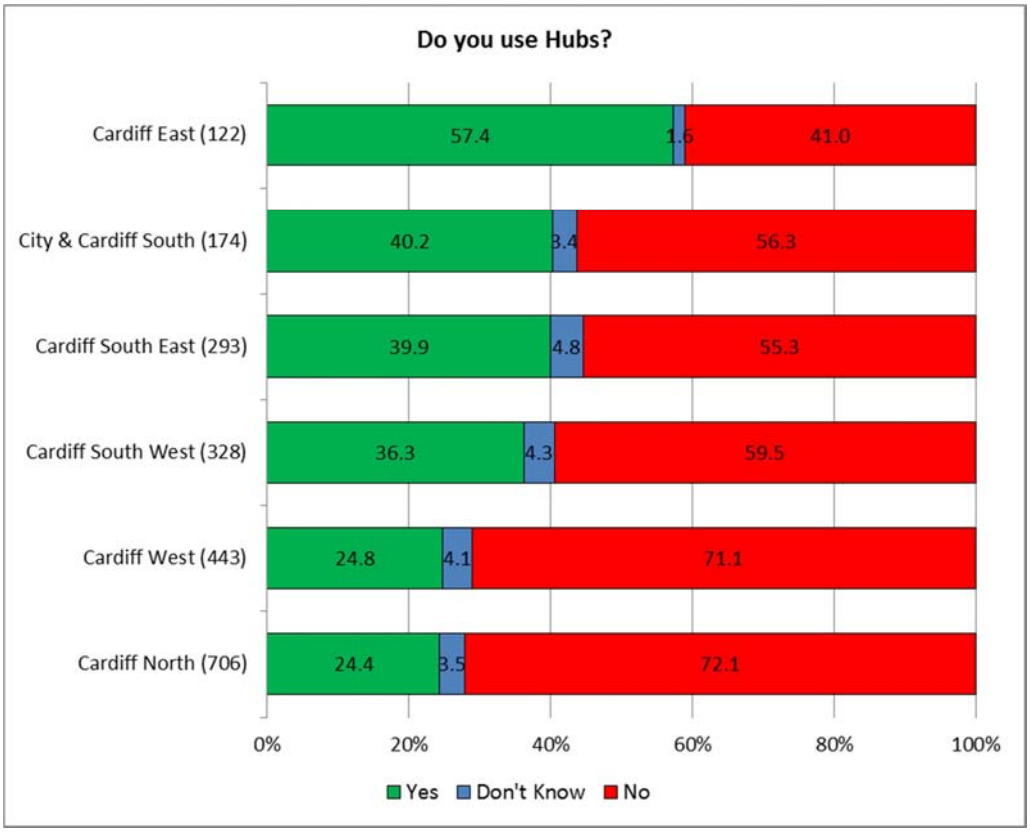
Appendix 2 - Responses by Demographic Characteristics and Geographies

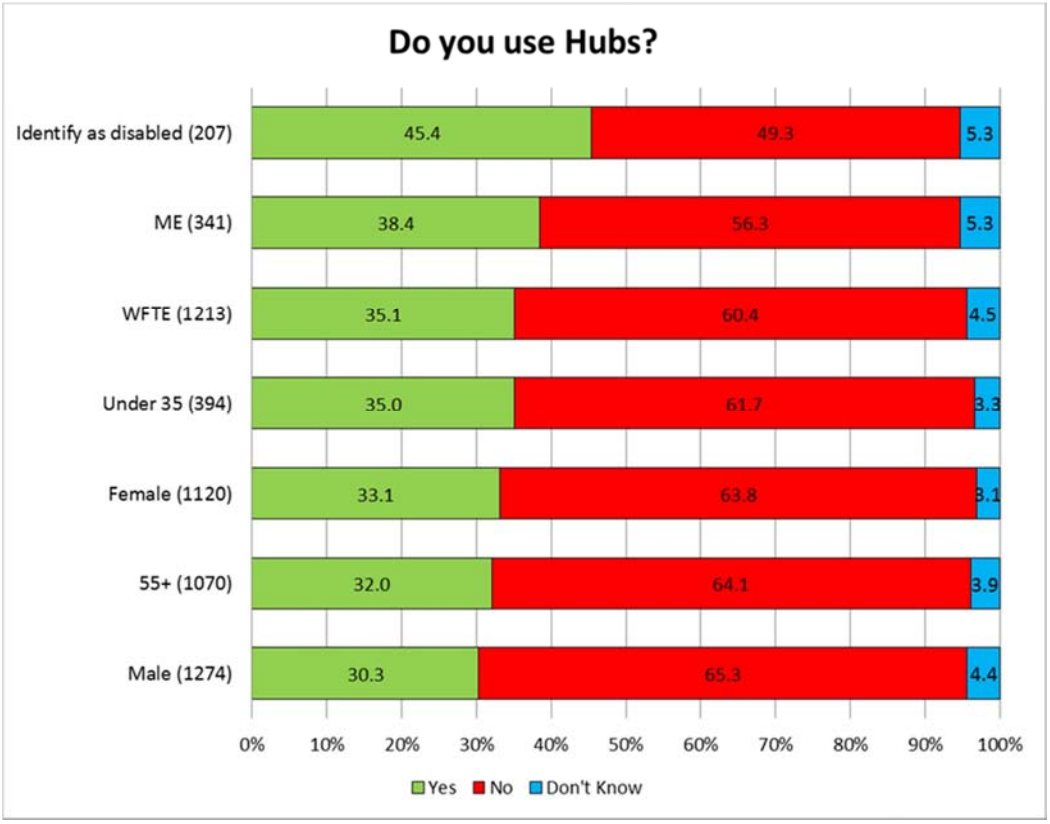
4.1 Austerity

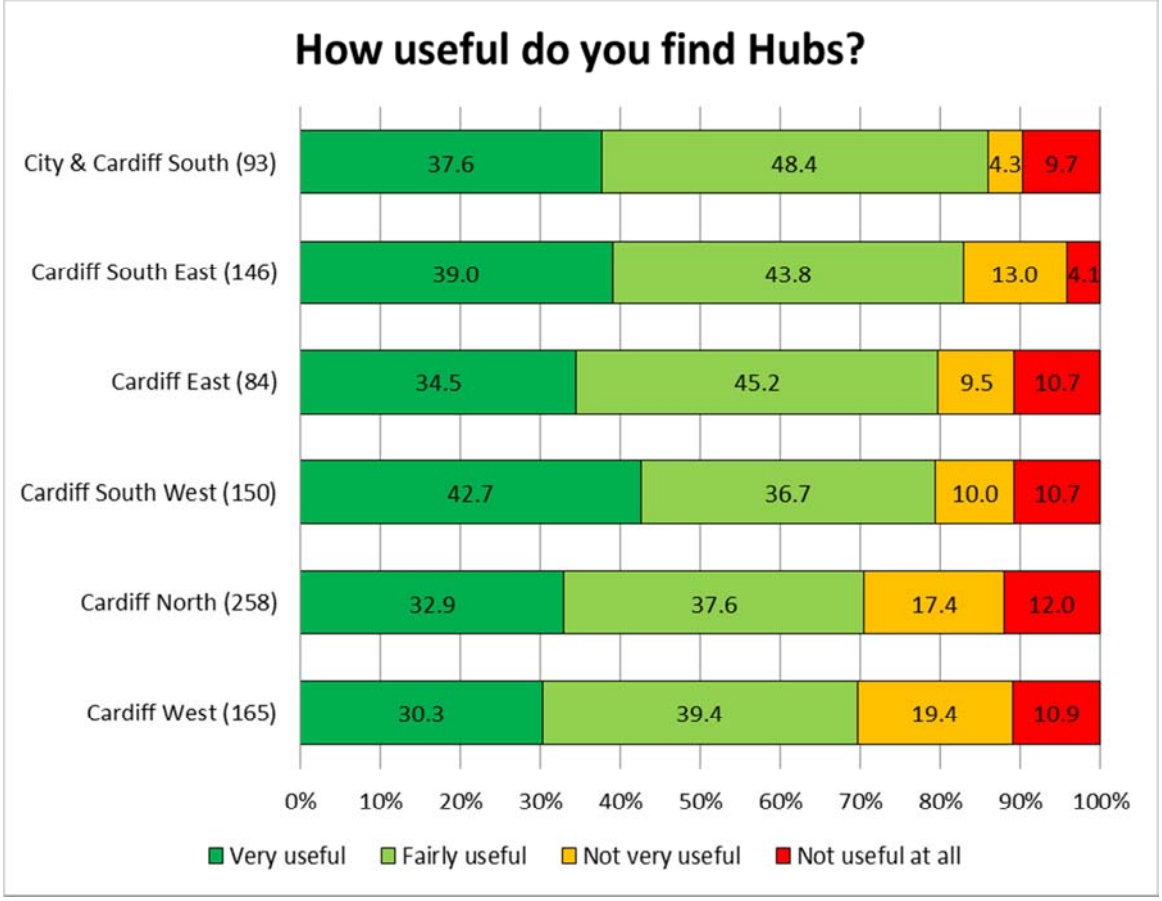


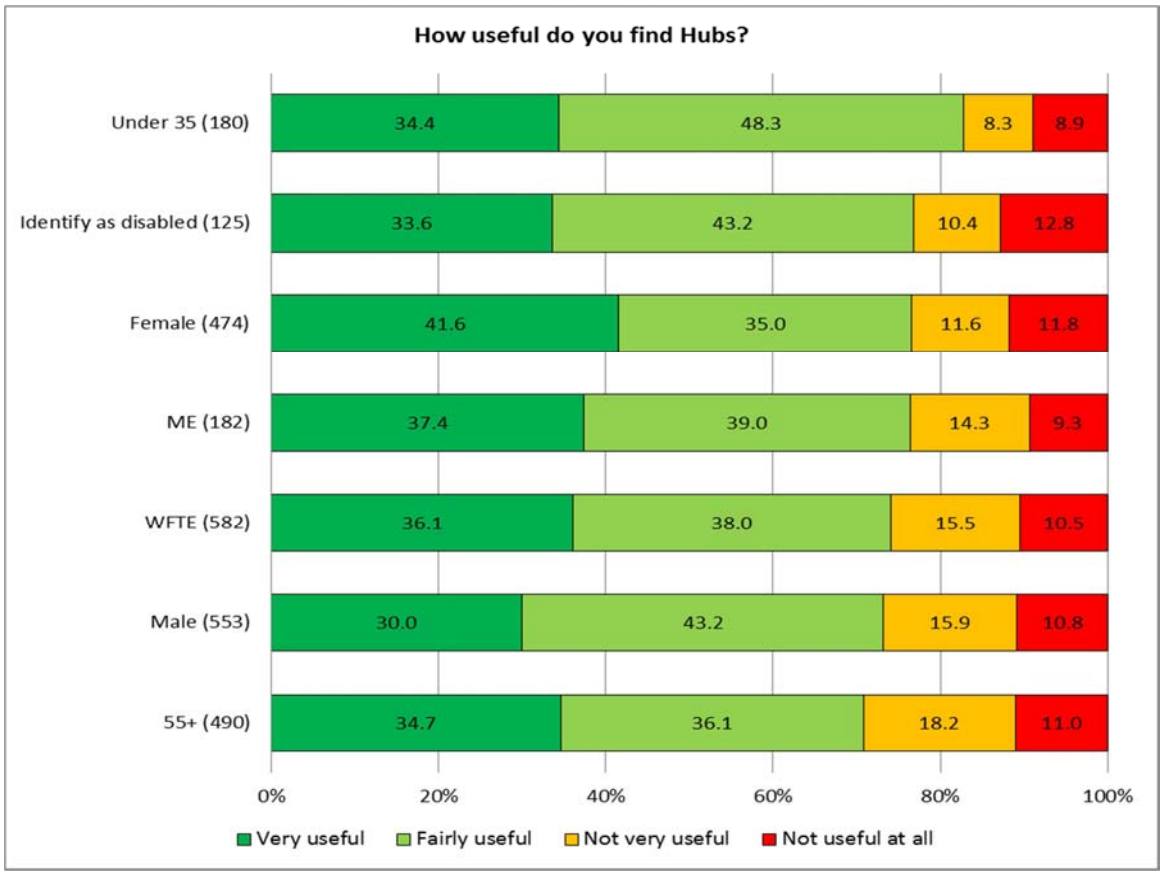


4.3 Making Better Use of Our Buildings

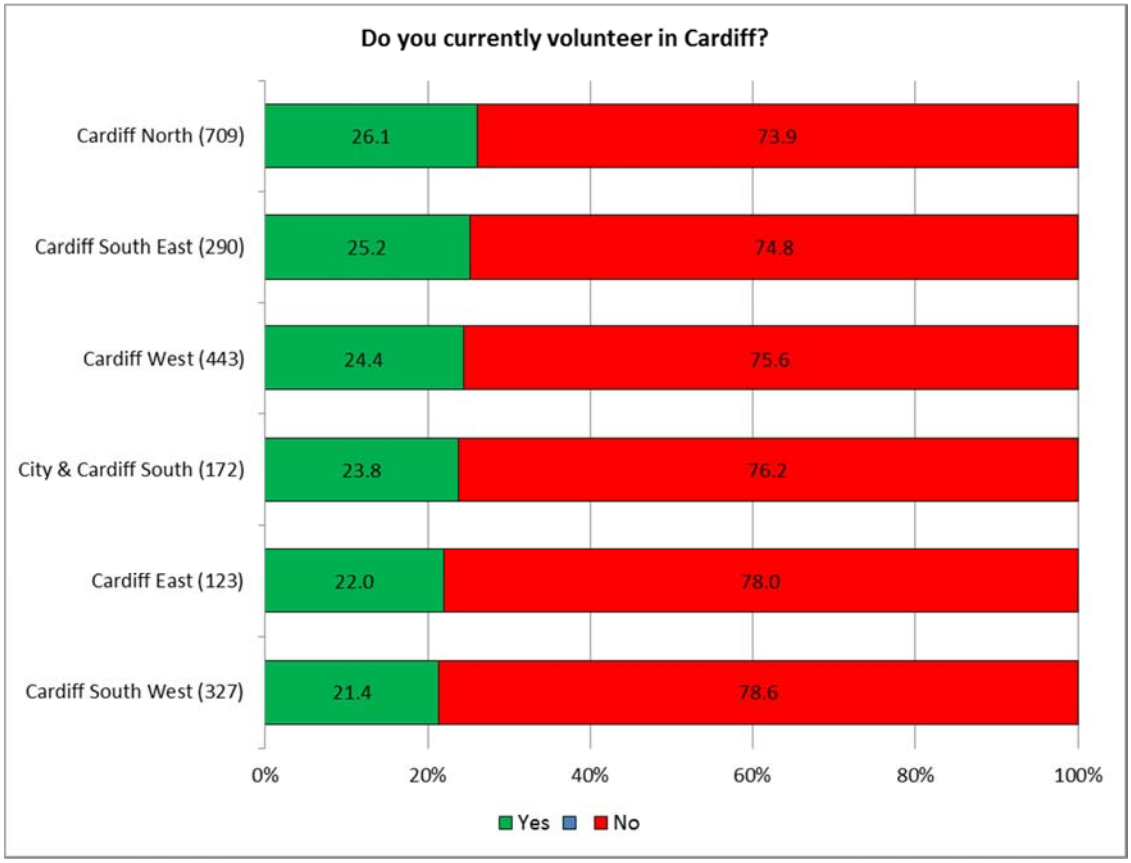


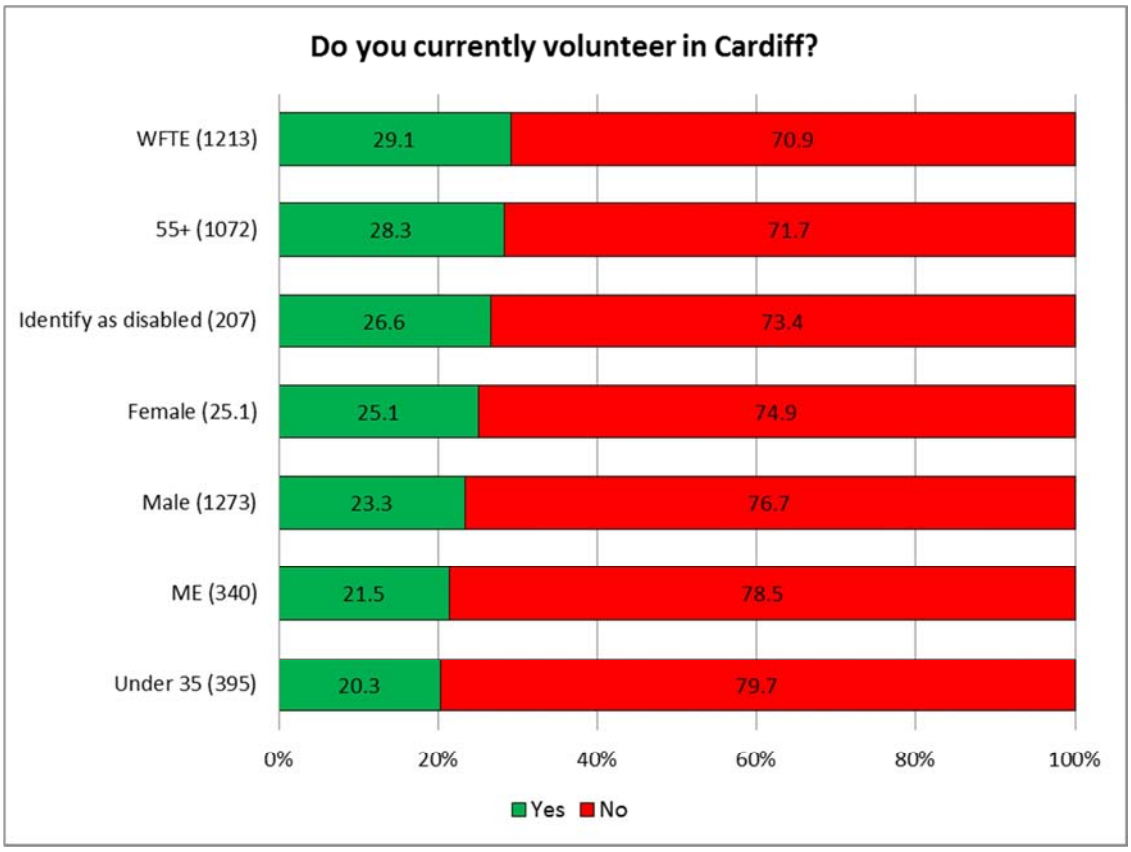



How useful do you find Hubs?
City & Cardiff South (93)
37.6
48.4
4.3
9.7
Cardiff South East (146)
39.0
43.8
13.0
4.1
Cardiff East (84)
34.5
45.2
9.5
10.7
Cardiff South West (150)
42.7
36.7
10.0
10.7
Cardiff North (258)
32.9
37.6
17.4
12.0
Cardiff West (165)
30.3
39.4
19.4
10.9
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Very useful
Fairly useful
Not very useful
Not useful at all

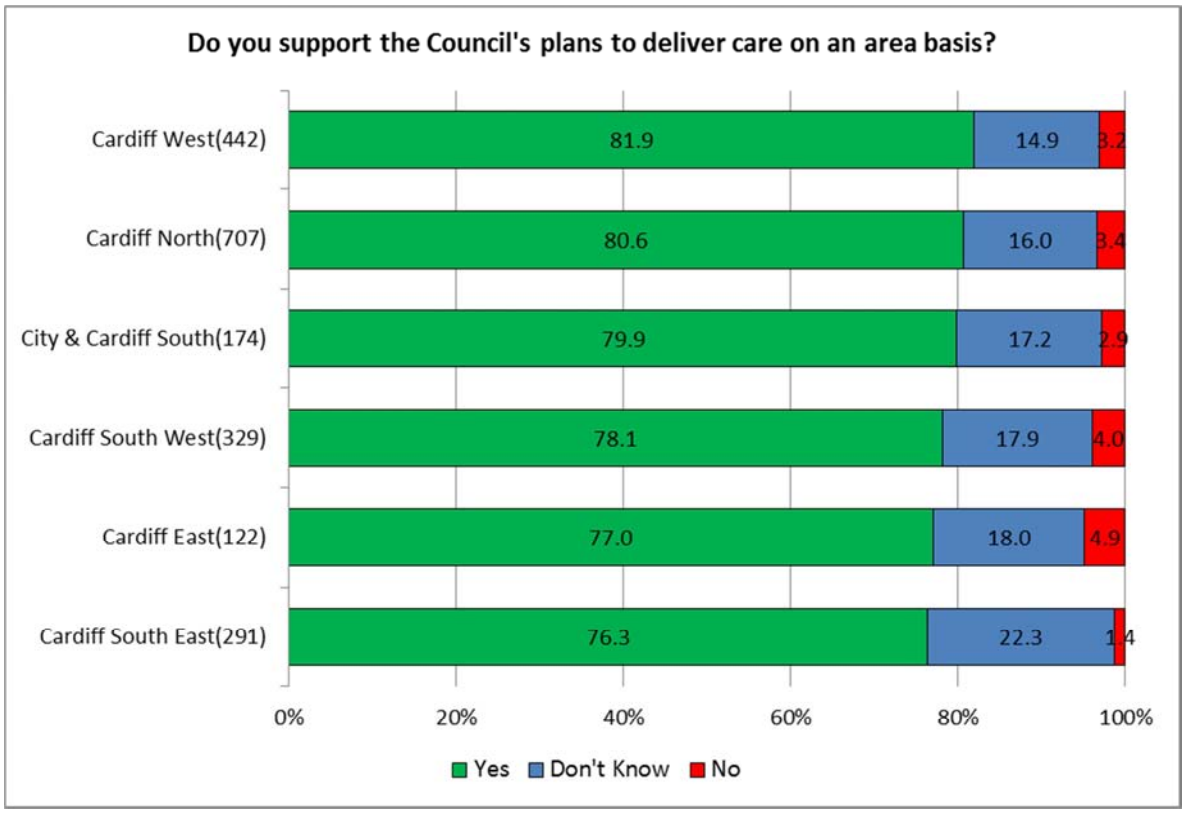

How useful do you find Hubs?
Under 35 (180)
34.4
48.3
8.3
8.9
Identify as disabled (125)
33.6
43.2
10.4
12.8
Female (474)
41.6
35.0
11.6
11.8
ME (182)
37.4
39.0
14.3
9.3
WFTE (582)
36.1
38.0
15.5
10.5
Male (553)
30.0
43.2
15.9
10.8
55+ (490)
34.7
36.1
18.2
11.0
0%
20%
40%
60%
80%
100%
Very useful
Fairly useful
Not very useful
Not useful at all

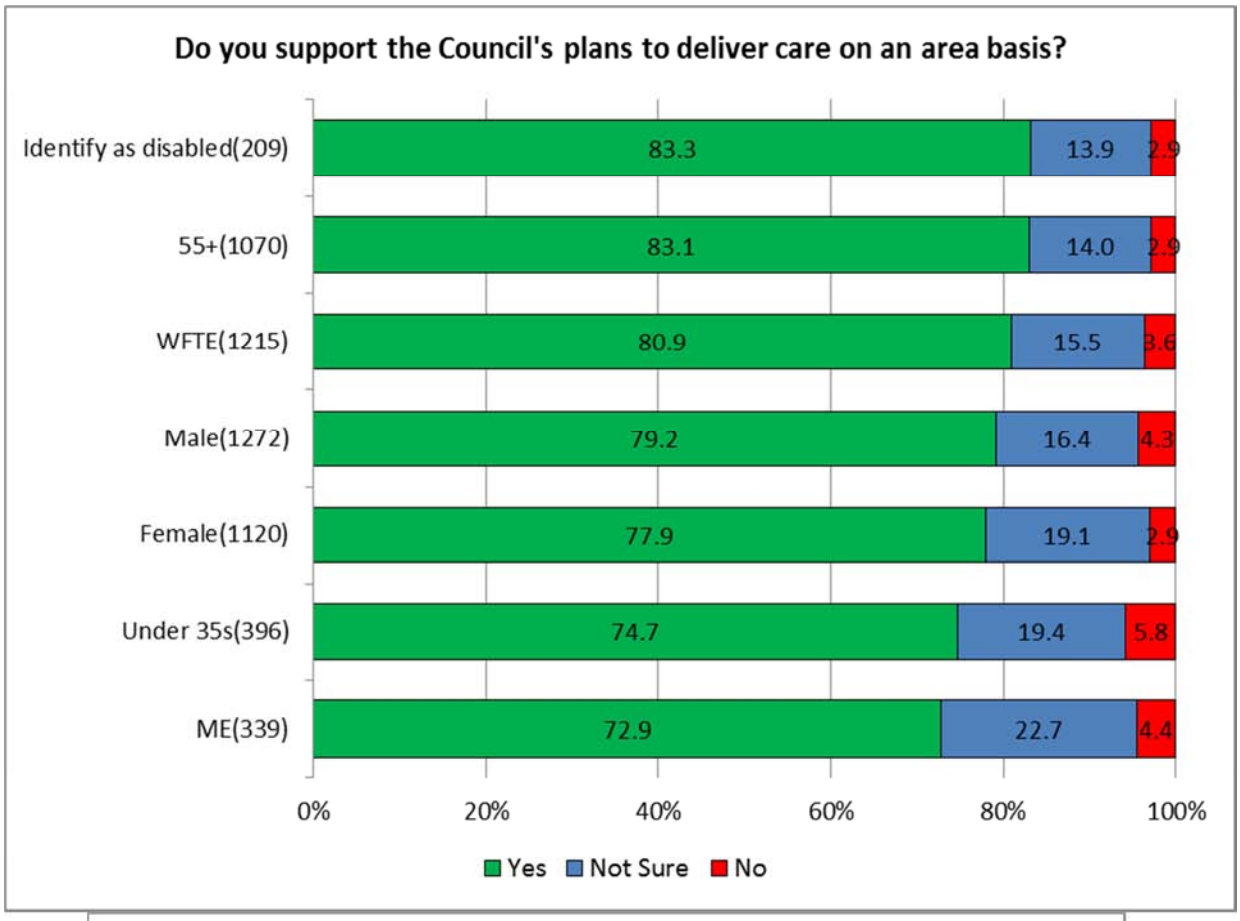
4.4 Involving & Empowering Communities

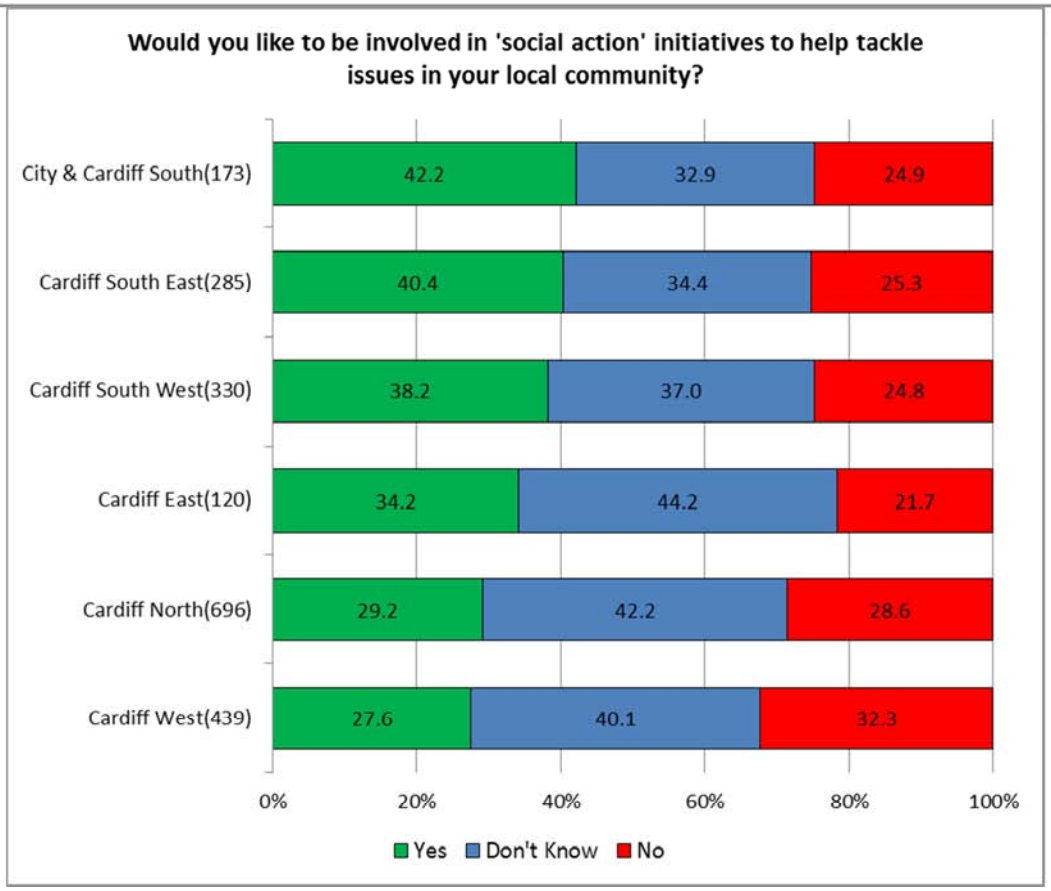


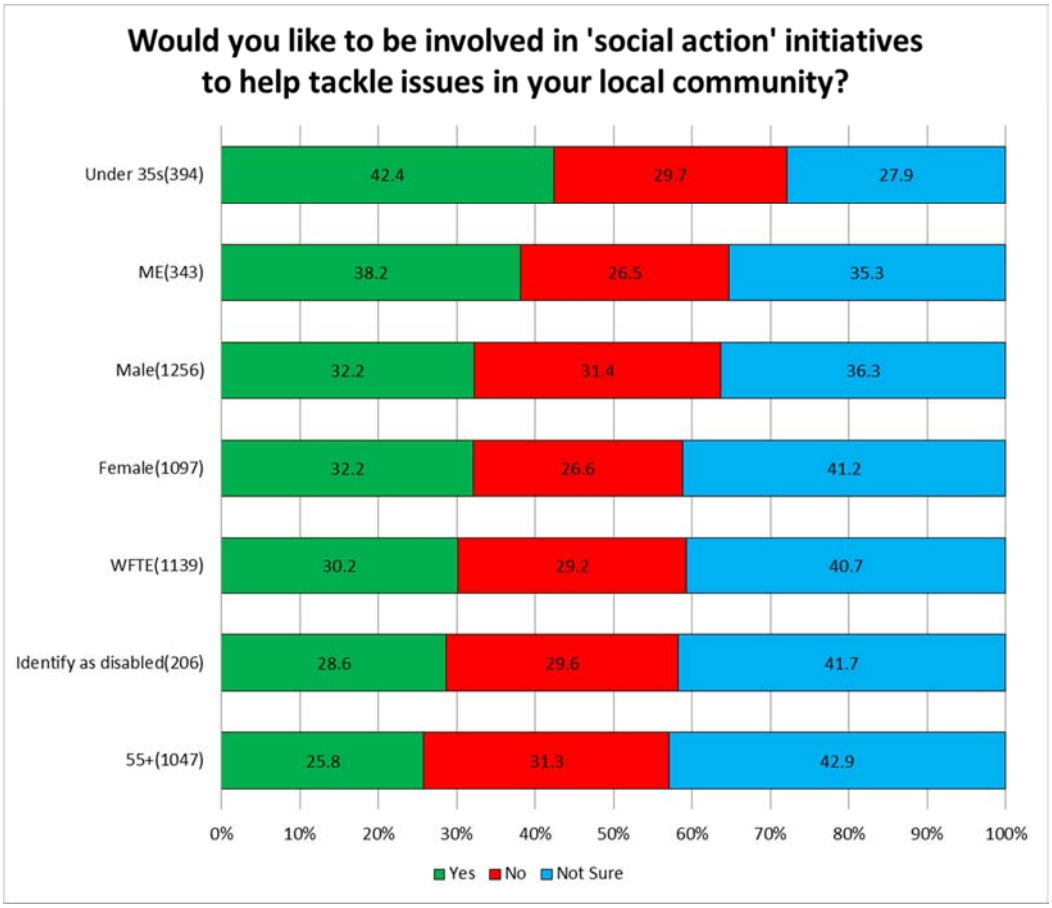


4.6 Providing Care & Support Services Locally




Do you support the Council's plans to deliver care on an area basis?
Identify as disabled(209)
83.3
13.9
2.9
55+(1070)
83.1
14.0
2.9
WFTE(1215)
80.9
15.5
3.6
Male(1272)
79.2
16.4
4.3
Female(1120)
77.9
19.1
2.9
Under 35s(396)
74.7
19.4
5.8
ME(339)
72.9
22.7
4.4
0%
20%
40%
60%
80%
100%
Yes
Not Sure
No


Would you like to be involved in 'social action' initiatives to help tackle issues in your local community?
City & Cardiff South(173)
42.2
32.9
24.9
Cardiff South East(285)
40.4
34.4
25.3
Cardiff South West(330)
38.2
37.0
24.8
Cardiff East(120)
34.2
44.2
21.7
Cardiff North(696)
29.2
42.2
28.6
Cardiff West(439)
27.6
40.1
32.3
0%
20%
40%
60%
80%
100%
Yes
Don't Know
No


Would you like to be involved in 'social action' initiatives to help tackle issues in your local community?
Under 35s(394)
42.4
29.7
27.9
ME(343)
38.2
26.5
35.3
Male(1256)
32.2
31.4
36.3
Female(1097)
32.2
26.6
41.2
WFTE(1139)
30.2
29.2
40.7
Identify as disabled(206)
28.6
29.6
41.7
55+(1047)
25.8
31.3
42.9
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Yes
No
Not Sure

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Cllr G Hinchey

County Hall
Cardiff
CF10 4UW

Cc. Cllr S Merry

14th December 2016

Dear Cllr Hinchey

Council Budget Proposals 2017/18

I'm writing to formally respond to the Council's budget proposals on behalf of Cardiff Schools' Budget Forum.

The Forum is aware of the financial pressure that the council is under due to a potential shortfall of £24m for 2017/18 and £75m over the medium term. We note the continued financial planning assumption of a 30% cap on schools' growth excluding demographics contributing £1.9m to the budget reduction requirement. We wish to state that this will continue to increase the pressure on schools already stretched budgets possibly resulting in some schools being forced to make further redundancies.

In considering the implications of the Council Budget strategy for the 2017/18 financial year the School Budget Forum would also highlight the following;

- The continuing significant increase in energy and exam costs, including the significant implications of the new Welsh Baccalaureate examinations, which have fallen upon school delegated budgets.
- Continuing concerns over post-16 funding and the urgent need for a strategy to address this potential volatility of WG funding.
- The impact that the ending of Challenge Cymru grant funded programme will have on the 6 Cardiff secondary schools involved. Each school have received significant amounts of funding in addition to their delegated budgets which has led to positive impacts in pupil attainment. The Forum is keen to learn how will the city support these schools going forward and ensure that improvements gained through the programme are not lost.
- The Forum supports the proposal to reduce the LA contribution to the Central South Consortium by 5% particularly as the Education Directorate has identified savings target of 15.5%.
- The continuing uncertainty over any reduction in the WG EIG funding for 2017/18 and the impact this will have. For example, there is a rising demand in the city for support for pupils with English as an additional language for which Cardiff received significant MEAG funding, which is now included in the EIG funding.
- Concern over the impact of another increase in the price of school meals particularly on families who are part of the 'working poor' or who have been affected by the recent benefit cap. We would welcome an opportunity through the School Budget Forum to explore alternative models for school meals provision.

- A need for greater assurance over the value for money of bought in services and we would urge the council to ensure that it obtains the best prices for utilities.
- Continuing concerns over the value for money of services such as that provided by Buildings and Facilities Management.
- The forum has received representations from VA schools' representatives in relation to some additional financial pressures they must bear which other maintained schools don't. For example, buildings insurance costs. Historically the formula has generated less for buildings and maintenance costs for this sector than for other maintained schools. The systems that justified this position have been dismantled by Welsh Government.

The School Budget Forum would also urge the Council to consider investing some of the revenue generated from traffic enforcement to address improving road safety schemes near schools and supporting post-16 students traveling between schools to access shared courses.

Finally, the School Budget Forum wishes to remind you that "education should not be regarded as a cost but as an investment in the future". The Council must ensure that it safeguards the City's education system to ensure that all the children of Cardiff have the opportunity to fulfil their potential. There is a real danger that recent outcome improvements achieved through greater stakeholder engagement, alignment, accountability processes and investment recognised by Estyn could be undone, and the highest aspirations and expectations of all, not realised. Cardiff as a capital city should have an education system which delivers 'Cardiff 2020 - Aiming for Excellence'.

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

Yours sincerely,

Sarah Griffiths

Chair, Cardiff Schools' Budget Forum

2(c)

County Hall
Cardiff,
CF10 4UW
Tel: (029) 2087 2087
www.cardiff.gov.uk

Neuadd y Sir
Caerdydd,
CF10 4UW
Ffôn: (029) 2087 2088
www.caerdydd.gov.uk

CARDIFF
CAERDYDD

SWYDDFA CYMORTH Y CABINET
CABINET SUPPORT OFFICE

Fy Nghyf / My Ref : CM36991

Dyddiad / Date: 16th February 2017

Cllr Richard Cook
Cardiff Council
County Hall
Cardiff
CF10 4UW

Annwyl / Dear Richard

Children And Young People Scrutiny Committee - Corporate Plan and Draft Cabinet Budget Proposals

Thank you for your letter dated 14 February 2017 and the useful comments raised. I can assure you that Cabinet was able to reflect on the points raised prior to meeting on 16 February 2017.

This response to your letter relates to multiple Cabinet portfolios and directorates and has been written in consultation with all Cabinet Members and Directors that have responsibility for the relevant functions.

The following paragraphs set out responses to your specific points.

The General Contingency budget was established in 2014/15 to reflect the quantum of savings required and the risk and planning status of the savings being put forward in that year. The directorate savings in 2014/15 were exceptionally high, totalling £43.8 million. The General Contingency was set at £4 million in 2014/15 and has been maintained at this level for the following two years. Whilst it is acknowledged that the position facing the Council in achieving budget savings in 2017/18 and in future years remains challenging, the overall level of directorate savings are now significantly lower than when the General Contingency was established. Also, work on identifying and reviewing budget savings now takes place earlier in the budget cycle allowing directorates more time to develop robust proposals and for due diligence to be undertaken during the budget process. This is reflected in the high level of directorate saving proposals (95%) shown as either realised or having a detailed plan in place. On that basis it is felt that a reduction in the General Contingency to £3 million can be achieved and remains prudent.

ATEBWCH I / PLEASE REPLY TO :
Swyddfa Cymorth Y Cabinet / Cabinet Support Office, Ystafell / Room 514, Neuadd y Sir / County Hall, Glanfair Iwerydd / Atlantic Wharf, Caerdydd / Cardiff, CF10 4UW.
Ffôn / Tel: (029) 2087 2479

Line 47 Education Welfare Service – the Education Directorate has noted your concerns and will be working with the team to manage this reduction and explore any other funding opportunities that may enable displaced staff in the wider area of work to deliver the 'Cardiff Commitment'.

30 % cap on Non Pupil number growth – your comments are noted however as highlighted in the introduction from Councillor Merry, Cardiff schools have continued to be protected from general efficiency savings and the 3.3% increase in funding for schools delegated budgets is against a backdrop of significant cuts in Directorate budgets and no expectation from Welsh Government for any form of protection for schools.

I hope that this letter captures all the points raised in your letter and thank you again for your support in the budget process.

Yn gywir / Yours sincerely

Councillor / Y Cynghorydd Graham Hinchey
Cabinet Member for Corporate Services & Performance
Aelod Cabinet dros Wasanaethau Corfforaethol a Perfformiad

My Ref: Scrutiny/CYP/MJH

Date: 14 February 2017

CARDIFF
CAERDYDD

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

Dear Graham

CHILDREN AND YOUNG PEOPLE SCRUTINY COMMITTEE - Corporate Plan and Draft Cabinet Budget proposals

Thank you for attending the Children and Young People Scrutiny Committee on 13 February 2017. The Committee would also like me to thank Councillor Lent, Councillor Merry, Christine Salter and relevant Directors and Officers for their attendance. The Committee welcomed the presentations on the Corporate Plan, Cabinet draft Budget proposals overview and the draft budget proposals for each directorate, however the Committee was disappointed that they were only able to receive the budget papers over the weekend prior to the meeting at 9.30am on Monday. The Committee considered that this did not provide them with sufficient time to effectively scrutinise the proposals.

The Committee considered the information presented and the answers provided to Members' questions, during the way forward section of the meeting. We agreed to provide you and the Cabinet Members with the following comments, concerns and recommendations.

Firstly the Committee raised concern at the drop in the level of contingency from £4M to £3M. Members noted that the reduction was due to the lower level of savings being proposed this year. Members suggested that the contingency should remain at £4M as it was becoming more difficult to find and achieve savings.

I will be copying this letter to all the relevant Cabinet Members and Directors as well as the Chair of Policy Review and Performance Scrutiny Committee in advance of its meeting on Wednesday 15 February and it is possible that these points will be raised with you in greater detail at that meeting.

I hope that these comments will have been of assistance to you and the Cabinet in agreeing the Budget proposals on Thursday 16 February and look forward to a positive response to the points raised in the letter, from you and the other Cabinet Members, within the next month.

Yours sincerely

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

Cc
Councillor Lent, Deputy Leader and Cabinet Member for Early Years, Children and Families
Councillor Merry, Cabinet Member for Education
Christine Salter, Section 151 Officer
Tony Young, Director of Social Services
Nick Batchelar, Director of Education and Lifelong learning
Chair of Policy Review and Performance Scrutiny Committee
Rita Rohman

Phil Bale
Arweinydd Cyngor Dinas Caerdydd
Leader of the City of Cardiff Council

Neuadd y Sir
Caerdydd, CF10 4UW
Ffon:(029)2087 2500
E: Arweinydd@caerdydd.gov.uk

County Hall
Cardiff, CF10 4UW
Tel: (029)2087 2500
E: leader@cardiff.gov.uk

www.caerdydd.gov.uk
www.cardiff.gov.uk

CARDIFF
CAERDYDD

SWYDDFA'R ARWEINYDD
OFFICE OF THE LEADER

Fy Nghyf / My Ref: CM36983

Eich Cyf / Your Ref:

Dyddiad / Date: 17th Feb 2017

Cllr Mary Mcgarry
Cardiff County Council
County Hall
Atlantic Wharf
Butetown
Cardiff
CF10 4UW

Annwyl / Dear Mary,

Re: Community & Adult Services Scrutiny Committee Meeting – 13th February 2017

Thank you for your letter following the Community & Adult Services Scrutiny Committee meeting on 13th February 2017. In reply, I would like to provide a cross-Cabinet response to the Committee's comments on the Corporate Plan 2017-19 and 2017/18 budget proposals, in view of the different portfolio responsibilities.

Draft Corporate Plan 2017-19

I am pleased that the Committee recognises the significant improvements which have been made to the Corporate Plan over recent years and would like to thank the Committee for its contribution to our improvement journey.

I agree that it is important to provide clear information in the main body of the plan to contextualise the targets provided. The plan does provide some contextual information explaining the rationale for each priority in the introductory section, as well as setting the scene. However, in order to make the document as accessible as possible, much of the technical information has been included in an appendix in order to provide an appropriate balance of information contained in the plan and appendix.

I have asked officers to explore opportunities to better link the information when it is published online in order to make it accessible for anyone who wants to find out more details about the Council's performance information. I have also asked the Council's Performance team to identify, as a matter of urgency, any changes that can be made to add further information to the appendix, which will provide further clarification to the reader about the level of performance.

I agree that it is important to ensure that progress is made in the provision of support for the victims of domestic violence in Cardiff. As was explained to the Committee, the Communities, Housing and Customer Services Directorate Delivery Plan will include more detailed actions and key milestones in delivering the overall Corporate Plan objectives. However, I see no difficulty in including more specific wording around the progress of the re-commissioning exercise commitment that will be completed by March 2017. In addition, officers will also ensure that the measure of training compliance is included in the "measuring progress" table on page 25 of the plan.

With regard to the performance measures to tackle homelessness, I believe the Committee held a successful performance panel meeting recently with officers from the Communities, Housing and Customer Services Directorate to discuss the setting of targets across a suite of homelessness indicators. The inter-dependency of a number of the indicators was, I understand, a topic that was discussed and, therefore, I am sure you will agree that the inclusion of only one or two indicators would not provide the clear picture of progress that was recommended by the Committee. I am confident that, should the Committee wish to consider this important area of work in some detail over the coming year, officers would be happy to support that scrutiny exercise.

Consultation Processes

Thank you for your thoughtful comments with regard to the most recent public consultation on the budget proposals for 2017/18. I acknowledge your recommendations and accept that, moving forward, there are a number of improvements which can be made to our consultation and engagement work, particularly around ensuring that the voices of the city's more 'seldom heard' communities can contribute their views and experiences. I will therefore ask officers to review how Cardiff's engagement process compares with other leading local authorities to ensure that this can be further improved next year.

Economic Development and Partnerships

With regard to Capital Programme Line 5, I agree with the Committee's point about contingency planning in relation to commercial units and the Committee's plans for this issue to be prioritised as part of a future work programme is noted. Work is also ongoing between Planning, Estates and Economic Development to assist in supporting a more sustainable future for smaller neighbourhood shopping locations.

Community Development, Co-operatives and Social Enterprise

Whilst I note the Committee's concerns in relation to Line 18 of the budget savings proposals for 2017/18, I do not agree that the proposed next steps for the development of the Council's Neighbourhood Partnership arrangements reflect a change in policy. Indeed, the proposed budget saving in staff costs is more a reflection of the success of the Cardiff Public Services Board in aligning a much wider range of partnership funding opportunities to reduce reliance on Council

funding alone. The proposed change to the staffing structure is not linked to the saving in Social Services specifically, but is part of the evolution of a more streamlined and locality focussed way of working that is supported by all our partners.

Change in this area is incremental. For example, the growing impact of our community hubs is providing a physical focus in many areas of the city that is assisting the development of new ways of working and I see the impact of community focused schools providing a similar and complementary role. The proposed overall approach has already been discussed with partner organisations, officers and lead Members and reflects a direction of travel that is fully supported. Further briefings and discussions involving Members on how the proposed new arrangements will support the strengthening of the role of elected members and opportunities for greater community and stakeholder engagement will be provided over coming months.

Social Services – Adults

I welcome the Committee's overall endorsement of the proposed budget provision for social services and employment of an additional 59 staff and recognition of the potential to set social services in Cardiff on a stable footing.

Savings

With specific reference to Line 76 of the budget savings proposals for 2017/18, the Committee's comment on the related narrative is noted and this will be adjusted in future to reflect the position fully and more clearly.

In terms of the RAG ratings used for residual risk and savings achievability, I note the Committee's comments about how the ratings raise questions about risk aversion or planning confidence. However, I would wish to reassure you that our budgetary planning process has been robust and subject to due diligence. Nevertheless, the nature of social services spend is predominantly (76%) accounted for by spend on multiple individuals and commissioned care in a volatile market. Given that these are factors that are not fully within the control of officers and that each and every decision contributing to the savings target entails a degree of risk, officers are minded to reflect that in the rating accordingly.

Yn gywir,
Yours sincerely,

CYNGHORYDD / COUNCILLOR PHIL BALE
ARWEINYDD, CYNGOR DINAS CAERDYDD
LEADER, THE CITY OF CARDIFF COUNCIL

My Ref: Scrutiny/Correspondence/Cllr McGarry

14 February 2017

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

CARDIFF
CAERDYDD

Dear Phil

Community & Adult Services Scrutiny Committee Meeting – 13th February 2017

Thank you for attending the above committee. This letter captures the agreed comments, observations and recommendations of the Committee with regard to the draft Corporate Plan 2017-19 and 2017-18 draft Budget Proposals. The structure of this letter reflects the structure of the meeting, commencing with general comments on the draft Corporate Plan, consultation 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 2017-19

Members recognise that the Corporate Plan has improved significantly over recent years, to reduce its volume and make it more focused on clearly setting out the Council's priorities. To assist this improvement, Members recommend some further refinements, as follows:

- Ensure that there is enough information in the commentary to make the context clear for the targets set e.g. it is not clear whether the target to assist 144 rough sleepers into accommodation will require existing performance to improve, decline or stay at its current level.
- Similarly, where percentages are used, it would sometimes be useful to provide a baseline or overall figure, to make the quantum clear to the reader.

Members are pleased to see inclusion of the following commitment: '*Ensure that Domestic Violence Support Services meet the requirements of new legislation, including the recommissioning of the service*'. This helps to demonstrate our corporate responsibilities and raise awareness across staff, partners and the public of the role we need to play. However, Members feel it is important also to include a

measure and target for this commitment, in the main body of the report, to strengthen this message. Therefore, Members recommend that a suitable measure and target that shows progress in delivering the commitment is included in the final Corporate Plan 2017-2019. This should be in addition to the Welsh Government measure and target currently included in the Appendix to the Corporate Plan.

Members are pleased to see measures and targets included in the Corporate Plan regarding tackling rough sleeping. Members believe that it is also important to keep a close eye on performance in other areas of tackling homelessness. Members therefore recommend that the Corporate Performance report also include measures and targets that show performance re preventing homelessness and time spent in temporary accommodation.

Consultation Processes

Members are pleased that the description and analysis of the consultation results has improved in recent years and is now more measured in tone. In order to refine this further, Members recommend that the consultation report contextualises the responses received by stating the overall population figures and acknowledges that receiving approximately 6,000 responses, many self-selected, from a population of approximately 340,000, whilst an improvement on previous years, counts as qualitative feedback rather than statistically valid responses. This is not in any way to denigrate or downgrade the feedback, as qualitative data is meaningful and useful.

Overarching budgetary position

Members thank Councillor Hinchey, Christine Salter and Allan Evans for providing information on the overarching budgetary position. Members note that the proposed budget includes a 3.7% increase in Council Tax, use of £1.5M reserves, a 30% cap on schools non-demographic growth and £17M savings, in order to bridge the gap between resources available and resources required.

Members note that the proposed Capital Programme does not include City Deal projects or School Band B projects at this stage as more information is awaited on these and that therefore it is likely that the Capital Programme will be amended 2018/19 onwards.

With regard to the Capital Programme, Members note Christine's comments that the revenue funding of capital financing is at a higher level than in previous years and officers are aware that they need to keep a close eye on this.

Members note Christine Salter's point that 93% of savings proposals have detailed planning status, and that therefore it is proposed to reduce the £4M corporate contingency fund to £3M for 2017/18.

Economic Development and Partnerships

Members thank you and Sarah McGill for being available to answer questions on the budgetary proposals for this portfolio. Regarding the budgetary proposals for this portfolio, Members have the following points to make:

- **Capital Programme, Line 74** – Members are reassured by the responses received that the Investment Review Board has taken a rigorous look at the proposal to check investment return levels and are content with this.
- **Capital Programme, Line 5** – Members wish to restate the point made at the meeting that it is essential for there to be alternative plans made for these regeneration schemes, to ensure viability when commercial tenants are not forthcoming or sustainable. This is an area of concern for the Committee and we shall recommend to a future Committee that this area is prioritised for further scrutiny.

Community Development, Co-operatives and Social Enterprise

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

Members have a number of concerns regarding the proposals to review Neighbourhood Partnerships and the associated **saving**, **Line 18**. Members do not think that there should be policy changes of this magnitude with such little information available or opportunity to undertake more detailed scrutiny than can be afforded during budget scrutiny. Members do not feel the information provided is sufficient to enable understanding of the proposals; at our meeting, Members had to seek an explanation of what is proposed and what this would look like, rather than this being self-evident from the information provided. As the meeting progressed, it became clear from our questions that these proposals also link to budget savings line 91 'locality based service delivery' listed under Social Services, Councillor Elsmore's portfolio. This is not clear in the budget report papers and is something that pre-decision scrutiny would have been able to explore. From the information available at our meeting, Members are not convinced that one annual roadshow will be sufficient to replace the valuable work undertaken by the existing neighbourhood partnerships. However, Members note the commitment not to lose the good practice and data analysis used by the existing neighbourhood partnerships. Members note the commitment to utilise community focused schools as part of the neighbourhood partnership approach; Members believe that this should be integrated from the

planning stage onwards and not be bolted on at the end when silo working would not have been addressed.

On a separate matter, Members note that **Savings Line 21** – Commercialisation – relates to generating income via charging for use of the Hubs.

Health, Housing and Wellbeing

Members thank Councillor Elsmore, Sarah McGill, Tony Young, Amanda Phillips and Jane Thomas for attending to answer questions on the budgetary proposals for this portfolio. Concerning the budgetary proposals for this portfolio, Members have the following points to make:

Overall

Members wish to acknowledge the good work of officers that has increased co-operation between Communities, Housing and Customer Services and Social Services, enabling improvements in services for citizens and savings to be realised.

Communities, Housing and Customer Services

Savings Post consultation

Members note that the Welsh Government has redistributed funding previously available to meet temporary accommodation costs and that this has resulted in Cardiff Council receiving less funding than previously. Members note that the Council has set aside £240,000 to help cover these costs and that discussions are ongoing with Welsh Government with the aim of recouping some of these losses.

Savings

- **Line 22** – Members note that meters are planned to be installed close to the start of the financial year to maximise the full year effect of the saving.
- **Line 25** – Members note that no services will cease because of this saving.

Supporting People

Members note that the budget for 2017/18 remains unchanged from 2015/16 at £16.2M but that there has been some realignment to afford more monies to tackle rough sleeping and homelessness.

Fees and Charges

Members note the proposed rent increase (of 2.5% + £2 per week) is in line with Welsh Government guidance. Members have made space at their meeting 8th March 2017 to scrutinise the draft HRA Business Plan.

Members are pleased to note that there is no proposed increase in the cost of Meals on Wheels.

Social Services - Adults

Members note and welcome that an additional £9.2 million has been allocated to Social Services to reflect demographic pressures, cost increases and pressures resulting from the need to implement the Social Services and Well Being (Wales) Act 2014. This, alongside the agreed write-off of savings deemed to be unachievable, means that Social Services is now on a stable footing. Members are also pleased that an additional 59 staff will be employed, which should help to address performance pressure points in Social Services.

Regarding the commitment in the Corporate Plan to make Cardiff a recognised Dementia Friendly City, Members note that the work undertaken to date by the Neighbourhood Partnerships will be taken forward and will not be lost when Neighbourhood Partnerships is reorganised.

Savings

Overall, Members are pleased to see that 100% of savings proposed have detailed planning status. With this in mind, Members query why so many savings remain Red/Amber rated for residual risk and savings achievability. Members note that there is a corporate approach taken to this but are concerned that either the approach is over-cautious, or that planning is not sufficient in these regards, even though it is rated as detailed, or that more information should be supplied to make it clear why the RAG rating is as it is. Members would appreciate your views on this.

- **Line 76** – Members note that this involves adjusting the skills mix of social work staff working in hospitals, recruiting more social work assistants to provide more hands-on help, which should have a positive impact on service users. Members believe that this should have been more clearly spelled out in the narrative for this line, to avoid the impression that this team is being reduced.
- **Line 83** – Members note that this applies across the board, rather than to domiciliary care only.
- **Line 86** – Members note that this savings arises from implementation of the high cost authorisation process, which is resulting in costs being better controlled.
- **Line 87** – Members note that this saving is based on modelling the full year effect of trends in the first point of contact service assisting clients without the need for social service care packages.

Skills, Safety, Engagement and Democracy

Members thank Councillor De'Ath, Sarah McGill, Dave Holland and Joseph Reay for being available to answer questions on the Corporate Plan and budgetary proposals for this portfolio. Our comments on the Corporate Plan are included above.

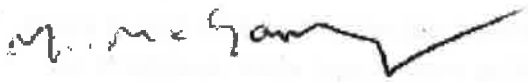
Regarding the budgetary proposals for this portfolio, Members have the following points to make:

- **Savings Line 2** – Members note that the £47,000 saving flows from previous changes to working patterns and usage of ICT, which will lead to reduced mileage costs and reduced ICT costs for Shared Regulatory Services. Members note that this saving is therefore achievable.

Once again, thank you to you and all the witnesses for your attendance and contributions; they are much appreciated. Members trust that our recommendations, comments and observations above are of help when finalising the Corporate Plan and Budgetary Proposals. To this end, please present this letter to Cabinet before the Corporate Plan 2017-19 and Budgetary Proposals 2017/18 are finalised.

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

Yours sincerely,



COUNTY COUNCILLOR MARY McGARRY
Chairperson - Community & Adult Services Scrutiny Committee

Cc:	Councillor Bradbury	Councillor De'Ath	Councillor Elsmore
	Councillor Hinchey	Christine Salter	Allan Evans
	Joseph Reay	Gareth Newell	Sarah McGill
	Tony Young	Jane Thomas	Amanda Phillips
	Dave Holland		
	Matt Swindell	Alison Taylor	Claire Deguara
	Rita Rohman	Liz Patterson	Paula Angel

Phil Bale
Arweinydd Cyngor Dinas Caerdydd
Leader of the City of Cardiff Council

Neuadd y Sir
Caerdydd, CF10 4UW
Ffon:(029)2087 2500
E: Arweinydd@caerdydd.gov.uk

County Hall
Cardiff, CF10 4UW
Tel: (029)2087 2500
E: leader@cardiff.gov.uk

www.caerdydd.gov.uk
www.cardiff.gov.uk

CARDIFF
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SWYDDFA'R ARWEINYDD
OFFICE OF THE LEADER

Fy Nghyf / My Ref: CM36989

Eich Cyf / Your Ref:

Dyddiad / Date:

Cllr Rod Mckerlich
C/O Member Services
County Hall
Atlantic Wharf
Butetown
Cardiff
CF10 4UW

Annwyl / Dear Cllr McKerlich,

Many thanks for your letter dated 14th February 2017, and for inviting me to attend the Economy and Culture Scrutiny Committee meeting of the same date.

In your letter you raise a concern regarding extending the income target for City Hall. The new income target reflects the recent income performance of the venue over a number of years. Given the sustained improved position, the service area is now confident to improve the baseline income target accordingly. Officers will be happy to provide the Committee with a more detailed briefing note on the proposals to increase income across the portfolio of cultural venues in Cardiff if you would find this helpful.

I am glad that you recognise the importance of reviewing Cardiff's International Strategy and I will ask officers to work with their counterparts in Scrutiny to schedule a future session for your committee to be involved in the development of the new Strategy.

In terms of business support, Welsh Government is now the primary source of grant funding, but the Council still plays an important facilitative role. It is also worth noting that as part of the City Deal discussions, work will be undertaken to explore how business support can better co-ordinated at the city-region level.

Thank you again for inviting me to the Committee meeting and for the work of the Economy and Culture Scrutiny Committee.

Yn gywir,
Yours sincerely,

CYNGHORYDD / COUNCILLOR PHIL BALE
ARWEINYDD, CYNGOR DINAS CAERDYDD
LEADER, THE CITY OF CARDIFF COUNCIL

Fy Nghyf / My Ref: NRS/RM/PB/14.02.17

Dyddiad / Date: 14 February 2017

CARDIFF
CAERDYDD

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

Dear Councillor Bale

ECONOMY AND CULTURE SCRUTINY COMMITTEE – 14 FEBRUARY 2017

Draft Corporate Plan 2016 – 2018 and Budget Proposals 2016/17
Economic Development and Partnerships Portfolio

Thank you for attending the February meeting of the Economy and Culture Scrutiny Committee, where we considered the draft Corporate Plan and budget proposals falling under the Committee terms of reference. I will be grateful if you could also pass on the thanks of Committee to Neil Hanratty for his presentation and for supporting you to answer our queries.

Members wish to request additional information with regard to the increased income proposed for City Hall. We recognise how the Castle seeks to boost income through the new Black Tower attraction, but cannot see what more City Hall has to offer, and are left querying whether income increases will be achieved solely through the price increased listed within the Fees and Charges budget papers. Please could you provide the Committee with a briefing note on the proposals to increase income across the portfolio of cultural venues across Cardiff?

Members note that the coming years will be an interesting time in terms of the positioning of Cardiff on a European and global stage, particularly in light of Brexit and associated implications this has for a city working to attract visitors from across the world. The draft Corporate Plan contains a commitment to produce an International Strategy for Cardiff, and we anticipate the future Members of this Committee would be most interested to consider and scrutinise this Strategy. Please could you ensure Scrutiny officers are updated on an appropriate time to schedule this item?

Discussion took place at the meeting around the support offered to businesses by the Council. We understand that the Council is no longer in a position to provide direct financial support to businesses, but rather play an important role in directing

businesses to the appropriate support and advice within Welsh Government and the business community.

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

Regards,

Councillor Rod McKerlich
Chairperson, Economy and Culture Scrutiny Committee

cc Councillor Graham Hinchey, Cabinet Member for Finance and Performance
Neil Hanratty, Director: Economic Development
Christine Salter – Section 151 Officer
Cabinet Support Office
Members of the Economy and Culture Scrutiny Committee.
Cllr Nigel Howells, Chair of Policy Review and Performance Scrutiny Committee

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County Hall
Cardiff,
CF10 4UW
Tel: (029) 2087 2087
www.cardiff.gov.uk

Neuadd y Sir
Caerdydd,
CF10 4UW
Ffôn: (029) 2087 2088
www.caerdydd.gov.uk

CARDIFF
CAERDYDD

SWYDDFA CYMORTH Y CABINET
CABINET SUPPORT OFFICE

Fy Nghyf / My Ref: CM36993
Eich Cyf / Your ref: NRS/RM/GH/14.02.17

Dyddiad / Date: 16 February 2017

Councillor Rod McKerlich
Chair, Economy & Culture Scrutiny Committee
Scrutiny Services
Room 263
County Hall
Cardiff
CF10 4UW

Annwyl / Dear Councillor McKerlich

Economy & Culture Scrutiny Committee – 14 February 2017
Draft Corporate Plan 2016 – 2018 and Budget Proposals 2016/17

Thank you for your letter dated 15 February 2017 and the useful comments raised. I can assure you that Cabinet was able to reflect on the points raised prior to meeting on 16 February 2017.

The following paragraphs set out responses to your specific points.

In preparing the Capital Programme both the Section 151. Officer and the Cabinet are cognisant of the potential impact on overall debt levels and any impact on financial resilience for the Council. In this regard all proposed capital schemes have been reviewed and prioritised in order to limit any additional borrowing requirement. The budget report sets out in detail the proposed Capital Programme together with the statutory and local financial indicators setting out the impact on the Capital Financing Requirement for the Council. In addition to the detailed information set out in the Budget Report, Council and Audit Committee also receive regular reports during the year on Financial Resilience, Borrowing and Treasury Management activity. This ensures that the long term affordability of the Capital Programme including its impact on the Revenue Budget is kept under regular review. The Council's Minimum Revenue Provision (MRP) policy which provides a prudent basis for debt repayment is set out for approval in the Budget Report. In setting the Capital Programme, there is a balance to be struck between undertaking investment in infrastructure and assets that will benefit future generations without unduly burdening them with high ongoing levels of debt repayment.

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I trust that this letter captures the points raised in your letter and thank you again for your support in the budget process.

Yn gwyir,
Yours sincerely,

Y Cynghorydd / Councillor Graham Hinchey
Aelod Cabinet dros Wasanaethau Corfforaethol a Perfformiad
Cabinet Member for Corporate Services & Performance

Cc Christine Salter – Section 151 Officer
Members of the Economy and Culture Scrutiny Committee
Cllr Nigel Howells, Chair of Policy Review and Performance Scrutiny Committee
Claire Deguara, Cabinet Business Manager

Fy Nghyf / My Ref: NRS/RM/GH/14.02.17

Dyddiad / Date: 15 February 2017

CARDIFF
CAERDYDD

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 – 14 FEBRUARY 2017

Draft Corporate Plan 2016 – 2018 and Budget Proposals 2016/17

Thank you for attending February meeting of the Economy and Culture Scrutiny Committee to present us with an overview of the Council's finances, including the final settlement, budget proposals and medium term outlook. I will be grateful if you could also pass on the thanks of Committee to Christine Salter and Ian Allwood who attended the meeting and provided clarification on all our questions.

As discussed during the meeting, Members of the Committee are concerned that the Council's debt is high and continually increasing, with approximately £666m quoted during the meeting as the current level of debt. It was explained to us that while there is no absolute ceiling for the level of borrowing the Council can make, a robust review is undertaken of all Capital bids submitted at the outset of the budget process, ensuring that all approved borrowing is supporting the delivery of Council priorities. Despite this, we cannot escape the feeling that a better handle must be taken on the debt of this Council, and that there must come a time where we cannot afford to continue borrowing substantial sums of money each year.

The Committee will write separately to each Cabinet Member whose portfolio falls under the terms of reference of the Economy and Culture Scrutiny Committee, highlighting the budgetary and operations issues that were discussed during the meeting. I will ensure you also receive a copy of these letters for the purposes of understanding our view of the budget at a micro level.

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

Regards,

Councillor Rod McKerlich
Chairperson, Economy and Culture Scrutiny Committee

cc Christine Salter – Section 151 Officer
Cabinet Office
Members of the Economy and Culture Scrutiny Committee
Cllr Nigel Howells, Chair of Policy Review and Performance Scrutiny Committee

SWYDDFA CYMORTH Y CABINET
CABINET SUPPORT OFFICE

CARDIFF
CAERDYDD

County Hall
Cardiff,
CF10 4UW
Tel: (029) 2087 2087
www.cardiff.gov.uk

Neuadd y Sir
Caerdydd,
CF10 4UW
Ffôn: (029) 2087 2088
www.caerdydd.gov.uk

Fy Nghyf / My Ref: CM37004

Dyddiad / Date: 16th February 2017

Councillor Rod Mckerlich
C/O Member Services
County Hall
Cardiff
CF10 4UW

Annwyl/Dear Rod

Scrutiny - E & C 14th February 2017

Thank you for your letter of 14th February 2017, and for inviting me to attend the Economy & Culture Scrutiny Committee.

I note your comments relating to the Council's Leisure Partnership with GLL and will ensure that the outcome of the audit on changing facilities will be brought to a future meeting.

I also appreciate the issue you raise about the wording in line 64 of the Capital Programme in relation to a bid to the Museums, Archives & Libraries Grant. I can confirm that there will be a comprehensive library provision at the Llanedeyrn Hub in line with our Hub and Library strategy and the bid, if successful, would enhance that provision. The wording will be amended to clarify the matter.

I am happy to commit to providing committee with regular updates on the progress of service developments delivered with partners from the Community Hubs across the city.

With regards to the "enhanced in-house" model for Arts Management, I will ask officers to work with Scrutiny staff to ensure an update is included within the 2017/18 work programme.

Thank you again for inviting me to the Committee meeting and for the work of the Economy and Culture Scrutiny Committee.

Yn gywir
Yours sincerely

Councillor / Y Cynghorydd Peter Bradbury
Cabinet Member for Community Development, Co-operatives & Social Enterprise
Aelod Cabinet Dros Datblygu Cymunedol, Mentrau Cydweithredol a Mentrau Cymdeithasol

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Swyddfa Cymorth Y Cabinet / Cabinet Support Office, Ystafell / Room 518, Neuadd y Sir / County Hall
Glanfa'r Iwerydd / Atlantic Wharf , Caerdydd/Cardiff CF10 4UW
Ffon / Tel: (029) 2087 2598

Fy Nghyf / My Ref: NRS/RM/PBr/14.02.17

Dyddiad / Date: 15 February 2017

CARDIFF
CAERDYDD

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

Dear Councillor Bradbury

ECONOMY AND CULTURE SCRUTINY COMMITTEE – 14 FEBRUARY 2015

Draft Corporate Plan 2017 – 2019 and Budget Proposals 2017/18
Community Development, Co-operatives & Social Enterprise Portfolio

Thank you for attending the February meeting of the Economy and Culture Scrutiny Committee, where we considered the draft Corporate Plan and budget proposals falling under the Committee terms of reference. I appreciate that our consideration of the budget by Directorate Portfolio resulted in your participation across the majority of the meeting and welcome your commitment to answering Members' questions throughout the meeting. I will be grateful if you could also pass on the thanks of Committee to Sarah McGill, Neil Hanratty and Andrew Gregory for their presentations and for supporting you to answer our queries.

City Operations Directorate

The Committee notes that a substantial saving from the City Operations Directorate is apportioned to the Council's Leisure Partnership with GLL. This was discussed during the meeting and Members were given assurances that this figure is tied into the contract agreement we have in place, with the saving to be delivered by GLL. We are glad savings such as this have been written into the contract and trust that robust measures and controls are in place to ensure their delivery.

Members of the Committee are interested to hear more on the plans for refurbishment of sports facilities, enabled through allocation of Financial Resilience Mechanism funding. You commented that an audit of changing facilities across Cardiff is being conducted to inform the prioritisation process, and we welcome your commitment to bring this for the Committee's consideration in the future. We

recognise that a revamp of all facilities across Cardiff is out of scope and consequently feel it is important that a robust evaluation and prioritisation is undertaken to ensure the venues most in need get the attention they merit.

Communities, Housing and Customer Services Directorate

A minor comment from the Communities, Housing and Customer Services Directorate proposals is with regard to the bid for finance from the Museums, Archives and Libraries Division listed within the Capital Programme. We feel this could be misleading and may have been incorrectly badged or described. The Committee accepts your assurances that library provision will be present at the Llanrumney Hub regardless of whether or not this bid is successful.

Members were informed at the meeting that while finance has not been allocated within the budget for improvements at existing Hubs across the city, there is work ongoing with other public sector partners to drive service improvements and improved customer experience. We anticipate the Committee receiving updates on this through quarterly consideration of performance, and expect the Committee will be interested to see how this work develops.

Economic Development Directorate

I will be writing to you separately to outline the Committee observations with regard to the Arts Management Procurement Exercise as a whole, but for the purposes of budget scrutiny I will use this opportunity to provide financial observations.

The 2017/18 budget proposals include £415,000 savings across the two venues in question. It was explained during the meeting that a combination of increased sales, natural staff turnover and improved working practices will deliver these savings, and there was confidence that these savings were achievable in order to drive down the subsidy these venues receive. The delivery of the 'Enhanced In-house' model will no doubt be of interest to this Committee in the future and we expect that a review will be scheduled into the Committee 2017/18 work programme.

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

Regards,

Councillor Rod McKerlich
Chairperson, Economy and Culture Scrutiny Committee

cc Councillor Graham Hinchey, Cabinet Member for Finance and Performance
Sarah McGill – Director, Communities, Housing and Customer Services
Neil Hanratty – Director, Economic Development
Andrew Gregory – Director, City Operations
Christine Salter – Section 151 Officer
Cabinet Support Office
Members of the Economy and Culture Scrutiny Committee
Cllr Nigel Howells, Chair of Policy Review and Performance Scrutiny Committee

4h)

County Hall
Cardiff,
CF10 4UW
Tel: (029) 2087 2087
www.cardiff.gov.uk

Neuadd y Sir
Caerdydd,
CF10 4UW
Ffôn: (029) 2087 2088
www.caerdydd.gov.uk

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Fy Nghyf / My Ref: CM36992
Eich Cyf / Your ref: RDB/PM/GH/14.02.17

Dyddiad / Date: 16 February 2017

Councillor Paul Mitchell
Chair, Environmental Scrutiny Committee
Scrutiny Services
Room 263
County Hall
Cardiff
CF10 4UW

Annwyl / Dear Councillor Mitchell

Environmental Scrutiny Committee – Budget Scrutiny Meeting – 14 February 2017

Thank you for your letter dated 14 February 2017 and the useful comments raised. I can assure you that Cabinet was able to reflect on the points raised prior to meeting on 16 February 2017.

The following paragraphs set out responses to your specific points.

I agree with the Committee that the budget consultation process has improved this year, particularly the introduction of a two stage process. While Cardiff's budget consultation does compare very favourably in terms of numbers of respondents compared to other Core Cities, I agree with the Committee that there is always scope for improvement. I will therefore ask officers to conduct a review of how Cardiff's budget consultation work compares with other leading local authorities to ensure that the process can be further improved next year.'

I note your comment regarding lobbying efforts to extend the financial planning window. The Council's response to Welsh Government's (WG's) consultation on Local Government Settlement clearly set out the challenges associated with a one-year settlement window. The absence of indicative funding figures is also regularly raised by the Welsh Local Government Association. The inadequacy of one-year funding settlements from a financial planning perspective will continue to be raised with WG at every opportunity. However, we also recognise that to a certain extent, WG are in a similar position regarding the Welsh Block Grant and that it would be

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equally unhelpful to be in receipt of indicative figures which subsequently undergo significant change, as has happened in the past.

I trust that this letter captures the points raised in your letter and thank you again for your support in the budget process.

Yn gwyir,
Yours sincerely,

Y Cynghorydd / Councillor Graham Hinchey
Aelod Cabinet dros Wasanaethau Corfforaethol a Perfformiad
Cabinet Member for Corporate Services & Performance

Cc: Christine Salter – Corporate Director Resources
Ian Allwood – Head of Service, Finance
Paul Keeping – Operational Manager, Scrutiny Services
Davina Fiore – Director of Governance & Legal Services
Members of the Environmental Scrutiny Committee
Claire Deguara, Cabinet Business Manager

Ref: RDB/PM/GH/14.02.17

14 February 2017

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

CARDIFF
CAERDYDD

Dear Councillor Hinchey,

Environmental Scrutiny Committee – Budget Scrutiny Meeting – 14 February 2017

On behalf of the Environmental Scrutiny Committee I would like to thank you, Christine and Ian for attending the Committee meeting on Tuesday 14 February 2017. As you are aware the meeting considered the 'Draft Budget Proposals 2017/18'. The comments and observations made by Members following this item are set out in this letter.

- Members feel that budget consultation process improved during 2016/17; in particular they were pleased to see that over 6,500 people had taken part in the exercise. However, there is always scope for further improvement and with this in mind the Committee believe that it is important to review the 2016/17 process and compare the consultation work undertaken in Cardiff against other local authorities. Taking this approach will ensure that the process will continue to improve and ultimately better reflect citizen priorities.

- The Committee feel that the early start and improved planning for the budget process worked well, for example, 93% of the proposals had detailed plans and none of the budget proposals were 'red risk rated' – this was a significant improvement when compared to previous years. On behalf of the Committee, I would like to congratulate you and the supporting officers for creating such a detailed and well-organised budget.

- Members note the Council's commitment to paying of the voluntary living wage and the efforts it has made to encourage partners and contractors to do the same. While it is not possible to mandate that partners and contractors pay the voluntary living wage we would support your continued efforts to encourage them to follow this practice.

- During the meeting you explained your frustration at having to manage one year budget settlements instead of having the option of planning over a longer period, for example, a three year budget planning cycle similar to that used by the Local Health Boards. The Committee understands that the Council is limited in what it can do to change this one-year financial settlement process; however, we would support any lobbying efforts that you might make to attempt to extend the financial planning window.

I would be grateful if you would consider the above comments and provide a response to the content of this letter.

Regards,

P. D. Mitchell

Councillor Paul Mitchell
Chairperson Environmental Scrutiny Committee

Cc:

Christine Salter – Corporate Director Resources
Ian Allwood – Head of Service, Finance
Paul Keeping – Operational Manager, Scrutiny Services
Davina Fiore – Director of Governance & Legal Services
Members of the Environmental Scrutiny Committee

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CABINET SUPPORT OFFICE

CARDIFF
CAERDYDD

County Hall
Cardiff,
CF10 4UW
Tel: (029) 2087 2087
www.cardiff.gov.uk

Neuadd y Sir
Caerdydd,
CF10 4UW
Ffôn: (029) 2087 2088
www.caerdydd.gov.uk

Fy Nghyf / My Ref : CM36981
Eich Cyf / Your Ref : RDB/PM/BD/14.02.17
Dyddiad / Date: 16th February 2017

Councillor Paul Mitchell
Chairperson Environmental Scrutiny Committee
Cardiff Council
County Hall
Atlantic Wharf
Cardiff
CF10 4UW

Annwyl / Dear Paul

Environmental Scrutiny Committee - Budget Scrutiny Meeting
14 February 2017

Thank you for your letter dated 14 February 2017. In reply, I would like to respond to the Committee's comments on the 2017/18 budget proposals as follows:

City Operations Directorate

In 2016/17, the 'Intensive Cleansing Initiative' has focused on blitzing the 8 inner wards, although through March, April and May 2017 work will take place in areas of demand within the 21 outer wards in the city. I can confirm that the proposed £350,000 'Intensive Cleansing Initiative' financial pressures bid in 2017/18 will support the provision of two deep cleansing teams and a proactive gully cleansing team as part of the future base budget within Neighbourhood Services. It is proposed that this resource will be used proactively across the city to deal with any issues and concerns that are identified. For example, resources will be utilised on a seasonal programme to support demands on Neighbourhood Services associated with blitzing, parks litter, cleansing during school holidays and leaf fall.

As was recognised by the Committee, raising awareness of waste and litter issues, particularly with retailers, can have a significant impact on cleanliness within local communities. I am pleased to say that the Neighbourhood Services enforcement team is making significant progress on this issue with retailers across the city through education and enforcement. I can also confirm that Neighbourhood Services will seek to identify a liaison officer or team to work with businesses in the city's district centres in 2017/18 as part of the additional resources contained in the budget proposals.

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Ffon / Tel: (029) 2087 2631

Commercial & Collaborative Services

I would concur with the Committee's view that the grant funding support from the Welsh Government is vital to supporting our recycling services and improving our recycling performance to ensure that we meet statutory targets. I also want to assure the Committee that the Council has been working with other local authorities in Wales over recent years to try and protect the level of grant funding provided and has lobbied and engaged directly with the Welsh Government on this issue. We will continue to do so.

I can confirm that the cost of the red & white waste bags provided to residents by the Council for the disposal of municipal waste during 2016/17 is £48,000. I also want to thank both you and the Committee for your support for the proposed additional funding allocation for the recycling and reuse centre.

Yn gywir / Yours sincerely

Y Cynghorydd / Councillor Bob Derbyshire
Aelod Cabinet Dros Yr Amgylchedd
Cabinet Member for Environment

Ref: RDB/PM/BD/14.02.17

14 February 2017

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

CARDIFF
CAERDYDD

Dear Councillor Derbyshire,

Environmental Scrutiny Committee – Budget Scrutiny Meeting – 14 February 2017

On behalf of the Environmental Scrutiny Committee I would like to thank you and the officers from the City Operations Directorate and Commercial & Collaborative Services for attending the Committee meeting on Tuesday 14 February 2017. As you are aware the meeting considered the 'Draft Budget Proposals 2017/18'. The comments and observations made by Members following this item are set out in this letter.

City Operations Directorate

- The Committee welcomes the additional £350,000 allocated as the result of the 'Intensive Cleansing Initiative' financial pressures bid and the nine new jobs that this has created. They understand that much of this money will be directed towards cleansing in and around the city centre, however, feel that at least some of this funding needs to benefit the other wards of the city. With this in mind I would be grateful if you could confirm:
    - How the extra money will be used to support cleansing outside of the city centre;
    - If you would be willing to find additional resources to fund a liaison officer to work with retailers (particularly those in district shopping centres) in the city. The Members feel that raising waste awareness

with retails would have a significant impact on waste and litter issues – particularly around district shopping centres.

- The Committee were encouraged to hear that the Neighbourhood Services enforcement figures had increased by 75% in the last quarter. They look forward to reviewing the progress of this service at their March meeting.

Commercial & Collaborative Services

- The Committee were concerned that the reduction of £468,000 in the Welsh Government 'Single Revenue Grant (Environment)' had effectively forced the Council to plug this funding gap through a financial pressures bid. Members view the monies received through this grant as a vitally important funding source for maintaining an effective waste management service. It was suggested during the meeting that the Welsh Government is considering merging the remaining 'Single Revenue Grant (Environment)' into the wider Revenue Support Grant and that prior to this happening the 'Single Revenue Grant (Environment)' could reduce further. Members would ask you to continue to lobby the Welsh Government to ensure the amount provided is not further eroded – either as a part of the 'Single Revenue Grant (Environment)' or within the wider Revenue Support Grant. It is clear that such funding is essential to meet the very challenging Welsh Government recycling targets which are by far the highest in the United Kingdom; without these much needed funds the Council and other Welsh local authorities would struggle to reach the exceptionally challenging recycling targets and ultimately the Welsh Government would fail against its own objective.

- I would be grateful if you could confirm the cost of the red and white waste bags provided to residents by the Council for the disposal of municipal waste during 2016/17.

- The Committee supports the additional £218,000 allocated towards a new 'Recycling & Re-use Centre' as the result of a financial pressures bid. As

you will be aware I have lobbied for several years for the creation of such a facility and I view this as a positive step forward.

I would be grateful if you would consider the above comments and provide a response to the content of this letter.

Regards,

P. D. Mitchell

Councillor Paul Mitchell
Chairperson Environmental Scrutiny Committee
Cc:

Councillor Graham Hinchey – Cabinet Member for Corporate Services & Performance
Andrew Gregory – Director for City Operations
Matt Wakelam – Operational Manager, Infrastructure & Operations
Tara King – Assistant Director for Commercial & Collaborative Services
Neil Hanratty – Director for Economic Development
Christine Salter – Corporate Director Resources
Ian Allwood – Head of Service, Finance
Paul Keeping – Operational Manager, Scrutiny Services
Davina Fiore – Director of Governance & Legal Services
Members of the Environmental Scrutiny Committee

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CABINET SUPPORT OFFICE

County Hall
Cardiff,
CF10 4UW
Tel: (029) 2087 2087
www.cardiff.gov.uk

Neuadd y Sir
Caerdydd,
CF10 4UW
Ffôn: (029) 2087 2088
www.caerdydd.gov.uk

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Fy Nghyf / My Ref: CM36997
Eich Cyf / Your ref: RDB/PM/RP/14.02.17

Dyddiad / Date: 16 February 2017

Councillor Paul Mitchell
Chair, Environmental Scrutiny Committee
Scrutiny Services
Room 263
County Hall
Cardiff
CF10 4UW

Annwyl / Dear Councillor Mitchell

Environmental Scrutiny Committee – Budget Scrutiny Meeting – 14 February 2017

Thank you for your letter dated 14 February 2017. In reply, I would like to respond to the Committee's comments on the 2017/18 budget proposals as follows:

20mph Zones

The draft report on the evaluation of the pilot 20mph zone in Cathays is currently being approved and is expected to be published in the Spring of 2017. A copy of the report will be provided to the Committee for its consideration as soon as it is available. The information contained in the report includes a full background of the scheme, including lessons learned, and we are committed to applying the learning to the wider roll out of 20mph limits within Cardiff. Comparative data is also being collated and will be provided to the Committee at the same time as the evaluation report.

Hostile Vehicle Mitigation

The Council is committed to the continued development of a city-wide approach to hostile vehicle mitigation in the light of the sustained threat of global terrorism and the 'Severe' status of the current terror threat to the UK. The proposed budget allocation of £250k in 2017/18 will support the installation of appropriate infrastructure in the city and we are continuing to explore funding options (including with partners) to further develop the city's mitigation measures.

Parking Sensor Apps

The Committee's supportive comments about the use of technology to assist in better managing parking and traffic congestion in Cardiff are noted. As was recognised by the Committee, the Council is helping to pioneer the development

of this technology and any future income opportunities that may be realised from knowledge transfer will be assessed by the Council at an appropriate stage.

I trust this information is of assistance.

Yn gwyir,
Yours sincerely,

Y Cynghorydd / Councillor Ramesh Patel
Aelod Cabinet dros Drafnidiaeth, Cynllunio a Chynaladwyedd
Cabinet Member for Transport, Planning & Sustainability

Ref: RDB/PM/RP/14.02.17

14 February 2017

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

CARDIFF
CAERDYDD

Dear Councillor Patel,

Environmental Scrutiny Committee – Budget Scrutiny Meeting – 14 February 2017

On behalf of the Environmental Scrutiny Committee I would like to thank you and the officers from the City Operations Directorate for attending the Committee meeting on Tuesday 14 February 2017. As you are aware the meeting considered the 'Draft Budget Proposals 2017/18'. The comments and observations made by Members following this item are set out in this letter.

- As stated during previous scrutiny Members support the idea of developing further 20 mph zones across Cardiff and welcome the additional £200,000 allocated towards such schemes in the Financial Resilience Mechanism; the Committee looks forward to more 20 mph schemes being rolled out across the city. To further supplement the knowledge of the Committee I would be grateful if you could provide copies of the following when they become available:
  - The Cathays 20 mph pilot scheme evaluation;
  - Details of lessons learnt from the Cathays scheme and an assurance that these will be applied to future schemes;
  - The comparative data on 20 mph schemes gathered from across the United Kingdom, for example, from Edinburgh and London.
- The Committee welcomes the additional funds allocated from the Financial Resilience Mechanism towards improvements of the highway asset, for

example, the £540,000 for highway & footway reconstruction and the £320,000 for continued targeted highway improvement across the city. The Members feel that it is important for the budget process to direct additional fund towards such a citizen priority.

- The Committee agree with the allocation of £250,000 towards 'Hostile Vehicle Mitigation' measures to help protect key areas of the city centre. However, given the scale of the task they are concerned that the sum is not enough. I would be grateful if you could confirm they type of measures that the monies will provide and assurance that the sum allocated is sufficient.

- Members felt that the introduction of 'parking sensor apps' was an exciting new development which illustrates the Council's appetite to embrace new technology to help better manage parking and traffic congestion. As the Council is helping to pioneer the development of this technology the Committee hopes it will one day create future income opportunities, for example, selling the knowledge gained to other local authorities.

I would be grateful if you would consider the above comments and provide a response to the content of this letter.

Regards,

P. D. Mitchell

Councillor Paul Mitchell
Chairperson Environmental Scrutiny Committee

Cc:

Councillor Graham Hinchey – Cabinet Member for Corporate Services & Performance
Andrew Gregory – Director for City Operations
Matt Wakelam – Operational Manager, Infrastructure & Operations
Christine Salter – Corporate Director Resources
Ian Allwood – Head of Service, Finance
Paul Keeping – Operational Manager, Scrutiny Services
Davina Fiore – Director of Governance & Legal Services
Members of the Environmental Scrutiny Committee

Phil Bale
Arweinydd Cyngor Dinas Caerdydd
Leader of the City of Cardiff Council

Neuadd y Sir
Caerdydd, CF10 4UW
Ffon:(029)2087 2500
E: Arweinydd@caerdydd.gov.uk

County Hall
Cardiff, CF10 4UW
Tel: (029)2087 2500
E: leader@cardiff.gov.uk

www.caerdydd.gov.uk
www.cardiff.gov.uk

CARDIFF
CAERDYDD

SWYDDFA'R ARWEINYDD
OFFICE OF THE LEADER

Fy Nghyf / My Ref: CM37002

Eich Cyf / Your Ref:

Dyddiad / Date: 17th Feb 2017

Cllr Nigel Howells
C/O Member Services
County Hall
Atlantic Wharf
Butetown
Cardiff
CF10 4UW

Annwyl / Dear Councillor Howells

Policy Review & Performance Scrutiny Committee: 15 February 2017.

Thank you for your letter dated 15 February 2017 and the useful comments raised. I can assure you that Cabinet was able to reflect on the points raised prior to meeting on 16 February 2017.

This response to your letter relates to multiple Cabinet portfolios and directorates and has been written in consultation with all Cabinet Members and Directors that have responsibility for the relevant functions.

The following paragraphs set out responses to your specific points.

Draft Corporate Plan 2017-19

I am pleased that the committee approves of the new approach to the Corporate Plan and would like to thank the committee for its contribution to its development.

With regards to the connection between the Corporate Plan and the forthcoming Well-Being Plan I am clear that our policy and planning framework, which was revised in 2014, sets out a clear structure for delivery. As you will be aware, the Well-being Plan must be published by April 2018 and I welcome the committee's involvement in shaping what will be a strategy for the city. We will also continue to work with partners to ensure the Corporate Plan reflects best practice, not least in responding to the requirements of the Well-being of Future Generations Act.

I also appreciate the committee's comments about the challenges of growth. Successful cities are characterised by growth but we fully recognise that this growth must be managed in a sustainable and inclusive way. It is also an issue that the Cardiff Public Service Board fully recognise. Members of the Public Service Board attended the January committee to present the draft of the "Liveable City Report", the city's well-being assessment, which outlined many of the issues affecting Cardiff. The Well-Being Plan will play an important role in coordinating a city response to these challenges, but the Corporate Plan sets out many of

the major steps the Council will be taking forward. For example, in addition to adopting a Local Development Plan to spatially manage growth, we will deliver a City Deal that is centred on sustainable Transport. The Corporate Plan also sets out how we will invest in schools to manage demand for school paces and encourage a shift to sustainable travel through a new cycling strategy. I am also pleased that the Corporate plan contains a commitment to develop a Resilience Plan that will help address a range of issues including tackling air pollution and promoting energy efficiency. Responding to growth, and the corresponding demand pressures, is an issue that cuts through the Corporate Plan and is very much recognised by the Public Service Board.

I also share the committee's view that a focus on the target setting process for the Corporate Plan and continuing to successfully transform services will be important as we move forward.

Overarching Budget Proposals 2017-18

The savings which have been written out in respect of previous years are set out in paragraph 59 of the Budget Report. These do not include any amounts for which second or third year savings are proposed in 2017/18. Regarding the proposed £5 million savings in Social Services, the Directorate has confirmed that detailed plans are in place to achieve the savings. Despite this there will still be issues that require close attention and careful management from the outset to ensure that the detailed plan is realised. This point was also addressed by the Director of Social Services in his presentations to both the Children and Young Person's and Community and Adult Services Scrutiny Committees this week.

Your comments in respect of schools are noted.

The Financial Resilience Mechanism approves investment on the basis that it is for one year only. A full list of its use in 2016/17 was included in the Budget Report for that year as Appendix 14. A key criteria for the use of the mechanism is that investment is one-off in nature otherwise the purpose of the mechanism which is to provide resilience against future funding settlements will be compromised. Following Final Settlement, Cabinet have considered opportunities for the use of this mechanism for one-off purposes in the 2017/18 Budget and this is set out in Appendix 11 of the Report.

Budget Consultation 2017/18 – Changes for Cardiff

As noted at the Committee, the response to Cardiff Budget consultation for 2016/17 was the highest across all of the UK Core Cities for their budget consultations. Whilst final figures for 2017/18 have not yet been released by all local authorities, early indicators suggest that Cardiff will again achieve one of the highest levels of engagement across this group. A response of 2,520 is therefore comparably high, and is also considered high and statistically is robust at a city-wide level. Full reporting is also provided at a Neighbourhood Partnership Area level to ensure that any variances between geographies can be identified.

I do however recognise the Committee's concerns about under-represented groups and those who could be considered 'seldom heard.' As discussed at the Committee, we are increasingly seeking to supplement survey work with bespoke activities to ensure inclusion of the less frequently heard. That said, I agree that this is an area that needs to be further strengthened in the future. I will therefore ask officers to review how Cardiff's engagement process compares with other leading local authorities to ensure that this can be further improved next year.

Resources Proposals

I note your comments in relation to Apprentices and trainees. You raise a number of detailed points which will require a fuller response. This will be provided separately at a later date.

As discussed in the meeting, an annual sum of £400,000 for ICT refresh is included in the capital programme for the five years to 2021/22. This funding is provided to replace failing or non-compliant hardware. In addition, the capital programme includes sums amounting to £3.5 million to invest in technology projects including property asset management, CRM, mobile scheduling and digitisation allowing the Council to make business process improvements and so enhance directorate service delivery. The Committee has previously received updates in respect of the current CRM position and I understand that further discussions will take place over the coming period.

The Cardiff Living Wage as discussed at Committee is also known as the Accredited Living Wage. This is determined by the Living Wage Foundation and is a calculation made according to the cost of living based on a basket of household goods and services. This is a higher rate than the National Living Wage and the Minimum Wage both of which are set on a statutory basis.

I note your comments in respect of "Robotic Process Automation" and can confirm that this type of automation as well as other forms of process automation and Digital enabled efficiencies will be considered where appropriate as part of the Council's implementation of its Digital Strategy.

Economic Development Proposals

The Council's office rationalisation project achieved many of its objectives in terms of relinquishment of surplus buildings, however some small sites remain. The allocation is based on re-investment of capital receipts generated. This is deemed to be sufficient for the remaining programme.

Given the support that has been provided in recent years officers are confident that £100,000 should provide adequate and appropriate support for Community Asset Transfer activity in Cardiff. To put this into context, support for activity over the past two years, such as Whitchurch Community Centre and Grangetown Play Centre has totalled significantly less than this figure. Furthermore this figure also exceeds the future pipeline of support for Community Asset Transfer proposals. Given the preparatory work and timescales associated with Community Asset Transfers, further allocations of funding would be unlikely to lead to any increased activity over the course of the next financial year.

Governance & Legal Services Proposals

The Directorate budget is currently underspent, and a line by line budget review identified small sums of non-essential spend which together with planned changes in working practises, should enable directorate savings to be met.

I trust that this letter captures all the points raised in your letter and thank you again for your support in the budget process.

Yn gywir,
Yours sincerely,

CYNGHORYDD / COUNCILLOR PHIL BALE
ARWEINYDD, CYNGOR DINAS CAERDYDD
LEADER, THE CITY OF CARDIFF COUNCIL

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

Date: 15 February 2017

CARDIFF
CAERDYDD

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

Dear Councillor Bale

Policy Review & Performance Scrutiny Committee: 15 February 2017.

On behalf of the Policy Review and Performance Scrutiny Committee sincere thanks for attending Committee yesterday together with Councillors Hinchey and De'Ath to facilitate consideration of the draft Corporate Plan 2017-19 and the draft Budget Proposals 2017-18. The Committee is grateful for your time, and for the co-operation of all Directors and officers in attendance to answer Members' questions. This letter captures the observations and concerns of the Committee in a structure that reflects the Committee proceedings. Firstly, comments on the Corporate Plan, secondly on the overarching budget position, including the budget consultation, followed by comments on the budget proposals of the specific service areas that fall within the terms of reference of this Committee.

Draft Corporate Plan 2017-19

The Committee wishes to re-iterate its approval of the new, more straightforward, approach to the Corporate Plan. Members are pleased that you appear to have responded to our comments following policy development scrutiny in January. Whilst we note officer views that there is a way to go in securing a fully uniform approach to how measures are set, we acknowledge the extensive number of new commitments in the Plan, and that many of these commitments evidence the application of the well-being ways of working. We commend the Plan, whilst drawing your attention to the following specific comments and observations:

Members were pleased to clarify that the Corporate Plan has escalated the Council's commitment in respect of NEETS to a new well-being objective (3.3) in its own right, reflecting the links to an economy that benefits all citizens in more positive terminology.

City of Cardiff Council, Atlantic Wharf, Cardiff Bay, CF10 4UW E-mail: nhowells@cardiff.gov.uk

The Committee was seeking evidence of where the Corporate Plan has been strengthened to make the connection with the Well-being Plan. We note that the Well-being of Future Generations Act has driven specific changes and shifts in the Corporate Plan, and that the Well-being Plan is incomplete at this point.

The Committee notes that page 10 of the Plan indicates Cardiff's projected population growth for 2014-34 is 26%. Some Members feel that the forecast increase in population has not been sufficiently factored into the new Corporate Plan detail. The Committee was therefore pleased to receive reassurance that the figures used are validated by Welsh Government. We acknowledge that population growth is a matter central to the focus of both the Public Services Board, and indeed to all new collaborative work, such as the City Deal. We also acknowledge that the Council, in planning services, does not have the benefit of early notice of its settlement from Welsh Government, adding a complexity to how the organisation plans for such a population increase.

Members refer you specifically to the Priority 4 'Working Together to Transform Services' section of the Plan. We consider there is an opportunity to illustrate here how the Council would transform services over the next three years.

Importantly, and a recurring theme of Members questions, was the need to ensure the Corporate Plan addresses public concerns, and that the Council focuses on the visibility of public services. We thank you for your offer to consider incorporating any indicators the Committee might wish to suggest within the Plan.

The Committee understands the Corporate Plan is a finite size, high-level document. However, we feel there is little context of how targets have been set within the Plan. We accept that such detail will be within Directorate Delivery Plans, and concur there is scope for greater scrutiny of Directorate Plans in the future.

Overarching Budget Proposals 2017-18

The Committee notes that the figure of £1.5million found from reserves to support the budget is the result of a three-stage analysis/review of earmarked reserves: those no longer required; those that can be reduced; and those no longer fit for purpose. We also note that overall reserves are comparatively low in Cardiff at £36million.

Members are a little concerned that £6million of the proposed budget savings have a risk assessment achievability of Red/Amber. We accept not all risks are the Council's risks, some risks involve our partners, are legal, or regulatory. We note the contingency is set at £3million, and this year it reflects due diligence applied throughout budget setting. Members were also reassured that 93% of savings have detailed plans in place for their delivery.

Members are keen to establish whether any savings themed '2nd and 3rd year of previous savings' have been written off; and whether the £5million proposed savings in social services are achievable.

The Committee feels that, given the significant schools maintenance backlog, it is surprising that budget planning has not targeted those specific schools with budget deficits. We are pleased to note these schools now have recovery plans in place and, in fact, some late changes have been made to the budget in respect of schools maintenance.

Members consider that there is a lack of clarity in the budget papers where services will be affected this year (2017/18) by the loss of one off financial resilience funding provided in the previous budget year (2016/17). For example, the £50,000 one-off allocation to Scrutiny in 2016/17. The Committee feels such examples should be listed clearly in budget papers. We therefore wish to recommend that future budget papers include a list highlighting such impact on services

Budget Consultation 2017/18– Changes for Cardiff

The Committee respectfully highlights that there were just 2,520 responses to the bespoke budget consultation – Changes for Cardiff- during November and December 2016. This response rate constitutes less than 1% of Cardiff's current population. Of particular concern to us is that the responses were skewed towards North and West Cardiff. We are also concerned about those groups whose views are under-represented. We are therefore pleased to hear that more targeted focus group work, together with the consultation work underway to satisfy the Well-being of Future Generations needs assessment requirements, will address the deficit. Our concern is whether the Council can have confidence in the results with such a low response rate, and that fundamentally the Council may not be getting value out of the survey in its current format. Members agree that the survey is one element used in the planning of services, and that its robustness is improved by direct public contact at venues such as supermarkets, in areas of the City from which the response has been poor.

Resources Proposals

The Committee was most interested in the budget proposal to introduce trainee apprenticeships in the Council. Members would appreciate further clarification on a number of matters as follows: how these new apprenticeships differ from the Council's existing two-year apprenticeships; and whether an individual is allowed to undertake more than one traineeship.

We understand from officers that there is no guarantee of a job at the end of a trainee apprenticeship. Members feel strongly that they should benefit the Council as well as the individual, and that the cost of training should not be an automatic loss to the Council at the end of the traineeship, should the trainee move directly to another organisation for example.

The Committee has a variety of concerns about ICT. Firstly, that budget arrangements make no provision for the depreciation of ICT assets. Secondly, that the Resources Directorate is downsizing whilst also supporting new technical requirements. Thirdly, whether the Council is currently creating savings from ICT solutions, and finally, that unresolved issues around CRM/SAP are delaying improvements the Council wishes to make. We will be interested in the future budget implications of resolving the CRM issues.

We note your explanation that the Council encourages employers and contractors it works with to adopt the living wage. Members would be grateful for more clarity on the definition of the Cardiff Living wage as compared with the National Living wage.

The Committee is keen to encourage the Council to consider further Robotic Process Automation (RPA), acknowledging that this has already been introduced successfully in some services such as Council Tax data input.

Economic Development Proposals

The Committee wishes to make an observation as to the general performance of the Economic Development Directorate. Given the span of the Directorate, and therefore Cabinet responsibility, Members consider a coherent strategic approach and ownership of this Directorate is complex. We take on board your view that breaking down barriers is a critical approach of the Council, and that you consider it is important that Scrutiny Committees embrace a similar approach.

Members consider that the commercialisation targets in this Directorate are moderate. We note that security services and building cleaning processes will be further analysed over time, but at present realistic targets are required. We acknowledge the officers explanation of the moderate savings, that the Directorate's total budget is £75million, of which £62million is income.

The Committee is seeking reassurance that line 47 of the Capital Programme – £200,000 to meet the capital expenditure implications and accommodation rationalisation is adequate.

Additionally the Members are concerned that the £100,000 allocation for Community Asset Transfers (line 48) to community groups may not be sufficient to enable the Council's aspiration to make Communities more self-sufficient. We note that in reality much lower sums are allocated (eg £5,000 - £10,000).

Governance & Legal Services Proposals

The Committee was pleased to hear the Cabinet Member is confident the proposed savings within this Directorate can be made without making an impact on public services. We note there has been a line-by-line review of the Directorate's budget and welcome the proposal to increase the Members support service.

Members note accountants are currently working to centralise external legal support budgets, and the Committee would be grateful to receive an indication of the Council's total legal spend, when it becomes available. Officers clarified there will be improved commissioning and procurement of legal advice where necessary, and legal work will be undertaken more cost effectively in-house. Legal teams are currently overstretched, and we note that in taking this approach some risk will transfer to legal services. It is hoped therefore that over time a reserve can be built to mitigate such risk.

The Committee is interested that there have been informal discussions with other authorities to collaborate on legal services provision, and note the officer's view that this would entail significant start-up costs to deliver a shared service.

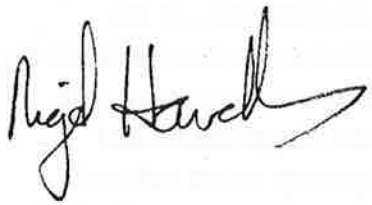
Members take on board that the centralisation of external legal spend will have particular benefits in respect of children's legal work. We understand the aspiration is to create two trainee solicitor posts, with the intention of developing the Council's internal expertise. This particular area of legal practice has become front loaded with strict time limits, leading to issues of recruitment for local authorities. We note therefore that the Director anticipates some difficulty recruiting experienced legal experts in this field.

Members were initially delighted to see that Scrutiny budgets appeared unaffected by the review and budget proposals. However, we take on board your explanation that, in fact Scrutiny will be affected, as there was a one off financial resilience commitment in the 2016/17 budget whilst the service was reviewed. Our principal concern as mentioned above is that, had we not asked this question, it would not have been evident within these budget papers.

The Committee is keen to understand how core business can be successfully maintained whilst also delivering efficiencies. We note the proposal includes widespread use of electronic papers, and particularly changes to the volume of hard copy papers distributed to Members in relation to items such as Planning Guidance.

May I thank you once again for the time you and your Cabinet have committed to enable scrutiny consideration of the Corporate Plan 2017-19 and Budget Proposals 2017-18 at all five Scrutiny Committees this week.

Yours sincerely



COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Councillor Graham Hinchey, Cabinet Member Corporate Services & Performance
Councillor Dan De'Ath, Cabinet Member Skills, Safety, Engagement & Democracy
Paul Orders, Chief Executive
Christine Salter, Section 151 Officer
Neil Hanratty, Director of Economic Development
Davina Fiore, Director of Governance & Legal Services
Joseph Reay, Head of Performance & Partnerships
Philip Lenz, Chief Human Resources Officer
Ian Allwood, Head of Finance
Tara King, Assistant Director, Commercial
Gareth Newell, Partnership and Community Engagement Manager
Dylan Owen, Head of Cabinet Office
Claire Deguara, Cabinet Support Office
Naomi Evans, PA to Leader
Members of the Policy Review & Performance Scrutiny Committee

City of Cardiff Council, Atlantic Wharf, Cardiff Bay, CF10 4UW E-mail: nhowells@cardiff.gov.uk

WELSH LOCAL GOVERNMENT SETTLEMENT 2017-18

Final

Table 9: List and estimated amounts of Grants for total Wales

£m

Existing Grant name	2016-17	2017-18	Notes
Communities and Children			
Prevention and Early Intervention (PEI - new spending line)	..	154.383	
Supporting People	123.688	123.688	
Flying Start Revenue Grant	76.052	PEI	New spending line PEI
Families First	38.352	PEI	New spending line PEI
Communities First	27.539	PEI	New spending line PEI
Communities for Work	6.151	PEI	New spending line PEI
Cardiff Bay Legacy	5.891	5.891	
Promoting Postive Engagement for Young People	4.330	4.330	
Out of School Childcare	2.300	PEI	New spending line PEI
Domestic Abuse Grant	1.938	1.938	
Lift	0.980	PEI	New spending line PEI
Community Cohesion	0.360	0.360	
Town Centre Partnership	0.220	NA	
Remploy Employment Support Grant	0.198	0.000	
Welsh Adoption Register	0.103	0.100	
Business Improvement District Development	0.076	0.050	
Armed Forces Day	0.020	0.020	
Economy and Infrastructure			
Concessionary Fares	60.557	NA	
Bus Services Support Grant	25.000	NA	
Young Persons Discounted Bus Travel Scheme	9.750	NA	
Bus Revenue Support Traws Cymru	2.187	NA	
Road Safety Grant	2.000	2.000	
CyMAL Revenue	0.415	NA	
New Developments	0.149	NA	
Travel Plan Co-ordinators	0.125	0.125	
Community Rail Partnership	0.065	0.080	
Bus Revenue Support	0.050	NA	
Enterprise Zones	0.050	0.035	
Blue Badge	0.010	RSG	Transferring into Settlement
Education			
Curriculum and Assessment (C&A - new spending line)	..	2.480	
Education Improvement Grant	134.282	133.282	
Pupil Deprivation Grant	87.304	93.746	
Schools Challenge Cymru	7.962	0.000	
Pioneer Schools	6.283	6.740	
GCSE Support Programme Grant	3.415	C&A	New spending line C&A
Additional Learning Needs Innovation Fund	0.904	1.100	
School Uniform Grant	0.736	0.736	
Modern Foreign Languages	0.480	C&A	New spending line C&A
Mentoring and Networking Support for Headteachers	0.100	0.100	
Special Schools Grant	0.100	0.000	
National Numeracy Tests - Supported Marking Grant to Consortia	0.020	0.020	
Environment and Rural Affairs			
Single Revenue Grant	64.320	60.000	
Health, Wellbeing and Sport			
Deprivation of Liberty Safeguards	0.184	RSG	Transferring into Settlement
Lifelong Learning and Welsh Language			
Post-16 Provision in Schools	101.000	NA	
Adult Community Learning	3.811	NA	
Youth Work Strategy Support	2.756	2.756	
Youth Engagement & Progression	1.100	1.100	
Learning in Digital Wales (Phase 2)	0.500	0.500	
Person Centred Practice	0.286	0.015	

Development of the Seren Network	0.100	0.100	
Skills and Science			
SBRI Innovation Accelerator Programme	0.015	0.090	
Social Services and Public Health			
Welsh Independent Living Grant	26.764	27.000	
Substance Misuse Action Fund	22.663	22.663	
Social Care Workforce Development Programme	7.149	0.000	Transferring to Social Care Wales
Delivering Transformation Grant	2.830	RSG	Transferring into Settlement
Secure Estates	0.448	0.448	
Food Hygiene	0.057	RSG	Transferring into Settlement
All Grants	**864.125**	**646.287**	
All Grants excluding NA (for like-for like comparison)	**657.905**	**646.287**	

Note: The information shown above details the grants where the amount that Total Wales will receive in 2016-17 and estimated amounts for 2017-18 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.

NA = figures not available at time of publication
.. = not applicable

Revenue Resources Required for 2017/18				
			£000	£000
Adjusted Directorate Budget				**578,846**
Add:	Employee costs		2,916	
	Special Inflation		2,507	
	Directorate expenditure and income realignments		2,699	
	New Responsibilities		1,278	
	Commitments		840	
	Schools non-pupil number growth (net of 30% cap)		4,565	
				14,805
	Demographic pressures:	Social Services	1,720	
		Waste & School Transport	222	
		Pupil numbers	2,668	
				4,610
	Add New Directorate Pressures		4,638	
				4,638
Directorate Base Budget for 2017/18 (before savings)				**602,899**

Revenue Resources Available for 2017/18		
AEF per final settlement	428,217	
Council Tax - at 2016/17 level (and new Council Tax Base)	151,655	
Use of Earmarked Reserves	1,500	
Total Resources		**581,372**

Shortfall			**21,527**

To be met from:-			
3.7% Council Tax increase (Net of impact on CTRS)			(4,520)
Less:	Directorate Savings	(13,264)	
	Addressable Spend Savings	(3,743)	
			(17,007)
TOTAL			**(21,527)**

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Financial Pressures Summary 2017/18

No.	Pressures Title	Value of Pressure 2017/18 £000	Risk Assessment Residual	Risk Assessment EIA
1	**Winter Service Maintenance Operation** By introducing an additional vehicle, salting routes can be optimised to reduce the time taken to complete the route and ensure that salt is applied at the optimum time prior to the formation of ice, thus providing a more efficient, effective and robust statutory service. It will also enable the vehicles to spread increased salt volumes that are at times required under extreme conditions but are currently unachievable due to the lengths of the routes and loads capacities of vehicles. There will be no additional costs for materials (salt) as it is proposed that the number of roads to be treated will remain unchanged.	50	Red-Amber	Green
2	**Cycling Strategy Delivery - Develop essential 'soft' infrastructure to support the move to sustainable methods of transport** To deliver a range of interventions to develop a city cycling culture through a pro-cycling enabling infrastructure both within the Council and external organisations, particularly workplaces, major retailers and educational establishments. This would include alignment of Council directorates and services with the cycling agenda and engagement with major employers and schools to provide support and deliver promotional activity.	61	Red-Amber	Green
3	**Additional Planning Resource** An additional post in recognition of an increase in volume and complexity of development proposals including major developments, many of which generate significant Section 106 contributions for the city.	40	Amber-Green	Green
4	**Parking Strategy Schemes** Funding to support parking strategy schemes in the city.	180	Amber-Green	Amber-Green
5	**Intensive Cleansing Initiative** To provide ongoing funding for this initiative which will provide a deep clean to city centre / district areas and outer wards working on a priority basis. This includes one Gully Team, two Cleansing Teams, litter pickers, extension of cleansing at weekends to 10pm as well as additional vehicle and waste costs.	350	Amber-Green	Amber-Green
TOTAL CITY OPERATIONS		**681**		
6	**Providing budgeting and income maximisation services for the most vulnerable citizens** Many of the most vulnerable citizens do not seek the help they need to deal with their finances, such as paying above average for their utilities because they do not have the confidence to switch supplier. They may fail to claim the benefits they need because they may not understand the online form or conditions required to remain on benefit. The Council already has a money advice team in central library hub. Additional funding would take services to where people need them the most. It would allow 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. The service would also work with Flying Start to actively seek out the most vulnerable citizens and ensure they receive the help they need.	144	Red	Red
7	**Additional Senior Occupational Therapists - Package of Care reviews** Funding is required for two Senior Occupational Therapists to undertake assessments of the significant number of double-handed packages of care which are currently awaiting review, in order to ensure that the appropriate level of domiciliary care is being provided to citizens to meet their identified needs. This will also provide the continuing capacity to deal with new Package of Care reviews - the demand for which is forecast to continue to grow.	90	Red-Amber	Red-Amber

No.	Pressures Title	2017/18 £000	Residual	EIA
8	**Alley-Gating - Maintenance and Repair costs** Alley-gating is a simple, but effective community safety measure, which helps tackle crime, anti-social behaviour and environmental problems associated with rear lanes. Since the programme started in 2008, 440 alley-gates have been installed. There are on-going revenue costs associated with maintenance and repair of gates and the existing revenue budget is inadequate. As the number of gates increases year-on-year, and the existing gating stock ages, additional revenue funding is required to address both the existing shortfall and the increased maintenance demand moving forward.	50	Red-Amber	Amber-Green
TOTAL COMMUNITIES, HOUSING & CUSTOMER SERVICES		**284**		
9	**Recycling and Reuse Centre** To create a reuse and recycling centre including support for less advantaged families and individuals to access household items and goods ranging from paint to settees, helping with start up accommodation and day to day up-cycled products.	218	Amber-Green	Amber-Green
10	**Reduction in Single Revenue Grant (Environment)** The grant support from Welsh Government for key recycling and sustainable frontline services will reduce by 6.7% in 2017/18. Additional funding is required to maintain essential services such as recycling, food and green waste collections.	468	Red	Amber-Green
11	**Increased Recycling and Reuse** To support the reuse and recycling of materials to meet commitments on the statutory recycling targets. This will include the support of the free reuse collection service and increased recycling activity.	295	Red	Green
TOTAL ECONOMIC DEVELOPMENT		**981**		
12	**Child Friendly City Status - Unicef Child Rights Partner Programme** In order to achieve the Corporate commitment to work towards attaining Child Friendly City status, the Council intends to become a Unicef Child Rights Partner for the three years, commencing April 2017. This programme is grounded in the UN Convention on the Rights of the Child. Through partnership with Unicef, the Council wants to demonstrate that placing children's rights at the heart of local authority policy and practice - adopting a child rights-based approach – is the most effective way of making rights a reality for all children. Annual costs incurred would be an annual fee of £25k to Unicef, co-ordinator's annual salary costs (£26k) and associated running costs of approximately £29k (including programme support, engagement and communications, branding and marketing, travel, administration etc).	80	Red-Amber	Green
TOTAL EDUCATION		**80**		
13	**Business Support to Members** A service review of Members' Business Support to consolidate service provision for Members' Enquiries, casework and general support services and Member Learning and Development has resulted in a requirement to increase staff resource in this area.	82	Red-Amber	Green
TOTAL GOVERNANCE & LEGAL SERVICES		**82**		
14	**Support for Trainee Placement Programme** Funding to support 20 trainee placements of six month duration plus a trainee co-ordinator post.	230	Amber-Green	Amber-Green
TOTAL RESOURCES		**230**		
15	**First Point of Contact** In line with the Social Services and Well-being Act, funding is required for four Social Workers to further enhance the First Point of Contact to manage demand and, where appropriate, engage people in their local communities rather than create a dependency on the care system to provide support. This will provide robust clinical risk assessment, passport safeguarding issues through to the team to undertake a review after four weeks to ensure that levels of commissioned care are appropriate and amended where necessary.	140	Red	Red-Amber

No.	Pressures Title	2017/18 £000	Residual	EIA
16	**Capacity to undertake qualitative performance monitoring** Funding is required to increase a part-time Performance Management Information Officer to full-time hours to strengthen reporting arrangements and for an additional full-time post to increase capacity in order to respond proactively to qualitative performance requirements introduced under the Social Services & Wellbeing Act. This additional capacity will strengthen the challenge element of current arrangements for the development of the Annual Council Reporting Framework Director's Report and enable the Directorate to provide a joined-up approach across Adults and Children's Services service user engagement in order to ensure that we are consistently able to meet the requirements of the Social Services & Wellbeing Act in an appropriate and meaningful way.	46	Red-Amber	Green
17	**Rehabilitation Service for people registered with sight loss** Funding is required for two additional Rehabilitation Officers to support people in learning new ways of living independently following sudden sight loss or living with decreasing levels of sight. This would reduce the current waiting list for needs assessment and rehabilitation. Care package costs will be higher when rehabilitation has not been offered for this population and therefore the increased capacity would also have a positive impact in controlling such costs.	81	Red	Red-Amber
18	**Carers Assessment Workers** Funding is required for two additional posts to support case managers in meeting our statutory duty to offer and complete carers' assessments for carers who have support needs. It will also enable Adult Services to provide an outreach service to support the Council's preventative agenda.	53	Red	Red-Amber
19	**Connected Persons Assessments** Funding is required for three Social Workers and an Administrator to meet the increased demand for Connected Persons Assessments, required to be undertaken where it is clear that a child/young person is unable or unlikely to remain living with their parent(s) due to significant concerns. A decision to intervene legally in the life of a child/young person and their family is significant and will have major consequences for all involved, particularly the child/young person. It is crucial that any decision to do so is based on clear, evidence based assessment and care planning which demonstrates the attempts that have been made to manage any risks and support the child/ young person remaining within their family. A positive outcome can lead to Special Guardianship Order, Child Arrangement Order, Kinship or Relative Foster Care arrangements.	100	Red-Amber	Red-Amber
TOTAL SOCIAL SERVICES RE: LEGISLATION / SOCIAL SERVICES & WELLBEING ACT / COURT		**420**		
20	**Child Sexual Exploitation (CSE) Prevention Team** A temporary (three years) Multi Agency CSE Prevention Team to be established to continue to implement the CSE Strategy and address the need that has been evidenced.	171	Red	Red
21	**Learning Disabilities Internal Day Care** This proposal seeks to respond to the increasing demand for high quality, person-centred, outcome-led support for adults with learning disabilities with complex presentations of need, including complex and challenging behaviour, Autistic Spectrum Disorder, dementia, additional physical and sensory impairments and complex health needs. Demographics suggest that demand within the adult learning disabilities population will increase by 7%; in addition, presentations of complex need require complex service responses. It is proposed that capacity is increased within the internal Complex Needs Day Service in order to allow the service to respond to the anticipated increase in referrals coming via an effective transition process from Children's Social Services to Adult Social Services and for people with complex support needs who are within the scope of the Closer to Home project and returning to Cardiff.	76	Red-Amber	Red-Amber
22	**Complaints & Access to Records** Funding is required for three full-time posts to be located in the Central Information Governance Team to deal with all Adult & Children's Services redaction for open and closed cases in respect of Subject Access Requests and requests from the Police, Court and other Local Authorities, further ensuring timeliness of response and a consistent approach to redaction in line with Corporate requirements. Funding is also required to increase a post supporting the Complaints Officer from 14.5 hours to 37 hours per week which will provide the capacity to enable complaints processes to be merged across Adult's Services (which currently has no dedicated capacity) and Children's services.	76	Red	Green

No.	Pressures Title	2017/18 £000	Residual	EIA
23	**Placement with Parents and Therapy costs** This proposal seeks to enhance capacity within the Looked After Children's Service to create a sub team of social work and support staff specifically for children who are the subject of a Care Order and who are living at home subject to Placement with Parents Regulations. The remit would include a focus upon the revocation of Care Orders for those children who are successfully placed at home.	222	Red	Red-Amber
24	**Increased translation and interpretation costs** Costs in relation to translation and interpretation services increased by in excess of £100,000 across Social Services in 2015/16. It is anticipated that costs in this area will continue to grow due to increased demand for services which are required by legislation and regulation to be provided in the user's own language, and the additional requirements placed on the service by the Welsh Language Standards.	100	Red-Amber	Red-Amber
TOTAL SOCIAL SERVICES RE: DEMAND AND COST INCREASES		**645**		
25	**Strategic Commissioning** In order to meet current demand it is proposed that the Strategic Commissioning function be strengthened by the development of a new post that will undertake the strategic commissioning function across both Adults and Children's Services in conjunction with the Strategic Commissioning Team Manager. This individual will be substantially involved in the whole strategic commissioning process up to contact award which includes service redesign, engagement with stakeholders, service specification development and the tendering and evaluation process. This will enable the Directorate to ensure that commissioned services provide best value for money and comply with legislative requirements and meet local need in order to achieve desired outcomes for the most vulnerable people.	36	Red-Amber	Amber-Green
26	**Increase capacity to manage growth of domiciliary, residential and nursing provision through the care contract process** Due to demographic pressures and expected cost growth in commissioned services, the current contractual process for the arrangement, implementation and payment of residential and nursing placements and domiciliary care packages is to be improved. The development of the Brokerage service would enable implementation of new models of service procurement. There is an opportunity to proactively negotiate price within the market whilst sourcing high quality care by increasing resource in the Brokerage team. This would enable the Directorate to develop new functions to build supplier relationships, improve the identification of vacancies and capacity, negotiate prices and to robustly monitor the quality of care being delivered through these contractual arrangements.	105	Red	Amber-Green
27	**Direct Payments** To revise the Personal Assistant and agency rate for care provided in the community through directly purchased services (Direct Payments) rather than care arranged through the Council.	300	Red	Red-Amber
28	**Social Work Capacity** Due to a continued rise in caseloads, funding is required to enhance the Social Work capacity by 16 FTE which, alongside implementation of the Signs of Safety framework, will enable Social Workers to engage more effectively with children and families and should assist in limiting any increases in the number of looked after children entering the system because of lack of capacity.	419	Red	Red
29	**Sustainability for the Multi Agency Safeguarding Hub (MASH)** To sustain the MASH there is a requirement to build in costs associated with co-location with South Wales Police and further developments of safeguarding arrangements for Children and Adults at risk of significant harm.	186	Red	Red
30	**Enhance Review Function Across Learning Disabilities and Mental Health** Funding is required for three Social Workers to enhance the review function across Learning Disability (LD) and Community Mental Health Teams (CMHT) with regards annual reviews which ensure that people's outcomes are monitored and achieved in the most appropriate way. Where a change of need is identified and a review is necessary, there will be capacity to undertake this and assess whether identified outcomes can be met through community provision or whether commissioned services are required.	105	Red	Red-Amber
31	**Continuing Health Care** Additional posts to work with Health Partners to identify cases that meet the eligibility criteria for continuing health care funding.	84	Red	Amber-Green
TOTAL SOCIAL SERVICES RE: RESHAPING / PREVENTION CAPACITY		**1,235**		
TOTAL SOCIAL SERVICES		**2,300**		
COUNCIL TOTAL		**4,638**		

2017/18 Savings Proposals - Overview

Summary of Directorate Savings	£000
City Operations	1,189
Communities, Housing and Customer Services	1,083
Corporate Management	84
Economic Development	2,170
Education	2,371
Governance and Legal Services	102
Resources	1,268
Social Services	4,997
Total Directorate Savings	**13,264**

Summary of Addressable Spend Savings	£000
School Transport	380
Energy and Street Lighting	180
Precepts and Levies	8
Corporate / Financial Resilience	2,985
School Organisation Plan	100
Property Rental Income	90
Total Addressable Spend Savings	**3,743**

Total Savings	**17,007**

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18

No.	Directorate	Theme	Proposal	X Ref	Budget £000	Saving: Employee Costs £000	Saving: Other Spend £000	Saving: Income £000	Saving: 2017/18 Total £000	Risk Analysis: Status	Risk Analysis: Residual	Risk Analysis: Achievability	Risk Analysis: EIA	Cabinet Portfolio
1	City Operations	Partners and Others	**New Operating model for Leisure Centres** Result of the procurement exercise and transfer of the operation of Cardiff Council's Leisure Centres to the new operator.	L-P	771	0	414	0	**414**	Detailed plan	Green	Green	Green	Community Development, Co-operatives & Social Enterprise
2	City Operations		**Regulatory Collaboration** Reflects a further year's saving for Cardiff from the creation of a single shared service for Environmental Health, Trading Standards and Licensing functions of Cardiff, Bridgend and the Vale of Glamorgan Councils under a single management structure.	F	3,491	0	47	0	**47**	Detailed plan	Amber-Green	Amber-Green	Green	Skills, Safety, Engagement & Democracy
3	City Operations	Income / Commercialisation	**Commercialisation - improved charging and income generation projects** Increased fees and charges across city operations and improved collaboration with the directorate's advertising partner.	A-AK	(39,160)	0	0	187	**187**	Detailed plan	Green	Amber-Green	Green	Transport, Planning & Sustainability
4	City Operations		**Transportation Policy - Improved Recharging** Maximising opportunities for recharging for services and a set income target for Road Safety, Transport Assessments & Pre-Planning Applications.	T	(202)	0	0	32	**32**	Detailed plan	Green	Green	Green	Transport, Planning & Sustainability
5	City Operations		**Planning Fee Income** Maximising additional planning fee income from an anticipated increase in the volume of Planning Applications.	AJ	(2,240)	0	0	100	**100**	Detailed plan	Amber-Green	Amber-Green	Green	Transport, Planning & Sustainability
6	City Operations		**Parks - Plant Production Nursery (Retail / Wholesale Sales)** Generate additional income by expanding customer base to increase sales of bedding plants, hardy nursery stock and horticultural sundries.	H	(1,176)	0	0	10	**10**	Detailed plan	Amber-Green	Amber-Green	Green	Environment
7	City Operations		**Parks - Tree Management** Generate additional income by expanding customer base to increase sales of both Technical and Professional elements of the service (surveys & works).	H	(1,176)	0	0	15	**15**	General planning	Amber-Green	Amber-Green	Green	Environment
8	City Operations		**Registration, Births, Deaths & Marriages** Generate additional income through a combination of volume and price increases.	R	(3,368)	0	0	10	**10**	Detailed plan	Amber-Green	Amber-Green	Amber-Green	Environment
9	City Operations		**Realignment of Public Transport Income Budget** To reflect existing income levels identified in the 2016/17 monitoring position.	X	(12,327)	0	0	130	**130**	Detailed plan	Green	Green	Green	Transport, Planning & Sustainability
10	City Operations		**Street Lighting Recharging** Maximising opportunities for recharging both design and inspection to Capital and Section 278 budgets, and increasing charges for these services to external companies.	AE	(242)	0	0	10	**10**	Detailed plan	Amber-Green	Green	Green	Transport, Planning & Sustainability
11	City Operations	Internally Facing / C&P	**Contract Rationalisation & Improved Business Process Efficiencies (Electrical and Structure & Tunnels)** Full Year effect of savings generated in 2016/17 following implementation of new contracts and efficiencies.	AE	456	0	67	0	**67**	Realised	Green	Green	Green	Transport, Planning & Sustainability
12	City Operations		**Maintenance Operations - Develop Asset Management System & Shared Depots** Allows scheduling of work to reduce travel time and associated cost.	AF	1,013	0	20	0	**20**	General planning	Amber-Green	Amber-Green	Amber-Green	Transport, Planning & Sustainability
13	City Operations		**Review the Delivery of Maintenance Work Currently Undertaken by External Companies in Areas Including Housing and Parks** Work to improve performance in order to enable additional work to be undertaken internally, bringing external contracts back in-house for Infrastructure & Maintenance.	AF	1,013	0	50	0	**50**	General planning	Green	Green	Green	Transport, Planning & Sustainability
14	City Operations		**Directorate Transport - Vehicle Reduction/Rationalisation** Working with Central Transport Services to release under utilised vehicles & plant.	AF	1,013	0	25	0	**25**	General planning	Amber-Green	Amber-Green	Green	Transport, Planning & Sustainability

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15	City Operations	Internally Facing / C&P	**Parks - Outdoor Sports** Reflects savings made through reduction in operational expenditure in 2016/17.	J	198	0	25	0	**25**	Realised	Green	Green	Green	Environment
16	City Operations		**Improve Driver Training & Awareness within Cleansing** Resulting in a reduction in accident and damage claims.	D	1,322	0	22	0	**22**	General planning	Amber-Green	Amber-Green	Green	Environment
17	City Operations	Grants / Subsidies	**Parks - Royal Horticultural Show** Subsidy removed due to the ability of the event to be financially sustainable without financial support from the Council.	I	216	0	25	0	**25**	Detailed plan	Amber-Green	Amber-Green	Green	Environment
City Operations Total						**0**	**695**	**494**	**1,189**					
18	Communities, Housing & Customer Services	Partners and Others	**New Approach to Locality and Neighbourhood Service Delivery** At present the Council provides funding for a team of Neighbourhood Partnership Officers, and a separate fund for small scale projects led by community groups. This has enabled the Council and its partners to work more effectively together. The next step is to integrate services from the point of view of the citizen, so that main budgets are used in a fully joined up way. To achieve this, existing neighbourhood partnership arrangements will be changed to better consult local communities by identifying their priorities and utilise existing local networks which include Neighbourhood Police Teams, Community Hubs, community organisations and Tenant/Residents Groups. This proposal will create Locality Planning and Delivery Officers to better use council and partners time delivering targeted projects.	X	393	120	30	0	**150**	Detailed plan	Green	Green	Green	Community Development, Co-operatives & Social Enterprise
19	Communities, Housing & Customer Services		**Llanover Hall - Sub lease** To ensure the long term sustainability of Llanover Hall as a community arts venue and to better utilise the building, the Council wishes to enter into a partnership sub-lease with a partner. The intention is to find a partner that would co-locate and allow the Learning for Life offering to continue in the building; it is hoped that this would also have a positive effect on uptake of Learning for Life courses in Llanover Hall.	V	231	0	55	0	**55**	Detailed plan	Green	Red-Amber	Green	Skills, Safety, Engagement & Democracy
20	Communities, Housing & Customer Services	Income / Commercialisation	**Additional income in relation to Adult Community Learning** In future, to ensure the service operates at nil subsidy, only courses funded by WG grant or those that are self financing will be delivered.	V	(1,302)	0	0	49	**49**	Detailed plan	Green	Green	Green	Skills, Safety, Engagement & Democracy
21	Communities, Housing & Customer Services		**Commercialisation** Initial income target in relation to additional income opportunities within the Directorate, including - commercial sponsorships and partnerships - utilising the assets within the Directorate more commercially - sale of current services to realise additional income	A	(12,983)	0	0	46	**46**	Detailed plan	Green	Red-Amber	Green	Community Development, Co-operatives & Social Enterprise
22	Communities, Housing & Customer Services		**Recharging of utilities at Rover Way & Shirenewton** 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.	F	227	0	100	0	**100**	Detailed plan	Amber-Green	Red-Amber	Amber-Green	Health, Housing & Wellbeing

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No.	Directorate	Theme	Proposal	X Ref	Budget £000	Saving: Employee Costs £000	Saving: Other Spend £000	Saving: Income £000	Saving: 2017/18 Total £000	Risk Analysis: Status	Risk Analysis: Residual	Risk Analysis: Achievability	Risk Analysis: EIA	Cabinet Portfolio
23	Communities, Housing & Customer Services	Income / Commercialisation	**Disabled Facilities Fee Income** 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.	L	(1,802)	0	0	114	**114**	Detailed plan	Green	Green	Green	Health, Housing & Wellbeing
24	Communities, Housing & Customer Services	Facing / C&P	**Into Work Services - grant funded delivery** In future the outcomes of the Into Work services will be funded from Universal Credit, Face to Face Services and grant funding and the alignment of the Adult Community Learning (ACL) Grant.	U	312	0	193	0	**193**	Detailed plan	Amber-Green	Green	Amber-Green	Skills, Safety, Engagement & Democracy
25	Communities, Housing & Customer Services	Grants / Subsidies	**Grants Review** A review of the current grants process including externally funded programmes to identify areas where delivery can be joined up together with a review of grants to realign costs and/or realise efficiencies is being undertaken.	K	1,438	0	176	0	**176**	Detailed plan	Green	Green	Amber-Green	Health, Housing & Wellbeing
26	Communities, Housing & Customer Services	Technology	**More effective library stock management** New technology has enabled delivery of stock direct to branch and reduces the need for a central warehouse. This has prompted a full review of the Dominions Way facility, which the Council currently leases. The new purchasing software enables more intelligent led purchasing of books to ensure user requirements are met more effectively, to reflect the library strategy that includes the aim of addressing the digital literacy needs of our users.	T	758	0	200	0	**200**	Detailed plan	Red-Amber	Red-Amber	Amber-Green	Community Development, Co-operatives & Social Enterprise
Communities, Housing & Customer Services Total						**120**	**754**	**209**	**1,083**					
27	Corporate Management	Grants / Subsidies	**Reduction in the amount available to support events and market the City** Reducing the amount available to support events, market the City and take advantage of opportunities presenting themselves during 2017/18. However, the City may begin to benefit from activities supported specifically by the Business Improvement District or through a potential new Destination Marketing organisation.	M	568	0	84	0	**84**	Detailed plan	Green	Amber-Green	Green	Economic Development & Partnerships
Corporate Management Total						**0**	**84**	**0**	**84**					
28	Economic Development	Income / Commercialisation	**Increase in Income - Economic Development** Generate additional income through advertising sites within the City's infrastructure.	F	(72)	0	0	178	**178**	Detailed plan	Green	Green	Green	Economic Development & Partnerships
29	Economic Development	Income / Commercialisation	**Increase in Income - Tourism** Generate additional income through tourism related commissions and progression of the marketing plan.	X	(429)	0	0	56	**56**	Detailed plan	Green	Green	Green	Economic Development & Partnerships
30	Economic Development	Income / Commercialisation	**Increase in Income - Culture, Venues and Events Management** Generate additional income across the portfolio of cultural venues through reflecting current income streams, increasing footfall and planned new attractions.	W	(6,305)	0	0	473	**473**	Detailed plan	Amber-Green	Amber-Green	Green	Community Development, Co-operatives & Social Enterprise
31	Economic Development	Income / Commercialisation	**Increase in Income - Strategic Estates** Increase income from the investment portfolio and operational estate	M	(4,717)	0	0	105	**105**	Detailed plan	Amber-Green	Amber-Green	Green	Corporate Services & Performance

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32	Economic Development	Income / Commercialisation	**Commercial Trade - Expanding markets** Continuing to grow the Council's market share in Cardiff and exploring opportunities of working in partnership. This will generate additional income of £200k with an associated cost of £100k.	AE	(2,313)	(60)	(40)	200	**100**	Detailed plan	Red-Amber	Amber-Green	Green	Environment
33	Economic Development		**Pest Control - Expanding Market Share** Exploring opportunities for expanding the Council's market share through exploring opportunities for working with the private sector and other public bodies.	AS	(210)	0	0	20	**20**	General planning	Red-Amber	Amber-Green	Amber-Green	Environment
34	Economic Development		**Commercialisation - improved charging and income generation for Security Services** Will be delivered through improved security services and income via internal and external bodies	AA-AL	(13,486)	0	0	44	**44**	Detailed plan	Green	Red-Amber	Green	Corporate Services & Performance
35	Economic Development		**Income generation from Building Cleaning services** To be delivered through a new commercial marketing and service delivery plan.	AO-AV	(1,709)	0	0	20	**20**	General planning	Green	Red-Amber	Green	Corporate Services & Performance
36	Economic Development		**Central Transport Services income generation** Utilising capacity in the fleet maintenance facility to insource work and increase external income, supported by new fleet management system.	AM-AN	(428)	0	0	75	**75**	Detailed plan	Green	Red-Amber	Green	Corporate Services & Performance
37	Economic Development		**Review cost base on external contracts for Building Services** Review opportunities to deliver in house at lower cost.	AO-AV	(1,709)	0	50	0	**50**	General planning	Green	Red-Amber	Green	Corporate Services & Performance
38	Economic Development		**Waste - Third Party Treatment** Additional income generated from waste transfer treatment facilities.	AC	(4,165)	0	0	50	**50**	Detailed plan	Red-Amber	Amber-Green	Green	Environment
39	Economic Development	Internally Facing / C&P	**Treatment & Disposal - Increase in productivity** Improving maintenance regimes and work schedules to remove down time and loss of productive time.	AH	2,292	20	50	0	**70**	Detailed plan	Red-Amber	Amber-Green	Green	Environment
40	Economic Development		**Domestic - Round Performance Management** Includes the introduction of new 'in cab' technologies to remove errors, wasted journey time and improve efficiencies. Further round balancing to improve efficiencies in resources and vehicle configurations.	AC	7,227	170	0	0	**170**	Detailed plan	Red-Amber	Amber-Green	Green	Environment
41	Economic Development		**Domestic Waste Collection - Improve Attendance at Work** Reduce dependency on agency across the recycling and waste service team.	AC	5,815	50	0	0	**50**	Detailed plan	Red-Amber	Amber-Green	Green	Environment
42	Economic Development		**Reducing Vehicle Costs in Commercial Services Fleet** Reducing damage and insurance claims through better reporting, monitoring and training, supported by new fleet management system and supported driver training.	AB-AE	2,631	0	66	0	**66**	General planning	Red-Amber	Red-Amber	Green	Environment
43	Economic Development		**Waste Services - Efficiency Improvements** Back office and scheduling approaches to make further efficiencies through scheduling technology for resourcing support services in addition to the 'In-cab' solutions that is being secured in 2016/17.	AB-AE	7,657	89	0	0	**89**	Detailed plan	Red-Amber	Red-Amber	Green	Environment
44	Economic Development	Technology	**Materials Recycling Facility Auto sorter for plastics or plastics and paper (Treatment & Disposal)** Further automate areas of recycling processing plant and increasing capacity for further trading.	AH	(2,359)	0	0	138	**138**	Detailed plan	Red-Amber	Amber-Green	Green	Environment
45	Economic Development	Second / Third Yr	**St. David's Hall** Review of costs, income and service delivery	S	3,952	0	215	0	**215**	Detailed plan	Amber-Green	Amber-Green	Amber-Green	Community Development, Co-operatives & Social Enterprise

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18

No.	Directorate	Theme	Proposal	X Ref	Budget £000	Saving: Employee Costs £000	Saving: Other Spend £000	Saving: Income £000	Saving: 2017/18 Total £000	Risk Analysis: Status	Risk Analysis: Residual	Risk Analysis: Achievability	Risk Analysis: EIA	Cabinet Portfolio
46	Economic Development	Second / Third Yr	**New Theatre** Review of costs, income and service delivery	T	3,816	0	201	0	**201**	Detailed plan	Amber-Green	Amber-Green	Amber-Green	Community Development, Co-operatives & Social Enterprise
Economic Development Total						**269**	**542**	**1,359**	**2,170**					
47	Education and Lifelong Learning	Income / Commercialisation	**Increase in price of School Meals** This saving will be achieved through an increase of 10p in the price of a school meal from April 2017.	X	(6,419)	0	0	484	**484**	Detailed plan	Amber-Green	Amber-Green	Green	Education
48	Education and Lifelong Learning	Income / Commercialisation	**Rationalisation of costing base for Traded Services** Over the past four financial years the Education Directorate has moved towards a net nil subsidy position for its three traded services: Music Services, the Storey Arms outdoor pursuits centre and, in 2017/18, the School Meals Service. However, in moving towards that position, there is now a requirement for a thorough review and realignment of the support costs attributable to those services, thus releasing budget elsewhere within the Directorate.	x	(6,419)	0	0	500	**500**	Detailed plan	Amber-Green	Amber-Green	Green	Education
49	Education and Lifelong Learning	Internally Facing / C&P	**Rationalisation of staff and costs centrally retained to provide services of a specialised nature** In 2014/15 the Education Directorate delegated to schools the budget and responsibility for staff employed to support schools in their Special Education Needs provision for pupils. These savings will be achieved by passing onto schools the responsibility for the remaining resources used by these teams.	H	901	0	140	0	**140**	Detailed plan	Amber-Green	Amber-Green	Green	Education
50	Education and Lifelong Learning	Internally Facing / C&P	**Rationalisation of the costs of the Pupil Referral Unit** The Council has a statutory duty to provide an appropriate quality education to children between the ages of 5 and 16. Where pupils of secondary age are unable to remain in a secondary school due to behavioural issues, the Council has a Pupil Referral Unit based on its Mynachdy site which can cater for pupils at Key Stage 4 (14 to 16) to provide an alternative education provision retaining these pupils in the education system. Although not a school the Pupil Referral Unit is externally inspected by Estyn using the same Inspection Framework as schools. This savings target would be achieved through the delegation of the Pupil Referral Unit facility by commissioning a school to manage the provision. This would enable the financial responsibility for this provision to be passed onto the Schools Delegated budget enabling the realisation of savings from centrally retained budgets. There would be no reduction to the funding level available for the PRU.	J	739	382	0	0	**382**	Detailed plan	Amber-Green	Red-Amber	Green	Education
51	Education and Lifelong Learning	Internally Facing / C&P	**Rationalisation of centrally held budgets for school related issues** A reduction in centrally held budgets that fund school initiatives which will fall out in 2017/18. This will include savings identified nationally, through the revision of the All Wales Service Level Agreement with the Welsh Joint Education Committee for the provision of educational services to schools and the current energy efficiency invest to save scheme.	A	978	0	260	0	**260**	Detailed plan	Green	Amber-Green	Green	Education
52	Education and Lifelong Learning	Internally Facing / C&P	**Reduction in Central budget for the Education Welfare Team** In recent years much work has been done between schools and the Central Team to improve the attendance service, which has resulted in a significant improvement in pupil attendance across the city. This budget saving will be achieved through a reduction in the staffing capacity within the service.	H	849	100	0	0	**100**	Detailed plan	Amber-Green	Amber-Green	Green	Education

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18

No.	Directorate	Theme	Proposal	X Ref	Budget £000	Saving: Employee Costs £000	Saving: Other Spend £000	Saving: Income £000	Saving: 2017/18 Total £000	Risk Analysis: Status	Risk Analysis: Residual	Risk Analysis: Achievability	Risk Analysis: EIA	Cabinet Portfolio
53	Education and Lifelong Learning	Internally Facing / C&P	**Central Staffing Costs** Saving to be achieved through a reduction of staffing following a reorganisation/ rationalisation of the staffing structures within the Directorate - taking into account all opportunities to offset costs through additional income or use of grants. Staffing reductions will be effective from September 2017, with full year effect from April 2018.	N	1,286	175	0	0	**175**	General planning	Red-Amber	Amber-Green	Amber-Green	Education
54	Education and Lifelong Learning	Grants / Subsidies	**Reduction in contribution towards the Central South Consortium** The Council currently contributes £1.6m towards the costs of providing an Education School Improvement Service across the Central South region of Wales. This accounts for 35% of the total costs of the service. This saving will be achieved through passing at least a 5% reduction in contribution onto the Consortium.	O	1,535	0	80	0	**80**	Detailed plan	Amber-Green	Amber-Green	Green	Education
55	Education and Lifelong Learning	Second / Third Yr	**Youth Service Budget** This is a continuation of the 2015/16 budget decision to fundamentally change the provision of Youth Services in Cardiff and through this to save £1.7m of revenue budget over the medium term. This third year target of £250k will be achieved through full year staffing savings and finalisation of savings on premises budgets.	T	1,302	125	125	0	**250**	Detailed plan	Amber-Green	Red-Amber	Red-Amber	Education
Education and Lifelong Learning Total						**782**	**605**	**984**	**2,371**					
56	Governance & Legal Services	Internally Facing / C&P	**Centralisation of External Legal Spend** Achieve efficiency savings by centralising external legal spend from across the Council			0	55	0	**55**	General planning	Red-Amber	Red-Amber	Green	Skills, Safety, Engagement & Democracy
57	Governance & Legal Services		**Overhead Expenditure** Review of overheads across the service.	A-J	3,493	0	47	0	**47**	General planning	Red-Amber	Red-Amber	Green	Skills, Safety, Engagement & Democracy
Governance & Legal Services Total						**0**	**102**	**0**	**102**					
58	Resources	Income / Commercialisation	**Income Generation - Enterprise Architecture** Utilising the Enterprise Architecture function to generate income from either delivered internal projects or external services provided to other public sector bodies.	I	(16)	0	0	120	**120**	Detailed plan	Amber-Green	Amber-Green	Green	Corporate Services & Performance
59	Resources		**Income generation - Cardiff Academy** The total income target will be met from a commercial approach to all external training provision. Income to be delivered through the promotion of the Academy principally to other public sector organisations. This will include the sale of accredited Institute of Leadership & Management and Service Improvement courses. Additional opportunities will come from providing Health & Safety training to employees, but also to contractors working for the Council as well as hiring out the Academy's new and extended facilities for training and/or small conferences.	K	0	0	0	46	**46**	Detailed plan	Red-Amber	Red-Amber	Green	Corporate Services & Performance
60	Resources		**Commissioning & Procurement Local Authority Trading Company** A reduction in the fixed costs of the Strategic Procurement Team through the charging of full costed staff time to the recently approved local authority trading company.	G	(624)	0	0	70	**70**	Detailed plan	Amber-Green	Amber-Green	Green	Corporate Services & Performance

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18

No.	Directorate	Theme	Proposal	X Ref	Budget £000	Saving: Employee Costs £000	Saving: Other Spend £000	Saving: Income £000	Saving: 2017/18 Total £000	Risk Analysis: Status	Risk Analysis: Residual	Risk Analysis: Achievability	Risk Analysis: EIA	Cabinet Portfolio
61	Resources		**Information Governance** Increasing income from services provided.	B	(13)	0	0	10	**10**	Detailed plan	Amber-Green	Amber-Green	Green	Corporate Services & Performance
62	Resources	Internally Facing / C&P	**Accountancy - Post Reductions** Further reduction in posts in Accountancy following review of responsibilities.	C	3,092	90	0	0	**90**	Detailed plan	Amber-Green	Amber-Green	Green	Corporate Services & Performance
63	Resources		**Internal Audit - Review of Staff Resource** Review and reduction of management costs within Internal Audit.	D	587	15	0	0	**15**	Realised	Green	Amber-Green	Green	Corporate Services & Performance
64	Resources		**Reduction in external telephony spend** Reduction in spend on telephony licences, network maintenance, and telephony support and maintenance. Replacement of Integrated Services Digital Network (ISDN) telephony with Internet Protocol (IP) telephony. This will include negotiations with suppliers and retendering to drive down costs.	Q	1,413	0	50	0	**50**	Detailed plan	Red-Amber	Amber-Green	Green	Corporate Services & Performance
65	Resources		**ICT Staffing Budget** Reduction of one post in ICT.	Q	4,257	35	0	0	**35**	Detailed plan	Amber-Green	Amber-Green	Green	Corporate Services & Performance
66	Resources		**External ICT Spend** Reduction in ICT spend through a review of ICT funded licences and support contracts.	R	2,398	0	204	0	**204**	Detailed plan	Red-Amber	Red-Amber	Green	Corporate Services & Performance
67	Resources		**Review of staff structure in Organisational Development** Achieved through reducing posts that are currently filled on a temporary basis, through an increase in the vacancy provision to reflect staff turnover and through the recovery of staff costs against specific projects where applicable. The implementation of agile working within the team will increase productivity. Where additional resources are required in order to effectively manage the level of support required by the Council then this will be facilitated through the use of reserves.	Z	1,075	172	0	0	**172**	Realised	Green	Green	Green	Corporate Services & Performance
68	Resources		**Human Resources Business Efficiencies** Deletion of two FTE posts via existing vacancy and possible VS application. Residual resources would need to be realigned to areas of priority to ensure delivery against existing Service Level Agreements (SLAs), some support provided may have to reduce or cease altogether. Savings relate to posts that undertake transactional duties.	L	1,678	52	0	0	**52**	Detailed plan	Red-Amber	Red-Amber	Green	Corporate Services & Performance
69	Resources		**Savings from reduction in Support Cost for HRPS system** Savings arising from planned reduction in support cost for HRPS IT systems. The costs associated with this were previously funded by post reductions in HR as required in the original business case model.	P	505	0	100	0	**100**	Realised	Green	Green	Green	Corporate Services & Performance
70	Resources		**Reduction in Cabinet Office** Staffing reduction in the Cabinet Office and Policy Team.	T	544	27	0	0	**27**	Detailed plan	Green	Green	Green	Economic Development & Partnerships
71	Resources		**Emergency Management** Streamlining ICT and other office resource, enhancing remote working practices and targeting income generation from public & private sector bodies.	X	(20)	0	2	3	**5**	Realised	Green	Red-Amber	Green	Corporate Services & Performance
72	Resources	Grants / Subsidies	**Policy & Partnerships - Alternative Model for Funding Potential Key Events** This budget is not earmarked for specific events, but provides the flexibility to react to one-off, unplanned events such as sports fixtures/large events in the city centre. Whilst reducing the budget would reduce this flexibility, further work will be undertaken to investigate the possibility of alternative funding being found on an ongoing basis.	V	4,579	0	20	0	**20**	Detailed plan	Amber-Green	Amber-Green	Green	Community Development, Co-operatives & Social Enterprise

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18

No.	Directorate	Theme	Proposal	X Ref	Budget £000	Saving: Employee Costs £000	Saving: Other Spend £000	Saving: Income £000	Saving: 2017/18 Total £000	Risk Analysis: Status	Risk Analysis: Residual	Risk Analysis: Achievability	Risk Analysis: EIA	Cabinet Portfolio
73	Resources	Technology	**Automation of forms, E billing and transactional website** To generate channel shift from telephone in respect of Council tax and Non Domestic Rates (NDR) recovery.	E	3,408	30	124	0	**154**	Detailed plan	Green	Red-Amber	Amber-Green	Corporate Services & Performance
74	Resources		**Business Support Restructure** Will reflect process and technological changes such as flexitime, post room and business support.	A	1,015	90	3	5	**98**	Detailed plan	Amber-Green	Red-Amber	Green	Corporate Services & Performance
Resources Total						**511**	**503**	**254**	**1,268**					
75	Social Services	Partners and Others	**Reinforce process for Continuing Healthcare (CHC) funding where primary health needs have been identified** Reinforce and robustly challenge through the Quality Assurance Process cases that are eligible for CHC funding and work closely with partners to address. In 2017/18 potential CHC funding for older people with particular emphasis on those in the community who have identified primary health needs will be actively pursued.	T	27,492	0	350	0	**350**	Detailed plan	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing
76	Social Services		**Review of Social Work Resource in Hospitals** The proposal is to review the provision of the Hospital Based Social Work Service to identify the potential to change the model to manage resource more effectively, to adjust the skills mix of social work staff and to establish alternative delivery models.	O	3,147	90	0	0	**90**	Detailed plan	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing
77	Social Services		**Review level of continuing health care funding for children's placements** Review with health partners, relative contributions to children's residential placements.	H	17,609	0	150	0	**150**	Detailed plan	Red-Amber	Red-Amber	Red-Amber	Early Years, Children & Families
78	Social Services		**Reduce Therapy Costs in Children's Services** The proposal is to work with Health colleagues in the provision of Psychological Services for children and young people. Health have appointed a part time Psychologist specifically to provide services to Looked After Children. The proposal is to work with Health colleagues to negate the need to commission private assessment / therapy providers for a small group of children in long term care.	A	4,266	0	30	0	**30**	Detailed plan	Red-Amber	Red-Amber	Amber-Green	Early Years, Children & Families
79	Social Services		**Joint commissioning of residential and nursing home beds with Health to create efficiencies** Joint commissioning with Health to create efficiencies through a new procurement model.	O	30,592	0	130	0	**130**	Detailed plan	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing
80	Social Services		**Review the level of Learning Disability (LD) college placements** Work in collaboration with Cardiff and Vale College and Careers Wales to review all applications for residential college placements.	T	30,589	0	100	0	**100**	Detailed plan	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18

No.	Directorate	Theme	Proposal	X Ref	Budget £000	Saving: Employee Costs £000	Saving: Other Spend £000	Saving: Income £000	Saving: 2017/18 Total £000	Risk Analysis: Status	Risk Analysis: Residual	Risk Analysis: Achievability	Risk Analysis: EIA	Cabinet Portfolio
81	Social Services	Internally Facing / C&P	**Remodelling of Children's Services** As part of the remodelling of Children's Services it is proposed that the centralised Family Intervention and Support (FISS) teams are disbanded and merged with the case-management teams in Targeted Services. It is not envisaged that this will reduce the level of service but it will provide an opportunity to make a saving against management and business support costs associated with delivering a central family support service. Separately, this proposal includes the reduction of a Child Health and Disability (CHAD) related home support worker post, reflecting changing workloads resulting from the increased take up of direct payments.	C	1,609	150	0	0	**150**	Detailed plan	Red-Amber	Red-Amber	Amber-Green	Early Years, Children & Families
82	Social Services	Internally Facing / C&P	**Review Emergency Accommodation Service for Learning Disability Service Users** Review the service and consider remodelling the social care crisis service to merge with the reprovision of the respite service.	T	30,589	0	290	0	**290**	Detailed plan	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing
83	Social Services	Internally Facing / C&P	**Incentivise and work with external providers to improve efficiencies and reduce costs** Utilise the commissioning and procurement process to encourage providers to develop the skills and strengths of people to reduce reliance on services. Also consider block purchasing or internal provision of services utilising appropriate funding streams.	O	30,592	0	53	0	**53**	Detailed plan	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing
84	Social Services	Internally Facing / C&P	**Retender Mental Health (MH) Supported Living Service** Review the specification and retender existing service in order to improve efficiencies and value for money.	W	6,824	0	150	0	**150**	Detailed plan	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing
85	Social Services	Internally Facing / C&P	**Retender/reconfigure external provider contract with University Health Board (UHB) for specialised day care** To jointly review with the UHB, the needs of specialist day care services for service users currently utilising external provision and map the needs of young people in transition, to ensure that service delivery is appropriate and proportionate. To enter discussions with providers to deliver care in the most effective and efficient manner.	T	30,589	0	170	0	**170**	Detailed plan	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing
86	Social Services	Internally Facing / C&P	**Review domiciliary model of delivery** Continue to work closely with providers to identify efficiencies. Also explore different models of service delivery including the introduction of framework contracts etc. The proposal is to review the model of domiciliary care services in order to reduce overall cost. This will include working with care providers looking at a range of issues and service models which impact on the delivery of care.	O	30,592	0	125	0	**125**	Detailed plan	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing
87	Social Services	Internally Facing / C&P	**Reduce and prevent reliance on statutory services utilising Information Advice and Assistance assessment and review** The proposal is to support the enhancement of a model of care which recognises the strengths and skills of individuals requesting care and support, recognises and encourages access to preventative services, to reablement, and recovery models of care and recognise that individuals experience episodes of requiring care. It is proposed that encouraging and supporting individuals in this way will help to reduce over reliance on long term services. This approach will help manage demand and will be in line with the spirit of the Social Services and Well-being (Wales) Act 2014.	O	30,592	0	250	0	**250**	Detailed plan	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18

No.	Directorate	Theme	Proposal	X Ref	Budget £000	Saving: Employee Costs £000	Saving: Other Spend £000	Saving: Income £000	Saving: 2017/18 Total £000	Risk Analysis: Status	Risk Analysis: Residual	Risk Analysis: Achievability	Risk Analysis: EIA	Cabinet Portfolio
88	Social Services		**Re-modelling of skill mix within Adults Social Work Teams** The proposal is to review the mix of skills within the Adults Social Work teams. This will include consideration of the potential to re-designate some posts from qualified to unqualified positions. The action to be taken will ensure that the proposal will not result in unqualified staff taking on duties which are the responsibility of qualified social workers and currently undertaken by them.	O	3,147	100	0	0	**100**	Detailed plan	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing
89	Social Services		**Recommission of Children's Respite/Short breaks service** Recommission the current contract for respite care/short breaks at Ty Storrie. New provision to reflect reduced demand for occupancy.	A	4,266	0	50	0	**50**	Detailed plan	Red-Amber	Red-Amber	Amber-Green	Early Years, Children & Families
90	Social Services	Grants / Subsidies	**Review level of third sector expenditure** Review all third sector day spend and consistently apply a percentage reduction to the spend. Work with third sector organisations to develop more sustainable business models for the future utilising other external funding opportunities.	O	30,592	0	100	0	**100**	Detailed plan	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing
91	Social Services	Second / Third Yr	**Locality based service delivery** Mapping on a pilot basis in the current financial year, would appear to indicate opportunities for improved service delivery and reduced costs through service redesign on a locality focused basis. This would include consideration of accommodation models, commissioned services and community opportunities. It is likely however that significant work will be required to implement a revised commissioning model for care services, with a roll out likely to take place over a number of financial years.	O	30,592	0	250	0	**250**	Detailed plan	Red-Amber	Red-Amber	Amber-Green	Health, Housing & Wellbeing
92	Social Services		**Adolescent Resource Centre (ARC)** Second year impact of saving proposed for 2016/17. Saving predicated on step downs to lower cost forms of care, shorter stays, quicker return to families, reduced numbers entering care following referral and change in age profile of those in care.	H	17,609	0	400	0	**400**	Detailed plan	Red-Amber	Red-Amber	Red-Amber	Early Years, Children & Families
93	Social Services		**Safer Families Initiative** Second year impact of 2016/17 savings proposal - utilise and encourage volunteering in the community to provide a mentoring service aimed at reducing Looked After Children admissions. Based on pilots in other authorities, it is anticipated that the scheme will reduce the numbers of children coming into the care system.	H	17,609	0	240	0	**240**	Detailed plan	Amber-Green	Amber-Green	Red-Amber	Early Years, Children & Families
94	Social Services		**Reduction in the Number of Children Placed in Out Of Area Placements** Second year impact of 2016/17 savings proposal. Aim to move children who are currently in residential care into alternative care settings, including enhanced fostering. Combine with other preventative initiatives aimed at reducing the number of looked after children in external placements.	H	17,609	0	1331	0	**1,331**	Detailed plan	Red-Amber	Red-Amber	Amber-Green	Early Years, Children & Families
95	Social Services		**Early Help Strategy** Second year impact of 2016/17 savings proposal. To promote and facilitate early interventions to tackle problems emerging for children, young people and their families. Steering Group developed with partners to establish and develop a multi-agency approach, promoting early support, better outcomes and more cost effective delivery of services. The aim is to reduce demand for external placements over a three year period.	H	17,609	0	488	0	**488**	Detailed plan	Red-Amber	Red-Amber	Red-Amber	Early Years, Children & Families
Social Services Total						**340**	**4,657**	**0**	**4,997**					
Council Directorate Total						**2,022**	**7,942**	**3,300**	**13,264**					

ADDRESSABLE SPEND BUDGET SAVINGS PROPOSAL SUMMARY 2017/18

No.	A/S Category	Theme	Proposal	Budget	Saving: Employee Costs	Saving: Other Spend	Saving: Income	Saving: 2017/18 Total	Risk Analysis: Status	Risk Analysis: Residual	Risk Analysis: Achievability	Risk Analysis: EIA	Cabinet Portfolio
				£000	£000	£000	£000	£000					
1	Schools Transport	Partners and Others	**Additional Learning Needs - Review of Transport for Pupils Within 2/3 Miles (Primary/Secondary)** Review and challenge transport for statemented pupils who live within 2 miles from primary school and 3 miles from secondary. This will be done on an individual case basis, to take into account the individual child's needs based on the Additional Learning Needs transport policy.	6,066	0	38	0	**38**	General planning	Red-Amber	Red-Amber	Amber-Green	Education
2	Schools Transport	Partners and Others	**School Transport - Replace Taxis/Buses with Bus Passes (Cardiff IFF cards) for Pupil Referral Units - Phased Approach** Pilot scheme to run at Greenhill School initially and if successful transfer to other PRU areas.	6,066	0	48	0	**48**	Detailed plan	Red-Amber	Red-Amber	Green	Education
3	Schools Transport	Partners and Others	**Introduce Travel Support Allowance - Pilot Scheme** Replace taxi/bus provision with an advanced payment to parents. Parents would then be responsible for pupils' transport to school. This will be provided on a termly basis.	2,173	0	100	0	**100**	Detailed plan	Amber-Green	Amber-Green	Green	Education
4	Schools Transport	Second / Third Yr	**School Transport - Phased Increase in cost of Bus Passes** Continuation of the phased increase in cost of bus passes to ensure actual costs match the provision.	(82)	0	0	5	**5**	Detailed plan	Green	Green	Amber-Green	Education
5	Schools Transport	Second / Third Yr	**School Transport -Additional Learning Needs Route Optimisation and Retendering of Routes/Mergers** Reviewing on a case by case basis, working closely with Education and individual schools. Review and challenge current transport provision to ensure it fits the needs of pupils.	6,066	0	189	0	**189**	Detailed plan	Green	Amber-Green	Amber-Green	Education
6	Energy	Income / Commercialisation	**Renewable Energy Generation** Income will be derived from a number of renewable energy schemes through incentives related to energy generation (Feed In Tariffs, etc.), the sale of energy to the grid and/or other rental income.	4,070	0	0	10	**10**	Detailed plan	Green	Amber-Green	Green	Transport, Planning & Sustainability
7	Energy	Internally Facing / C&P	**Energy - Change in Energy Procurement Strategy** Currently energy is procured through Welsh Purchasing Consortium arrangement with 16 other Welsh Authorities. A change to this arrangement would allow a flexible approach that is tailored to the City of Cardiff's requirements, including the ability to purchase energy directly from the renewable generation capacity that the Council and others are installing in Cardiff, in turn generating savings.	4,070	0	20	0	**20**	General planning	Green	Red-Amber	Green	Transport, Planning & Sustainability
8	Energy	Internally Facing / C&P	**Energy Efficiencies Within Council Buildings** Identify projects through use of the RE:Fit framework for complete building energy retrofit as well as alternative external funding for individual projects.	4,070	0	30	0	**30**	Detailed plan	Amber-Green	Amber-Green	Green	Transport, Planning & Sustainability

ADDRESSABLE SPEND BUDGET SAVINGS PROPOSAL SUMMARY 2017/18

No.	A/S Category	Theme	Proposal	Budget	Saving: Employee Costs	Saving: Other Spend	Saving: Income	Saving: 2017/18 Total	Risk Analysis: Status	Risk Analysis: Residual	Risk Analysis: Achievability	Risk Analysis: EIA	Cabinet Portfolio
				£000	£000	£000	£000	£000					
9	Energy	Internally Facing / C&P	**Energy - Reduction in bills across the estate through improved management and behaviour change (Carbon Reduction Strategy)** The approved Carbon Reduction Strategy sets out a series of actions that will manage and reduce the Council's energy consumption. Part of this strategy relates to better management of energy consumption and behaviour change amongst building managers and other staff.	4,070	0	40	0	**40**	General planning	Amber-Green	Amber-Green	Green	Transport, Planning & Sustainability
10	Energy	Second / Third Yr	**Street Lighting - Conversion to LED** Replace main route lighting with LED to reduce long term energy expenditure. Start date Mid November 2016.	2,173	0	60	0	**60**	Detailed plan	Red-Amber	Amber-Green	Green	Transport, Planning & Sustainability
11	Energy		**Traffic Signals/Bollard - Conversion to LED** Replace traffic signals and bollard lighting with LED to reduce long term energy expenditure. Start date January 2017.	213	0	20	0	**20**	Detailed plan	Green	Green	Green	Transport, Planning & Sustainability
12	Externally Set	Grants / Subsidies	**Precepts and Levies** Achievement of the 1% targeted reduction in precepts and levies as set out in the Budget Strategy Report.	17,787	0	8	0	**8**	Detailed plan	Amber-Green	Red-Amber	Green	Corporate Services & Performance
13	Corporate / Financial Resilience	Internally Facing / C&P	**Insurance** In line with recent claims experience following Ministry of Justice reforms in 2013.	5,018	0	135	0	**135**	Detailed plan	Amber-Green	Amber-Green	Green	Corporate Services & Performance
14	Corporate / Financial Resilience		**Reduction in voluntary redundancy budget based on latest financial modelling information**	5,804	1400	0	0	**1,400**	Detailed plan	Green	Green	Green	Corporate Services & Performance
15	Corporate / Financial Resilience		**Reduction in pension strain budget based on latest financial modelling information**	2,500	1450	0	0	**1,450**	Detailed plan	Green	Green	Green	Corporate Services & Performance
16	School Organisation Plan		**School Organisation Plan** Following a review of the latest financial modelling information this amount can be released.	7,193	0	100	0	**100**	Detailed plan	Green	Green	Green	Education
17	Property	Commercialisation	**Increase in Rental Income - Strategic Estates**	(3,615)	0	0	90	**90**	Detailed plan	Red-Amber	Amber-Green	Green	Corporate Services & Performance
Council Addressable Spend Total					**2,850**	**788**	**105**	**3,743**					
Council Total					**4,872**	**8,730**	**3,405**	**17,007**					

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Risk Assessment Summary of 2017/18 Savings Proposals

		City Operations	Communities, Housing & Customer Services	Corporate Management	Economic Development	Education & Lifelong Learning	Governance & Legal Services	Resources	Social Services	Total Directorate Savings	Addressable Spend	Total Savings
		£000	£000	£000	£000	£000	£000	£000	£000	**£000**	£000	**£000**
Planning Status	General	132	0	0	156	357	102	0	0	**747**	98	**845**
	Detailed	965	1,083	84	2,014	2,014	0	976	4,997	**12,133**	3,645	**15,778**
	Realised	92	0	0	0	0	0	292	0	**384**	0	**384**
	Total	**1,189**	**1,083**	**84**	**2,170**	**2,371**	**102**	**1,268**	**4,997**	**13,264**	**3,743**	**17,007**
Residual Risk	Red	0	0	0	0	0	0	0	0	**0**	0	**0**
	Red-Amber	0	200	0	753	175	102	352	4,757	**6,339**	236	**6,575**
	Amber-Green	284	293	0	994	1,936	0	443	240	**4,190**	313	**4,503**
	Green	905	590	84	423	260	0	473	0	**2,735**	3,194	**5,929**
	Total	**1,189**	**1,083**	**84**	**2,170**	**2,371**	**102**	**1,268**	**4,997**	**13,264**	**3,743**	**17,007**
Achievability Risk	Red	0	0	0	0	0	0	0	0	**0**	0	**0**
	Red-Amber	0	401	0	344	450	102	559	4,757	**6,613**	114	**6,727**
	Amber-Green	461	0	84	1,592	1,921	0	410	240	**4,708**	654	**5,362**
	Green	728	682	0	234	0	0	299	0	**1,943**	2,975	**4,918**
	Total	**1,189**	**1,083**	**84**	**2,170**	**2,371**	**102**	**1,268**	**4,997**	**13,264**	**3,743**	**17,007**
Equality Impact Assessment	Red	0	0	0	0	0	0	0	0	**0**	0	**0**
	Red-Amber	0	0	0	0	432	0	0	3,186	**3,618**	0	**3,618**
	Amber-Green	30	669	0	436	175	0	154	1,811	**3,275**	232	**3,507**
	Green	1,159	414	84	1,734	1,764	102	1,114	0	**6,371**	3,511	**9,882**
	Total	**1,189**	**1,083**	**84**	**2,170**	**2,371**	**102**	**1,268**	**4,997**	**13,264**	**3,743**	**17,007**

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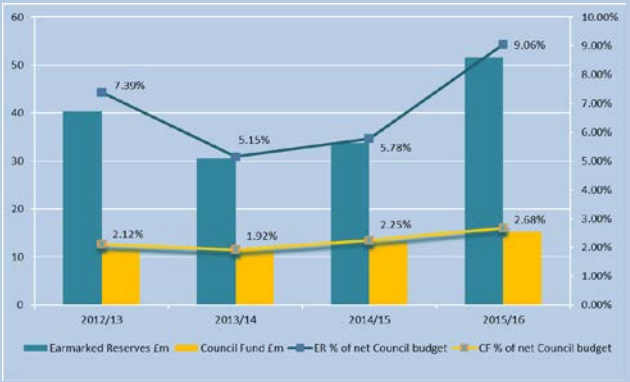
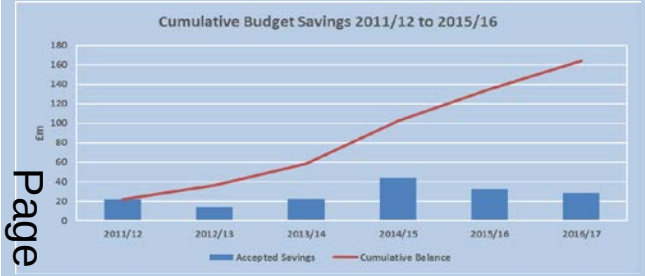
FINANCIAL SNAPSHOT REPORT - BUDGET REPORT VERSION

Below gives an indication of the financial resilience of the Council as per the Statement of Accounts.

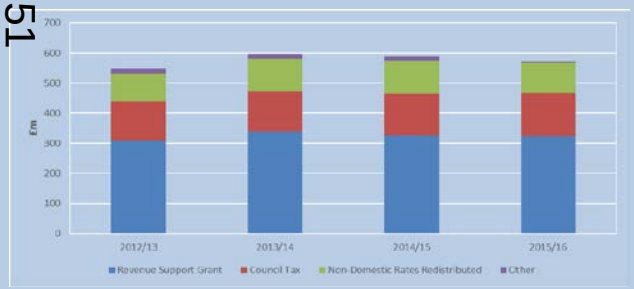
Level of Council Fund (CF) and Earmarked Reserves (ER)



Cardiff Council Historic Cumulative Budget Savings



Actual Revenue Funding Split



Other Financial Ratios

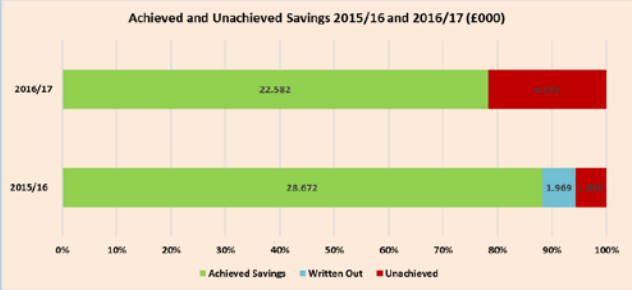
Ratio	2012/13	2013/14	2014/15	2015/16
Working Capital to Gross Revenue Expenditure (%)	8.34%	5.18%	5.13%	6.02%
Usable Reserves to Gross Revenue Expenditure (%)	7.46%	6.43%	7.16%	10.31%
Earmarked Reserves to Gross Revenue Expenditure (%)	5.25%	3.85%	4.28%	6.63%
Unallocated/General Reserves to Gross Revenue Expenditure (days)	5	5	6	7
Long-term Borrowing to Long-term Assets (ratio)	0.22	0.25	0.24	0.35
Long-term Borrowing to Taxation & Non-Specific Grants (ratio)	0.75	0.69	0.72	1.05
Council Tax Due to Taxation & Non-Specific Grants (%)	25.58%	23.32%	25.64%	27.68%

The figures below show the projected outturn position for the 2016/17 financial year for both revenue and capital.

Revenue Month 9 Projected Position

Directorate	Net Expenditure Budget £000	Projected Outturn £000	Variance £000	Variance %
City Operations	33,786	34,741	955	2.8%
Communities, Housing & CS	43,691	43,572	(119)	(0.3%)
Corporate Management	24,054	24,479	425	1.8%
Economic Development	13,015	12,920	(95)	(0.7%)
Education & Lifelong Learning	243,758	243,858	100	0.0%
Governance & Legal Services	4,714	4,659	(55)	-1.2%
Resources	19,421	19,261	(160)	(0.8%)
Social Services	146,705	152,686	5,981	4.1%
Total Directorates	**529,144**	**536,176**	**7,032**	**1.33%**
Capital Financing	35,310	34,790	(520)	(1.5%)
Discretionary Rate Relief	300	315	15	5.0%
General Contingency	4,000	0	(4,000)	(100.0%)
Summary Revenue Account etc.	9,407	8,107	(1,300)	(13.8%)
Council Tax Collection	0	(642)	(642)	0.0%
NDR Refunds on Council Properties	0	(585)	(585)	0.0%
Total	**578,161**	**578,161**	**0**	**0.0%**

Revenue Savings Achieved and Unachieved as at Month 9



Directorate	Unachieved Savings by Year 2015/16 £000	2016/17 £000	Total £000
City Operations	311	1,623	1,934
Communities, Housing & CS	132	383	515
Corporate Management	0	275	275
Economic Development	120	1,502	1,622
Education & Lifelong Learning	46	740	786
Governance & Legal Services	0	24	24
Resources	29	144	173
Social Services	1,194	1,562	2,756
Total	**1,832**	**6,253**	**8,085**

**The 2017/18 Budget will write out £1.073 million of the above unachieved savings.*

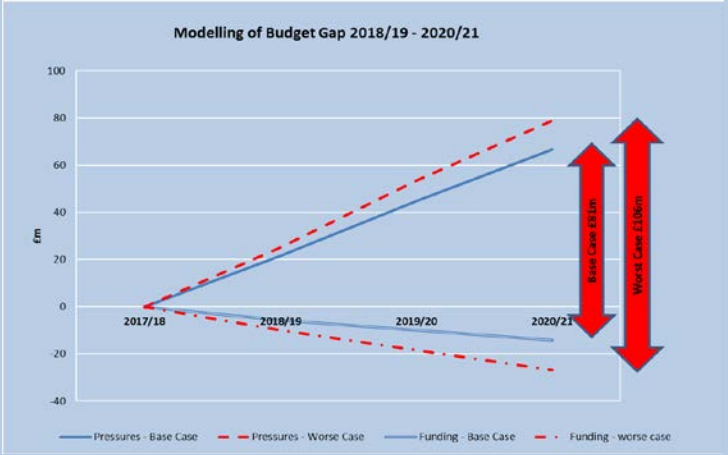
Capital Month 9 Projected Position

Directorate	Budget £000	Projected Outturn £000	Variance £000	Variance %	(Under)/ Overspend £000	Slippage £000
City Operations	27,539	22,194	(5,345)	(19.4%)	170	(5,515)
Communities, Housing & CS	14,072	11,162	(2,910)	(20.7%)	0	(2,910)
Economic Development	10,160	20,754	10,594	104.3%	0	10,594
Education & Lifelong Learning	47,525	31,431	(16,094)	(33.9%)	(63)	(16,031)
Resources	2,830	1,163	(1,667)	(58.9%)	0	(1,667)
Social Services	575	350	-225	(39.1%)	(100)	(125)
Total	**102,701**	**87,054**	**(15,647)**	**(15.24%)**	**7**	**(15,654)**

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

MTFP Scenario

	2018/19 £000	2019/20 £000	2020/21 £000	TOTAL £000
Financial Pressures	21,599	23,220	21,876	**66,695**
Funding Reductions	5,780	4,237	4,195	**14,212**
Budget Requirement Reduction	**27,379**	**27,457**	**26,071**	**80,907**
Budget Strategy Assumptions	7,680	6,839	6,388	**20,907**
Total Savings Required	19,699	20,618	19,683	**60,000**
Total Strategy	**27,379**	**27,457**	**26,071**	**80,907**



Capital Expenditure & Capital Financing Requirement (CFR)

	31 Mar 16 £000	31 Mar 17 £000	31 Mar 18 £000	31 Mar 19 £000	31 Mar 20 £000
Capital Expenditure	**Actual**	**Estimate**	**Estimate**	**Estimate**	**Estimate**
Council Fund (General Fund)	82	87	113	81	18
Housing Revenue Account	207	23	30	31	24
Total Capital Expenditure	**289**	**110**	**143**	**112**	**42**
Capital Financing Requirement excl. Landfill					
Council Fund CFR	432	449	476	472	462
Housing Revenue Account CFR	277	274	282	291	292
Total CFR	**709**	**723**	**758**	**763**	**754**

Affordability Indicator - Capital Financing Costs as a % of Controllable Budget

	2011/12	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Difference 11/12-21/22
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
	%	%	%	%	%	%	%	%
Net	**13.47**	**15.78**	**14.77**	**15.29**	**15.78**	**17.17**	**18.32**	**36.01**
Gross	**15.17**	**19.68**	**19.44**	**20.13**	**20.51**	**22.00**	**23.19**	**52.87**

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EARMARKED RESERVES GENERAL FUND

	Reserve	Estimated balance at 31.03.17 £000	Estimated Movements 2017/18		Estimated balance at 31.03.18 £000	Purpose
			To finance budget £000	Other Commitments £000		
1	Apprenticeships and Trainees	**850**	0	(474)	**376**	To support the Council's commitment to young people through funding for apprenticeships and trainees.
2	Bereavement Services	**20**	0	45	**65**	To fund a planned programme of refurbishment and improvement.
3	Building Control Fee Earning	**488**	0	(69)	**419**	Represents historic surpluses relating to the ringfenced building control account which will be used to smooth the effects of any future deficits.
4	Bute Park Match Funding	**178**	0	(25)	**153**	To provide match funding for grant funded initiatives in relation to Bute Park as per the Heritage Lottery Fund agreement.
5	Cardiff Capital Region City Deal	**87**	0	(87)	**0**	Towards costs of Joint Cabinet for the Cardiff Capital Region in collaboration with Local Authorities, Welsh and UK Governments.
6	Cardiff Dogs Home Legacy	**108**	0	(5)	**103**	Donations left to Cardiff Dogs Home to be used for improvements to the home.
7	Cardiff Enterprise Zone	**4,515**	0	228	**4,743**	Budget set aside to fund expenditure on the Cardiff Enterprise Zone in future years.
8	Central Market Minor Works	**43**	0	(43)	**0**	To fund minor works at Cardiff Central Market.
9	Central Transport Service	**365**	0	(150)	**215**	To fund costs relating to the CTS vehicle service in future years.
10	City Wide Management & Initiatives	**370**	0	(330)	**40**	City wide management and initiatives including supporting marketing and infrastructure in relation to the City.
11	Community Based Services Transition	**349**	0	(150)	**199**	To fund the support for potential future community asset transfers.
12	Community Safety	**26**	0	(26)	**0**	To fund a temporary Community Safety Officer Post
13	Corporate Events & Cultural Services	**478**	0	(78)	**400**	To support feasibility studies and costs of major events and to offset future pressures arising from fluctuations in income within Venues and Cultural Services.
14	Discretionary Rate Relief	**100**	0	(50)	**50**	To fund changes to the NDR discretionary rate relief scheme.

	Reserve	Estimated balance at 31.03.17 £000	Estimated Movements 2017/18		Estimated balance at 31.03.18 £000	Purpose
			To finance budget £000	Other Commitments £000		
15	Emergency Management, Safeguarding and Prevent	**70**	0	(20)	**50**	Preventative measures in relation to safeguarding, Prevent agenda and emergency management.
16	Employee Changes	**4,029**	0	115	**4,144**	In accordance with the projected model, this is required to meet the costs associated with voluntary redundancy and other employee costs in future years.
17	Energy Conservation	**315**	0	35	**350**	To fund initiatives in connection with energy conservation.
18	Energy/Carbon Reduction	**449**	(100)	0	**349**	To provide funding for future unexpected increases in the Council's carbon reduction charges.
19	Flatholm	**9**	0	(9)	**0**	To fund essential unforeseen maintenance and provision for potential liabilities in relation to the future running of the island.
20	Fraud Detection	**127**	0	(66)	**61**	To supplement staffing and other costs associated with fraud detection.
21	Harbour Authority Project and Contingency Fund	**607**	0	(468)	**139**	To fund expenditure for the improvement and enhancement of infrastructure, assets, activities or services in and around the Bay.
22	Homelessness	**1,245**	0	(307)	**938**	To be used to meet increases in homelessness pressures.
23	Houses in Multiple Occupation Licensing	**50**	0	(12)	**38**	To spread the income in line with costs for the five year length of licences.
24	House Mortgage	**29**	(29)	0	**0**	This represents surpluses on the fund to meet net service costs but is no longer needed as all mortgages now discharged.
25	Housing Options Centre	**937**	0	(120)	**817**	To meet the budgeted capital financing costs of the new Housing Options Centre.
26	Housing Support	**1,299**	0	(104)	**1,195**	To improve sustainability by maintaining people's independence in their own homes.
27	ICT Holding Account	**784**	0	(175)	**609**	To fund future Business Process Improvement initiatives and other future ICT initiatives.
28	Inspectorate Support	**308**	0	(50)	**258**	To procure necessary consultancy for inspections and regulatory environment.

	Reserve	Estimated balance at 31.03.17 £000	Estimated Movements 2017/18		Estimated balance at 31.03.18 £000	Purpose
			To finance budget £000	Other Commitments £000		
29	Insurance	**6,142**	(1,000)	0	**5,142**	To protect the Council from future potential insurance claims.
30	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.
31	Invest to Save	**350**	0	(100)	**250**	To fund revenue invest to save schemes.
32	Joint Equipment Store - Pooled Budget	**102**	0	(72)	**30**	To be utilised to offset deficits or one off expenditure items in the pooled budget in future years.
33	Kitchen Improvement	**258**	0	(258)	**0**	To fund refurbishments of primary school kitchens in support of health and safety standards.
34	Legal Services	**200**	0	(200)	**0**	To fund future Legal Services initiatives, including projects in connection with ICT upgrades and procurement of additional resource on a temporary basis.
35	Local Lend a Hand Mortgage Scheme	**222**	0	3	**225**	Interest receivable in case of default on Local Lend a Hand Mortgage Scheme.
36	Local Plan	**99**	0	0	**99**	To support the cost of the Local Development Plan and any potential appeals or judicial reviews.
37	Major Projects	**1,217**	0	0	**1,217**	To contribute towards the cost of Major Projects.
38	Members Development	**80**	0	(80)	**0**	To support webcasting of Council meetings and any additional members' ICT software.
39	Municipal Election	**646**	0	(550)	**96**	To support the cost of local elections.
40	Non-Domestic Rates Due Diligence	**60**	0	0	**60**	To fund the costs of Non-Domestic Rates due diligence.
41	Organisational Development Programme	**421**	0	(394)	**27**	To fund additional advice/support for the delivery of Organisational Development projects. Requests for funding are presented to the Investment Review Board for approval.
42	Out of School Childcare	**110**	0	(9)	**101**	Surplus balances from each school operating an out of school childcare scheme. These can be drawn upon by each school to balance in year.

	Reserve	Estimated balance at 31.03.17 £000	Estimated Movements 2017/18		Estimated balance at 31.03.18 £000	Purpose
			To finance budget £000	Other Commitments £000		
43	Parking & Enforcement	**153**	0	69	**222**	This represents surpluses on parking & enforcement schemes which, under the Road Traffic Act 1984, have to be reinvested in Road Traffic Schemes.
44	Projects Design and Development	**77**	0	0	**77**	To cover unattributable anomalies in building design and construction.
45	Property Management System	**111**	0	(111)	**0**	To fund new corporate Property Management System.
46	Public Service Board Initiative	**23**	0	(23)	**0**	To fund scrutiny work in connection with the Public Service Board.
47	Registration Service Improvement	**29**	0	(10)	**19**	To fund various service improvements.
48	Resources	**1,303**	0	(667)	**636**	To provide funding to a number of areas within the Resources Directorate particularly where transition to new methods of operation are required.
49	Schools Catering	**444**	0	(142)	**302**	To be used to support the Schools Catering Service, including the implementation of a cashless transaction system for secondary schools and the costs associated with a temporary catering unit at Cantonian High School.
50	Schools Formula Funding	**1,133**	0	(60)	**1,073**	Contingency Fund set aside to meet unplanned and unforeseen expenditure incurred by or on behalf of the delegated schools' budgets.
51	School Organisation Plan	**6,843**	0	(1,972)	**4,871**	To be used to manage the cash flow implications of the School Organisation Plan financial model.
52	Scrutiny Development & Training	**50**	0	(50)	**0**	To fund Member development and training.
53	Scrutiny	**21**	0	(21)	**0**	Contingency fund to allow for impacts as part of Scrutiny Review and specific ICT replacement costs.
54	Social Care Technology	**611**	0	(250)	**361**	To support social care IT developments.
55	Waste Management	**2,765**	(171)	0	**2,594**	To support additional waste management initiatives to achieve recycling targets.
56	Welfare Reform	**3,916**	(200)	(643)	**3,073**	To fund costs in connection with potential future welfare reform and Council Tax Reduction Scheme.

	Reserve	Estimated balance at 31.03.17 £000	Estimated Movements 2017/18		Estimated balance at 31.03.18 £000	Purpose
			To finance budget £000	Other Commitments £000		
57	Youth and Community Education	**90**	0	(90)	**0**	To fund costs connected with the refurbishment of youth centres retained in the revised service, and potential transitional costs resulting from the Youth Service restructure.
		45,742	**(1,500)**	**(8,056)**	**36,186**	

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EARMARKED RESERVES HRA

Reserve	Estimated balance at 31.03.17 £000	Estimated Movements 2017/18		Estimated balance at 31.03.18 £000	Purpose
		To finance budget £000	Other Commitments £000		
Housing Repairs & Building Maintenance Services	**366**	0	(226)	**140**	To fund costs of the Housing Repairs Account and Building Maintenance Replacement/Services.
Modernising ICT	**52**	0	(52)	**0**	To support costs of improving business processes.
Tackling Overcrowding	**175**	0	(89)	**86**	To fund costs of the Tackling Overcrowding project.
Housing Development	**1,900**	0	0	**1,900**	To fund the development of the additional build programme, other land and property acquisitions and to support the Housing Partnership Programme.
	2,493	**0**	(367)	**2,126**	

Reserve	Estimated balance at 31.03.17 £000	Estimated Movements 2017/18		Estimated balance at 31.03.18 £000	Purpose
		To finance budget £000	Other Commitments £000		
General Housing	**8,438**	0	0	**8,438**	General housing balances.
	8,438	**0**	**0**	**8,438**	

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Employee Implications of Budget

Ref	Savings/Pressure Title	All figures are expressed in terms of full time equivalent posts				
		Voluntary Redundancy	Vacant	Redeployment*	New Post	Total FTEs
City Operations						
1	Cycling Strategy Delivery				1.00	**1.00**
2	Intensive Cleaning Initiative				9.00	**9.00**
City Operations Net Position		**0.00**	**0.00**	**0.00**	**10.00**	**10.00**
Communities, Housing and Customer Service						
3	New Approach to Locality and Neighbourhood Service Delivery			(8.00)		**(8.00)**
					5.00	**5.00**
4	Providing budgeting and income maximisation services for the most vulnerable				4.00	**4.00**
5	Additional Senior Occupational Therapists - packages of care reviews				2.00	**2.00**
Communities , Housing and Customer Services Net Position		**0.00**	**0.00**	**(8.00)**	**11.00**	**3.00**
Economic Development						
6	Increase in Income - Culture, Venues and Events Management			(0.40)		**(0.40)**
7	Pest Control - Expanding Market Share				1.00	**1.00**
8	Efficiency Improvements to changes within Waste Services			(3.00)		**(3.00)**
9	Central Transport Services income generation				2.00	**2.00**
10	Recycling and Reuse Centre				1.00	**1.00**
Economic Development Net Position		**0.00**	**0.00**	**(3.40)**	**4.00**	**0.60**
Education						
11	Reduction in Central budget for the Education Welfare Team			(3.00)		**(3.00)**
12	Central Staffing Costs			(7.00)		**(7.00)**
13	Child Friendly City Status - Unicef Child Rights Partner Programme				0.60	**0.60**
Education Net Position		**0.00**	**0.00**	**(10.00)**	**0.60**	**(9.40)**
Governance and Legal Services						
14	Business Support to Members				3.00	**3.00**
Governance and Legal Services Net Position		**0.00**	**0.00**	**0.00**	**3.00**	**3.00**
Resources						
15	Automation of forms, E billing and transactional website in order to generate channel shift from telephone in respect of Council tax and Non Domestic Rates (NDR) recovery		(1.50)			**(1.50)**

Note that where savings proposals are part year and have a staff implication, this appendix identifies the head count implication in the year saving commences.

Ref	Savings/Pressure Title	Voluntary Redundancy	Vacant	Redeployment*	New Post	Total FTEs
16	Business Support Restructure which will reflect process and technological changes such as flexitime, post room and business support		(4.00)			**(4.00)**
17	Further reduction in posts in Accountancy following review of responsibilities	(1.00)	(1.00)			**(2.00)**
18	Review of staff structure in Organisational Development		(3.00)			**(3.00)**
19	Human Resources Business Efficiencies	(1.00)	(1.00)			**(2.00)**
20	Reduction in Cabinet Office	(1.00)				**(1.00)**
21	Support for Trainee Placement Programme				1.00	**1.00**
Resources Net Position		**(3.00)**	**(10.50)**	**0.00**	**1.00**	**(12.50)**
Social Services						
22	Remodelling of Children's Services		(1.00)	(3.00)		**(4.00)**
23	Re-modelling of skill mix within Adults Social Work Teams		(2.50)			**(2.50)**
24	Review of Social Work Resource in Hospitals		(2.50)			**(2.50)**
25	Social Services and Well Being Act				4.00	**4.00**
26	Capacity to undertake qualitative performance monitoring				1.50	**1.50**
27	Rehabilitation Services to people registered with sight loss/severe sight loss				2.25	**2.25**
28	Carers Assessment Workers				2.00	**2.00**
29	Connected Persons Assessments				4.00	**4.00**
30	Child Sexual Exploitation (CSE) Prevention Team				7.00	**7.00**
31	Learning Disabilities Internal Day Care				6.50	**6.50**
32	Complaints & Access to Records				3.60	**3.60**
33	Placement with Parents and Therapy costs				5.00	**5.00**
34	Strategic Commissioning				1.00	**1.00**
35	Increase capacity to manage growth of domiciliary, residential and nursing provision through the care contract process				8.00	**8.00**
36	Social Work Capacity				16.00	**16.00**
37	Sustainability for the Multi Agency Safeguarding Hub (MASH)				2.00	**2.00**
38	Enhance Review Function Across Learning Disability and Mental Health				3.00	**3.00**
39	Continuing Health Care				2.00	**2.00**
Social Services Net Position		**0.00**	**(6.00)**	**(3.00)**	**67.85**	**58.85**
Totals		**(3.00)**	**(16.50)**	**(24.40)**	**97.45**	**53.55**

*Where reductions are yet to be confirmed due to the scope of a proposal, it is assumed that consideration would be given to redeployment in the first instance.

Note that where savings proposals are part year and have a staff implication, this appendix identifies the head count implication in the year saving commences.

Financial Resilience Mechanism - one-off use for 2017/18		£000	
Visible Street Scene	Highway and Footway Reconstruction	540	To address the deterioration of footways immediately surrounding the large number of street trees within Cardiff and allow preventative maintenance of Cardiff's distributor roads.
	Asset Team - Continued targeted highway improvement across city	320	To continue with the programme of works, started in 2016/17, that will improve the condition of the adopted highway network.
	Essential City wide road marking and sign refurbishment programme.	200	To address the backlog of line and sign replacement/refreshment throughout the city - key to the safe movement of traffic and a key prevention of road traffic collisions.
	Neighbourhood Services - Continued funding of City Centre Afternoon Waste Enforcement Team	150	To enable City centre/city wide waste enforcement teams to work afternoon and weekends to enable delivery of a high quality Total Street Scene service to the residents of Cardiff.
	Asset - City Centre/Public Realm improvements	100	To fund a specialist team and associated materials required to maintain the high quality materials used in the City Centre public realm areas such as High Street/St Mary Street and Queen Street in a safe and presentable condition.
	Slip Road and roundabout cleansing	50	To increase from three to six Gateway Routine Annual Strategy Programme cycles next year.
	Additional Weed Control Treatment	25	Treatment on the highway and rear lanes.
	Address backlog in tree and hedge maintenance	100	City wide including high speed routes.
	Asset review and renewal programme for bins	150	Funding for replacement of 25% of public litter bins.
	Street Furniture Audit	25	Review of street furniture and removal of clutter.
	Keep clear marking outside schools	50	To accelerate the programme and assist with enforcement outside schools.
	Total	**1,710**	

Appendix 11

Financial Resilience Mechanism - one-off use for 2017/18		£000	
Property Condition	Statutory Obligations - Inspection Work	400	To provide a programme of Condition and Mechanical Electrical Surveys across the Council's estate which will provide an accurate and up to date account of outstanding and priority works.
	Cardiff Market partial roof refurbishment	300	To allow for partial refurbishment of the market roof in order to prevent water ingress.
	Refurbishment of Sports Facilities	300	To upgrade facilities including Rumney Recreation Ground, Trelai Changing Rooms, Seven Oaks and Thornhill parks.
	Total	**1,000**	
Transitional Arrangements	Communities First	300	To help organisations affected by the phasing out of the WG's Communities First Programme to source alternative funding streams for key posts and/or projects.
	Challenge Cymru	200	To provide transitional funding to those schools significantly impacted by the end of the WG's Challenge Cymru funding on 31 March 2017.
	Continue with current Youth Service savings but increase transitional funding for communities/ organisations to take on the initiatives.	100	To provide transitional funding where grants or Council led provision are being reduced, enabling certain elements of provision to be continued.
	Time Credits volunteering arrangement initiative.	60	To secure the time credits volunteering arrangement into 2017/18, allowing additional time to source other funding opportunities after 2018.
	Total	**660**	
City Centre Enforcement / Security	Public Area Protection	250	To support improvements relating to the installation of bollards as part of public protection measures in the City Centre.
	Taxi Enforcement	40	To provide an Enforcement Officer to ensure taxi drivers are complying with the terms of their licence.
	Total	**290**	

Financial Resilience Mechanism - one-off use for 2017/18		£000	
Parking Strategy	Feasibility Study - Electric Vehicles	50	To conduct a feasibility study into the possible introduction of a number of designated parking spaces for Electric Vehicles.
	Car Free Day Initiative	40	To repeat and extend the Car Free Day initiative introduced in 2016/17.
	20 mph schemes	200	To provide continued rollout of additional 20mph areas.
	Residential Parking Schemes	50	To install further residential parking schemes.
	Total	**340**	
GRAND TOTAL		**4,000**	

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CARDIFF COUNCIL: FEES AND CHARGES 2017/18

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
	City Operations					
	Bereavement & Registration Services					
1	Cremation Fee	£530.00	£10.00	1.89%	1 April 2017	The proposed new charge is £540.00.
2	Burial Fee	£600.00	£30.00	5.00%		The proposed new charge is £630.00
3	Child Burial/Cremation	£75.00	(£75.00)	(100.00%)		Child (0-16 years of age inclusive) burials and cremations will no longer incur a charge from 1 April 2017.
4	Grave purchase Fee	£675.00	£15.00	2.22%		The proposed new charge is £690.00
5	Cremated Remains Burial	£230.00	£10.00	4.35%		The proposed new charge is £240.00
6	Cremated Remains Purchase	£280.00	£10.00	3.57%		The proposed new charge is £290.00
7	Registration Ceremony Fees - St David's Room - Weekdays	£195.00	£10.00	5.13%		The proposed new charge is £205.00
8	Registration Ceremony Fees - St David's Room - Weekends	£245.00	£10.00	4.08%		The proposed new charge is £255.00
9	Registration Ceremony Fees - Approved Premises - Weekdays	£330.00	£20.00	6.06%		The proposed new charge is £350.00
10	Registration Ceremony Fees - Approved Premises - Weekends	£425.00	£20.00	4.71%		The proposed new charge is £445.00
11	Registration Ceremony Fees - Approved Premises - Bank Holidays	£475.00	£20.00	4.21%		The proposed new charge is £495.00
12	Webcast of Ceremony	£75.00	Nil	Nil		No proposed increase.
13	DVD of Ceremony	£65.00				
14	Webcast and DVD of Ceremony	£95.00	£5.00	5.26%		The proposed new charge is £100.00
15	Audio recording of ceremony	£55.00	Nil	Nil		No proposed increase.
16	Registry Office Ceremony fee	£49.00				
17	Notice Fee	£35.00				
18	Citizenship ceremonies Fee	£80.00				
19	Certificate Fee	£10.00				
20	Registrars Certificate	£4.00				
21	Copy Certificates Standard service	£7.00				
22	Copy Certificates - Priority Service within 24hours)	£17.00				
23	Memorial Income	Various				No proposed increase. Various fees to be reviewed individually dependent on supplier costs.
	Nationality Checking Services					
24	Single adult	£80.00	£5.00	6.25%	1 April 2017	The proposed new charge is £85.00
25	Single child	£55.00	£5.00	9.09%		The proposed new charge is £60.00
26	Settlement checking service	£110.00	£15.00	13.64%		The proposed new charge is £125.00
	Dogs Home					
27	Dogs Home - Puppies Rehoming Fees	£150.00	Nil	Nil	1 April 2017	No proposed increase.
28	Dogs Home - Other Dogs Rehoming Fees	£100.00 - £300.00				
	Parks					
29	Allotments - Full Price	Category A £11.36 per pitch Category B £11.04 per pitch Category C £10.62 per pitch Chalet £108.00 Brick cubicle £25.00	Nil	Nil	1 April 2017	No proposed increase.

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
30	Allotments - Concession	Category A £5.68 per pitch Category B £5.52 per pitch Category C £5.31 per pitch Chalet £53.50	Nil	Nil	1 April 2017	No proposed increase.
	Planning					
31	Planning Fees	Various	Nil	Nil	1 April 2017	No proposed increase.
32	Building Control Charges Statutory	Various				No proposed increase.
33	Admin Fee from Section 106 Agreements	6% of agreement price				Income will vary dependent on level of work. The percentage charged is subject to legal restrictions.
34	Tree Preservation Orders - search and copy of information	£10.00 - Extract £20.00 - full copy	£5.00 - Extract £10.00 - Full Copy	50.00%		The proposed new charges are: £15.00 extracts, £30.00 full copies.
	Pre Application Advice					
35	Pre Application Advice - Statutory Charges • Householder - £25 • Minor Development - (1-9 dwellings; floor space including change of use less than 999m^2) • Major Development - (1—24 dwellings, floor space including change of use 1,000 to 1,999m^2) • Large Major Development (More than 24 dwellings, floor space including change of use more than 1,999m^2)	£25.00 £250.00 £600.00 £1000.00	Nil	Nil	1 April 2017	These are statutory charges.
36	Pre Application Advice Category 'A' Strategic Development • 25 or more residential units (including conversion) • 2,000m^2 or more of commercial floor space • change of use of buildings or land over 2000m^2 • mixed use development of a site of 1ha and over • development requiring an Environmental Impact Assessment.	£2500 plus VAT with additional hourly rate of £100 plus VAT (Initial meeting - no charge)				No proposed increase. The Council offers a discretionary pre application service in addition to the significantly cheaper statutory pre application service. This provides enhanced information for applicants justifying an increased fee but any further increases would likely lead to applicants using the cheaper statutory route resulting in an overall reduction in income for the Council from this source.
37	Pre Application Advice Category 'B' Major Development • 10-24 residential dwellings (including conversion) • 1000m^2 – 1999m^2 of commercial floor space • change of use of buildings or land between 1000m^2 – 1999m^2 • development of a site of 0.5ha – 0.99ha • mixed use developments with a combined floor space of 1000m^2 – 1999m^2.	£1250 plus VAT with additional hourly rate of £100 plus VAT (Initial meeting - no charge)				
38	Pre application Advice CATEGORY 'C' – Minor Development • 1-9 residential dwellings (including conversion) • 100m^2 – 999m^2 of commercial floor space • change of use of buildings or land between 100m^2-999m^2 • mixed use developments with a combined floor space of less than 0.5ha • telecommunications equipment and masts not being confirmation of permitted development • advertisement applications • agricultural developments Pre application advice - development.	£250 plus VAT with additional hourly rate of £100 plus VAT				

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
39	Pre Application Advice CATEGORY 'D' – Domestic / Miscellaneous Development and Exemptions	£50 plus VAT without additional hourly rate	Nil	Nil	1 April 2017	No proposed increase. The Council offers a discretionary pre application service in addition to the significantly cheaper statutory pre application service. This provides enhanced information for applicants justifying an increased fee but any further increases would likely lead to applicants using the cheaper statutory route resulting in an overall reduction in income for the Council from this source.
	Transportation					
40	Section 38 (Creation of New Public Highways)	This charge is based on 2 elements, a fixed 7% fee applied to a rate of £850.00 per linear metre	Nil	Nil	1 April 2017	No proposed increase. These are statutory fees .
41	Section 278 Agreement	7% engineering fee based on total cost of highway works connected with the development				
42	Road and Street Works Act (RASWA)	Various based on size of scheme				
43	3D Scanner	£800	See comment	See comment		Introduced from 1st September 2016. This includes the use of the scanner and two men for one day. No proposed increase.
44	Road Safety Audits (RSA)	£150.00 - Desktop check/Advice £250.00 - Essential RSA, £480.00 - Minor Works RSA, £720.00 - County Works RSA, £1080.00 Full RSA.	Nil	Nil		£150 Desktop check/Advice is a new charge introduced this year. Other charges were increased significantly mid 2016/17. No further increase proposed for 2017/18
45	Sign Design and Signals	Various based on size of scheme	Various	3%		The proposed new charges vary, based on size of scheme.
46	Accident Information	Various - based on request/ complexity. Standard charge based on: Up to 40 collisions £225.00 partial £335.00 full Between 40-80 collisions £450 partial £670 full >80 collisions - ad hoc	£11.00 - £34.00	4.8-5.0%		The proposed new charges vary - based on request/ complexity. The standard charge is based on the following: Up to 40 collisions £236.00 partial £352.00 full Between 40-80 collisions £472.00 partial £704.00 full >80 collisions - ad hoc

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
47	Traffic Regulation Orders	Emergency notices £415.00 Traffic Regulation Orders with Advert £1690.00	£15.00 £200.00	3.61% 11.83%	1 April 2017	The proposed new charges are: Emergency notices £430.00 Traffic Regulation Orders with Advert £1890.00
48	Traffic Data	Various - based on request - no. of man hrs	Various	3%		The proposed new charges vary - based on number of man hours required to fulfil request.
49	CCTV requests in connection with Data Protection Act	£10.00 CD/DVD	Nil	Nil		Requests come under FOI.
50	Traffic Signal - Switch Offs	£330.00 per switch off/on plus a £50.00 admin charge per invoice	Switch off/on £10.00 Admin charge £5.00	Switch off/on 3% Admin charge 10%		The proposed new charge is £340 per switch off/on plus a £55 admin charge per invoice.
51	Land / Property Searches	£86.00	£4.00	4.65%		The proposed new charge is £90.00
52	Licence for Digital Advertising sites on the Highway per Advertising Panel	£1,200.00	Nil	Nil		This is a new charge in 2016-17 to incorporate the increased number of digital advertising sites throughout Cardiff. No proposed increase for 2017/18.
53	Fixed Penalty Notices for Highways/Environment Offences	£100.00				New charge to be enforced via new Enforcement Team in 2016-17. No proposed increase for 2017/18.
54	Skip License - Standard Charge	£30.00 for 7 days £67.00 for 28 days				2 Tier Charge £30 for 7 days and £67 for 28 days. Will be monitored closely and strictly enforced with £100 fines. New charging structure and digitalisation processes. No proposed increase for 2017/18.
55	Fine for Illegally Placed Skips	£100.00				No proposed increase. New enforcement and digitalisation processes in place, will be monitored closely and strictly enforced with £100 Highways Fixed Penalty Notices.
56	Section 171 Opening Up Notice	£219.00				No proposed increase.
57	Section 50 - Installation of Equipment, In ,On or Above the Public Highway	£424.00				
58	Storage of Building Materials on the Highway	£67.00	£3.00	4.48%		The proposed new charge is £70.00
59	Containers Sited on the Public Highway	£221.00	£4.00	1.81%		The proposed new charge is £225.00
60	Cherry Picker/Mobile Elevating Work Platform (MEWP)	£169.00	£2.00	1.18%		The proposed new charge is £171.00
61	Mobile Cranes	£374.00	£6.00	1.60%		The proposed new charge is £380.00
62	Tower Crane Oversail	£374.00	£6.00	1.60%		The proposed new charge is £380.00
63	Permits for Hoardings on the Public Highway	£169.00	See comment	See comment		The current charge applies to all, regardless whether residential or commercial. A new charging structure is proposed and the new charges are: Residential permit per street £100 (28 days) Renewal £100 (28 days) Commercial permit per street £300 (28 days) Renewal £250 (28 days)
64	Scaffold Licences - Residential	£221.00	See comment	See comment		The current charge applies to all, regardless of size or whether residential or commercial. A new charging structure is proposed and the new charges are: Residential £100.00 (2 days) Small £150.00 (28 days), Renewal £50.00pw Medium £222.00 (28 days), Renewal £88.00 pw Large £500.00 (28 days), Renewal £88.00 pw
65	Scaffold Licences - Commercial					

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
66	Vehicle Crossovers	£169.00	£2.00	1.18%	1 April 2017	The proposed new charge is £171.00
67	Advertising Frame Permits - New Applications	£169.00	£2.00	1.18%		The proposed new charge is £171.00
68	Advertising Frame Permits - Renewals	£118.00	£7.00	5.93%		The proposed new charge is £125.00
69	Tables & Chairs on the Public Highway	Starts at £169.00 then increases dependent upon numbers	Various	Various		The proposed new charges are: 1-2 Tables up to 8 chairs £200.00 3-4 Tables up to 16 chairs £500.00 5-10 Tables up 40 chairs £900.00 11+ Tables and over 40 chairs £900.00 + £35.00 for every Chair over 40
70	Charges for Temporary Signs	£67.00	£3.00	4.48%		The proposed new charge is £70.00
71	Additional Inspections	£51.00	£4.00	7.84%		The proposed new charge is £55.00
72	Road and Street Works Act (RASWA) Supervisory Charge	£47.50	Nil	Nil		No proposed increase. Charge set by statute.
73	Road and Street Works Act (RASWA) - All Inspections	£50.00				
74	Fixed Penalty Notice for New Roads & Street Works Act	£80.00				
75	Section 74 Notice - Charges for Overstays	£100.00				
76	School Transport Bus Passes	£325.00	£25.00	7.69%	1 September 2017	The proposed new charge is £350.00
77	Replacement of School Bus Passes	£10.00	Nil	Nil	1 April 2017	No proposed increase.
78	Replacement Bus Passes Concessionary Travel (per pass)	£5.00				No proposed increase. Price can only reflect admin costs.
79	Disclosure Barring Service (DBS) check for School Transport)	£44.00				No proposed increase.
80	Shopper Park & Ride (Excluding Cardiff East)	£4.00 - 1 person in car £5.00 - 2 or more				No proposed increase.
81	Hiring Out Vehicles to School Transport	Based on cost of vehicle plus 10% - administration fees				No proposed increase. Minimal use.
	Parking					
82	Parking Penalty Charge Notices	£35.00	Nil	Nil	1 April 2017	Fees set by Welsh Government. This charge becomes £70.00 after 14 days.
83	Moving Traffic Offences	£35.00				
84	Replacement Blue Badges	£10.00				No proposed increase. Fees set by Welsh Government.
85	On Street Parking	Various				No proposed increase as last increased Sept 2015 - in line with the Council's Parking Strategy.
86	Car Parks	Various				
87	Resident Parking Permits	£7.50 1st permit & visitor only, £30.00 2nd permit & visitor				
	Charges for Street Numbering of Properties					
88	Developments	Up to 5 plots £200.00 6-10 plots £250.00 more than 10 plots £300.00 plus £20.00 per plot (from Unit 1)	£50 £50 £50 plus £5 per plot	16% - 25%	1 April 2017	The proposed new charges are: Up to 5 plots £250.00 6-10 plots £300.00 more than 10 plots £350.00 plus £25.00 per plot (from Unit 1)
89	Flat complexes	£65.00	£35.00	53.85%		The proposed new charge is £100.00.
90	Changes to street/building names and numbers (after original notification)	£500.00 plus £10.00 per unit after notification £500.00 at residents' request	£100.00 plus £5.00 per unit after notification £100.00 at residents' request	20% plus 50% per unit after notification 20% at residents' request		The proposed new charges are: £600.00 plus £15.00 per unit after notification £600.00 at residents' request

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
91	Changes to street/building names and numbers	£200.00 creation of new road name, £100.00 change of house name	£50.00 - £100.00	25% - 100%	1 April 2017	The proposed new charges are: £250.00 creation of new road name £200.00 changes to existing properties.
92	Searches/Address Confirmation	£50.00	Nil	Nil		No proposed increase.
	Harbour - Car Parking					
93	Car parking fees - Havannah Street	£1.50 for 1 hour £3.00 for 2 hours £4.00 for 3 hours £5.50 for 4 hours £6.50 for 5 hours £7.50 for 6 hours £8.50 for 7 hours £15.00 8-24 hours	£0.15-£3.00	10-20%	1 April 2017	The proposed new charges are: £1.65 for 1 hour £3.30 for 2 hours £4.40 for 3 hours £6.05 for 4 hours £7.15 for 5 hours £9.00 for 6 hours £10.20 for 7 hours £18.00 8-24 hours
94	Barrage Car Park	£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.	£0.15-£1.70			The proposed new charges are: £1.65 for 1 hour £2.75 for 2 hours £3.85 for 3 hours £4.95 for 4 hours £6.05 for 5 hours £7.80 for 6 hours £9.00 for 7 hours £10.20 for 8 hours.
	Harbour - Navigation & Mooring					
95	Navigation Fee - per metre	£23.11	£0.46	2.00%	1 April 2017	The proposed new charge is £23.57. Yacht clubs and marinas are entitled to 60% discount under the Barrage Act.
96	Permission to Moor - per metre	£15.75	£0.31	2.00%		The proposed new charge is £16.06. Yacht clubs and marinas are entitled to 60% discount under the Barrage Act.
97	Provision of Mooring	£91.80	Nil	Nil		No increase as currently no mooring provided.
98	Commercial operator's licence	£165.00 plus £0.10 per passenger carried	£5.00	3.00%		The proposed new charge is £170.00 plus £0.10 per passenger carried.
99	Launching permits for sailing craft, motor craft or multi person rowing craft (Section 15(1)(a))	£11.50	Nil	Nil		No proposed increase.
100	Launching permits for single person rowing craft and windsurfers	£5.00				
101	Use of Harbour Authority landing stages.	£382.50	£7.65	2.00%		The proposed new charge is £390.15
102	Short stay moorings - Inner Harbour- per hour	£1.00	Nil	Nil		No proposed increase.
	Cardiff Port Health Authority					
103	Port Health - Sanitation Inspection (Up to 1,000 tonnes)	£80.00	Nil	Nil	1 April 2017	No proposed increase.
104	Port Health - Sanitation Inspection (1,001-3000 tonnes)	£115.00				
105	Port Health - Sanitation Inspection (3,001-10,000 tonnes)	£175.00				
106	Port Health - Sanitation Inspection (10,001-20,000 tonnes)	£230.00				
107	Port Health - Sanitation Inspection (20,001-30,000 tonnes)	£295.00				
108	Port Health - Sanitation Inspection (Over 30,000 tonnes)	£350.00				
	Waste - Enforcement					
109	Abandoned Trolley Recovery Fee	£75.00	Nil	Nil	1 April 2017	No proposed increase.

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
	Communities, Housing & Customer Services					
	Gypsy & Traveller Sites					
110	Gypsy Sites - Rent - per pitch - per week	£69.37 Rover Way, £76.94 Shirenewton.	£1.06 Rover Way/ £1.23 Shirenewton.	1.60%	3 April 2017	The proposed new charges are: £70.43 Rover Way £78.17 Shirenewton
111	Gypsy & Traveller Site Service charge - per pitch - per week	£30.38 Rover Way, £26.90 Shirenewton	Nil	Nil		Cost held pending installation of water meters.
	Disabled Facilities Services					
112	6% admin costs on Home Improvement Loans	6%	Nil	Nil	1 April 2017	No proposed increase.
113	Disabled Facility Grant Income	£900.00 or 15% whichever the greater				
	Telecare					
114	Community Alarm Service - Contact Only - per week	£1.94	Nil	Nil	1 April 2017	No proposed increase.
115	Community Alarm Service - Contact and Mobile Response - per week	£4.56				
116	Telecare Packages - per week (Adult Services referrals)	£3.97				To align Mobile response charges following price freeze.
117	Telecare SIM Units - monthly charge	£6.50				No proposed increase.
118	Supply and installation of telecare monitoring unit	£125.00				
119	Installation of reconditioned telecare monitoring unit	£30.00				
120	Installation of reconditioned telecare monitoring unit AND pendant	N/A	See comment	See comment		Previously no formal option if pendant required. The proposed new charge is £50.00
121	Replacement Telecare pendant	£40.00	Nil	Nil		No proposed increase.
122	Supply / installation of keysafe for mobile response customer	£50.00				
123	Supply / installation of keysafe for contact only customer	£65.00				
124	Supply / installation of keysafe for non-Telecare customer	£99.00				
	Local Training Enterprise Centres					
125	St Mellons Enterprise Centre - Units 1 to 5 (each)	£3,000.00	Nil	Nil	1 April 2017	Units, 1, 3,4, 5 are filled - the Business Units will continue to be rented out to tenants until the end of 2017. The land will be sold off at the end of this period.
126	St Mellons Enterprise Centre - Units 6-10 (combined)	£13,500.00				Units 6 to 10 are rented out to Flying Start. The Business Units will continue to be rented out to tenants until the end of 2017. The land will be sold off at the end of this period.
127	St Mellons Enterprise Centre - Nursery Unit	£24,500.00				Nursery Unit is currently empty.
	Libraries					
128	Non-children's book late return penalty charge	£0.15	£0.05	33.33%	1 April 2017	The proposed new charge is £0.20
129	Spoken word late return penalty charge	£0.40	£0.05	12.50%		The proposed new charge is £0.45
130	Spoken word loan charge - 3 weeks	£1.65	£0.05	3.03%		The proposed new charge is £1.70
131	Music recording loan charge - 1 week	£0.60	£0.05	8.33%		The proposed new charge is £0.65
132	Music recording late return penalty charge - per week	£0.60	£0.05	8.33%		The proposed new charge is £0.65
133	DVD, video or DVD loan charge - per week	£2.50	£0.10	4.00%		The proposed new charge is £2.60
134	DVD, video or CD ROM late return penalty charge - per week	£2.50	£0.10	4.00%		The proposed new charge is £2.60
135	Children's DVD or video loan charge - per week	£1.50	Nil	Nil		No increase to children's charges.
136	Children's DVD or video late return penalty charge - per week	£1.50				
137	PC printouts - A4	£0.20	£0.05	25.00%		The proposed new charge is £0.25
138	PC printouts - A3	£0.40	£0.05	12.50%		The proposed new charge is £0.45
139	Photocopies - A3/A4 b/w	£0.10	£0.05	50.00%		The proposed new charge is £0.15
140	Photocopies - A4 colour	£1.00	£0.10	10.00%		The proposed new charge is £1.10
141	Photocopies - A3 colour	£1.50	£0.10	6.67%		The proposed new charge is £1.60
142	Reservations for stock from outside Cardiff (interlibrary loans)	£10.00	£0.20	2.00%		The proposed new charge is £10.20
143	Replacement card - Adult	£1.75	£0.25	14.29%		The proposed new charge is £2.00

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
144	Replacement card - Child	£0.50	£0.10	20.00%	1 April 2017	The proposed new charge is £0.60
145	Central Library Fax service :UK - A4	£1.00	£0.10	10.00%		The proposed new charge is £1.10
146	Central Library Fax service :Europe - A4	£2.00	£0.10	5.00%		The proposed new charge is £2.10
147	Central Library Fax service :Worldwide - A4	£4.00	£0.10	2.50%		The proposed new charge is £4.10
148	Central Library Fax service :Incoming	£1.00	£0.10	10.00%		The proposed new charge is £1.10
149	Gallery/Exhibitions	20% of all sales and orders	Nil	Nil		No increase proposed. Fixed percentage.
150	Local Studies Dept research fee - per hour	£15.00	£0.20	1.33%		The proposed new charge is £15.20
151	Local Studies Dept scanned or digital images fee - per item	£3.00	£0.10	3.33%		The proposed new charge is £3.10
152	Local Studies Dept photocopies by staff	£0.20	£0.05	25.00%		The proposed new charge is £0.25
153	Local Studies Dept photocopies by staff - A4	£2.00	£0.10	5.00%		The proposed new charge is £2.10
154	Local Studies Dept photocopies by staff - A3	£3.00	£0.10	3.33%		The proposed new charge is £3.10
155	Local Studies Dept reproduction fees - not for profit individual/organization	£10.00	£0.10	1.00%		The proposed new charge is £10.10
156	Local Studies Dept reproduction fees – commercial organisation	£25.00	£0.30	1.20%		The proposed new charge is £25.30
157	Local Studies Dept document filming	£20.00	£0.30	1.50%		The proposed new charge is £20.30
158	Central Library - Meeting Rm 4 Hire (per hour)	£50.00	£0.50	1.00%		The proposed new charge is £50.50
159	Central Library - Meeting Rm 4 Hire (1/2 day)	£200.00	£2.00	1.00%		The proposed new charge is £202.00
160	Central Library - Meeting Rm 4 Hire (full day)	£400.00	£4.00	1.00%		The proposed new charge is £404.00
161	Central Library - Meeting Rm 4 Hire (per hour) - for charities/community groups	£20.40	£0.20	1.00%		The proposed new charge is £20.60
162	Central Library - Creative Suite Hire (per hour)	£60.00	£0.60	1.00%		The proposed new charge is £60.60
163	Central Library - Creative Suite Hire (1/2 day)	£250.00	£2.50	1.00%		The proposed new charge is £252.50
164	Central Library - Creative Suite Hire (full day)	£500.00	£5.00	1.00%		The proposed new charge is £505.00
165	Central Library - Creative Suite Hire (per hour) - for charities/community groups	£20.40	£0.20	1.00%		The proposed new charge is £20.60
166	Central Library - ICT Suite Hire (1/2 day)	£200.00	£2.00	1.00%		The proposed new charge is £202.00
167	Central Library - ICT Suite Hire (full day)	£400.00	£4.00	1.00%		The proposed new charge is £404.00
168	Central Library - ICT Suite Hire (per hour) - for charities/community groups	£20.40	£0.20	1.00%		The proposed new charge is £20.60
	Adult Community Learning					
169	Category A (Full Fee) - hourly course fee	£5.05	£0.15	2.97%	1 September 2017	The proposed new charge is £5.20
170	Category B (State Pension or FT Student)	£3.71	£0.11	2.96%		The proposed new charge is £3.82
171	Disability Inclusion in Community Education (DICE) courses - (Learning for Life Programme) - hourly charge	£4.00	Nil	Nil	1 April 2017	Price frozen for Disability Inclusion group.
172	Llanover Hall Theatre hire per hour - commercial rate	£20.00				No proposed increase.
173	Llanover Hall Theatre hire per hour - weekend rate	N/A	See comment	See comment		New charge to cover additional weekend costs. The proposed new charge is £25.00
174	Llanover Hall Theatre hire per hour - charity/community rate	£16.67	Nil	Nil		No proposed increase.
175	Llanover Hall Theatre hire per hour - rehearsal / research	£15.00				
176	Llanover Hall Green Room hire per hour	£12.00				
177	Llanover Hall Pottery Room hire per hour (without materials/firing)	£15.00				
178	Llanover Hall Pottery Room hire per hour (with materials/firing)	£20.00				
179	Llanover Hall Meeting Room hire per hour	£12.00				
180	Llanover Hall Multi Arts Room hire per hour	£12.00				
181	Llanover Hall Life Drawing Room hire per hour	£15.00				
182	Llanover Hall Computer Room hire per hour	£10.00				
183	Llanover Hall Fashion Room hire per hour	£10.00				
184	Llanover Hall Photography Room hire per hour	£10.00				

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
185	Llanover Hall Arts/Craft classes - per term	£50.00	Nil	Nil	1 April 2017	No proposed increase.
186	Llanover Hall Pottery classes (includes materials & firing) - per term	£70.00				
187	Llanover Hall Youth Drama (3 hour class)	£70.00				
	Meals on Wheels					
188	Meals on Wheels - Hot meal only	£3.90	Nil	Nil	1 April 2017	No proposed increase.
189	Meals on Wheels - Hot meal with dessert	£4.50				
	Economic Development					
	Charges in respect to filming in the City					
190	Charges in respect to filming in the City	£100.00 - £200.00	£20.00 - £40.00	20.00%	1 April 2017	There have been no increases to film permits for 3 financial years. The proposed new charges range from £120.00 to £240.00
	Workshop Rents					
191	Workshop Rents	Various	See comment	See comment	1 April 2017	Subject to condition of lease. Rents reviewed on a commercial basis.
	Land and Building Rents					
192	Land and Building Rents	Various	See comment	See comment	1 April 2017	Subject to condition of lease.
	Business Development					
193	Loan Administration Fee - one off payment	£250.00	Nil	Nil	1 April 2017	No proposed increase.
194	Equity Administration - one off payment	£1,000.00				
	Venues					
195	Commercial Catering	Various	Various	1.00%	1 April 2017	Menu price constantly reviewed on a commercial basis.
196	Wedding Package based on 60 guests - 5pm till midnight	£3,500.00	£500.00	14.29%		The proposed new charge is £4,000.00
197	Grieg Room hire – day hire	£240.00	£10.00	4.17%		The proposed new charge is £250.00
198	Day Delegate Rate (min no's 20)	£30.00	£5.00	16.67%		The proposed new charge is £35.00
199	Grieg Room – Evening Hire - 7pm until midnight	£480.00	£20.00	4.17%		The proposed new charge is £500.00
200	Concert hire – 7.30-9.30pm	£300.00	Nil	Nil		No proposed increase.
201	Cardiff Castle Gift Shop	Various	Various	Various		Determined by mark up to cover required profit margin.
202	Castle Key	£5.00	£1.00	20.00%		The proposed new charge is £6.00
203	Cardiff Castle Tours	£3.00	£0.25	8.33%		The proposed new charge is £3.25
204	Castle Banquet	£45.00	Nil	Nil		No proposed increase.
205	Castle Room Hire	£550.00	£110.00	20.00%		The proposed new charge is £660.00
	City Hall / Mansion House					
206	Assembly Room - Mon to Fri (6 hours)	£1,700.00	£50.00	2.94%	1 April 2017	The proposed new charge is £1,750.00
207	Assembly Room - Weekends, Evenings & Bank Holidays(6 hours)	£2,350.00	£50.00	2.13%		The proposed new charge is £2,400.00
208	Marble Hall - (6 Hours)	£1,500.00	£50.00	3.33%		The proposed new charge is £1,550.00
209	Marble Hall -Weekends, Evenings & Bank Holidays (6 hours)	£1,500.00	£50.00	3.33%		The proposed new charge is £1,550.00
210	Lower Hall - Mon - Fri (6 Hours)	£1,025.00	£25.00	2.44%		The proposed new charge is £1,050.00
211	Lower Hall - Weekends, Evenings & Bank Holidays (6 Hours)	£1,650.00	£50.00	3.03%		The proposed new charge is £1,700.00
212	Ferrier Hall - Mon - Fri (4 Hours)	£350.00	£25.00	7.14%		The proposed new charge is £375.00
213	Ferrier Hall - Weekends, Evenings & Bank Hols (4 Hours)	£550.00	£25.00	4.55%		The proposed new charge is £575.00
214	Council Chamber - Mon - Fri (4 Hours)	£275.00	£20.00	3.64%		The proposed new charge is £295.00
215	Council Chamber - Weekends, Evenings & Bank Hols (4 Hours)	£400.00	£50.00	12.50%		The proposed new charge is £450.00
216	Syndicate Rooms - Mon - Fri - Full Day	£400.00	£10.00	2.50%		The proposed new charge is £410.00
217	Syndicate Rooms - Weekends, Evenings & Bank Hols - (4 Hours)	£330.00	£20.00	6.00%		The proposed new charge is £350.00
218	All City Hall Room Hire - Discounted for Registered Charities	30%	Nil	Nil		This is the discount available to registered charities.
219	Mansion House Hire - per 4 hour session	£500.00	£50.00	10.00%		The proposed new charge is £550.00
220	Mansion House Hire - evenings 6 hour sessions	£1,000.00	£50.00	5.00%		The proposed new charge is £1,050.00
221	Mansion House Hire Charges - discount for registered charities	20%	Nil	Nil		This is the discount available to registered charities.

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
	Cardiff Caravan & Camping Charges					
222	Pitches (Hiker)	£15.00	Nil	Nil	1 April 2017	No proposed increase - inline with other campsite providers and reflects current onsite facilities.
223	Pitches (Single Occupancy without electric)	£22.00				
224	Pitches (Single Occupancy with electric)	£25.00				
225	Pitches (without electric)	£27.00				
226	Pitches (with electric)	£30.00				
	Cardiff Story Museum					
227	Corporate hire of Cardiff Story Museum galleries for events outside normal operating hours (4 hours)	£900.00	Nil	Nil	1 April 2017	No proposed increase.
228	Corporate hire of Cardiff Story Museum Learning Suite for events within normal operating hours	£360.00				
229	Corporate hire of Cardiff Story Museum Learning Suite for events outside normal operating hours	£500.00				
230	Cardiff Story Museum - commission from exhibition sales	30% of sale price				No proposed increase - the current charge is 30% of sale price.
231	Exhibition previews outside of museum opening hours and serving alcohol.	£180.00	£20.00	11.11%		The proposed new charge is £200.00
232	Cardiff Story Museum - Use of Learning Suite and equipment for school groups, local heritage and community organisations within normal opening hours	£60.00	£15.00	25.00%		The proposed new charge is £75.00
233	Cardiff Story Museum - Use of Learning Suite and equipment for school groups, local heritage and community organisations outside normal opening hours	£180.00	£40.00	22.22%		The proposed new charge is £220.00
234	Cardiff Story Museum - Use of Learning for non local heritage / community organisations within normal opening hours.	£170.00	£10.00	5.88%		The proposed new charge is £180.00
235	Cardiff Story Museum - Use of Learning rooms for non local heritage / community organisations outside normal opening hours.	£260.00	£40.00	15.38%		The proposed new charge is £300.00
236	Welsh Baccalaureate - linked visits (1 hour session)	£25.00 Flat Fee	N/A	N/A		New way of charging schools for this offer - per pupil instead of flat fee. The proposed new charge is £4.50 per pupil.
237	Cardiff Story Museum - talks by Museum Professional Staff - per hour	£60.00	£10.00	16.67%		The proposed new charge is £70.00
238	Museum formal education / school visits	Various	See comment	See comment		Formal education and school packages are tailored according to the teacher's requirements and are subject to current market rates. Range from £1.00 per pupil to £4.00 per pupil and / or £25.00 to £80.00 per led session.
239	Children's birthday parties	Various - from £75.00				Packages are tailored according to the parent/carer's requirements and are subject to current market rates. Charges from £75.00.
240	Left luggage facility small lockers	£5.00	Nil	Nil		No proposed increase.
241	Left luggage facility medium lockers	£8.00				
242	Left luggage facility large lockers	£10.00				
243	Left luggage facility overnight 24 hours	£20.00				
	Events - Park & Ride/Parking					
244	Rugby and local football	£6.00	Nil	Nil	1 April 2017	No proposed increase.
245	Football & Coaches	£10.00				
246	Coaches	£15.00				
	Waste					
247	Trade recycling centre - General Waste	£130/t	Nil	Nil	1 April 2017	No proposed increase.
248	Trade recycling centre - Mixed Recycling	£85/t				
249	Trade recycling centre - Hardcore and Rubble	£30/t				

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
250	Trade recycling centre - Wood and Garden Waste	£85/t	Nil	Nil	1 April 2017	No proposed increase.
251	Trade recycling centre - Plasterboard	£91/t				
252	Trade recycling centre - Cardboard	Nil				
253	Trade recycling centre - Scrap Metal	Nil				
254	Bulky Collections	£12.50 for every 2 items				
255	Replacement reusable garden sacks	Nil				
256	Replacement/new wheeled bin or equivalent striped bag provision	£25.00				
	MOT					
257	Class 4 vehicle MOT	£45.00	Nil	Nil	1 April 2017	No proposed increase.
258	Class 5 Vehicle MOT	£49.00				
259	Class 7 Vehicle MOT	£49.00				
	Education and Lifelong Learning					
260	School Meals - per meal (Primary)	£2.30	£0.10	4.34%	1 April 2017	The proposed new charge is £2.40
261	School Meals - per meal (secondary)	£2.75	£0.10	3.63%		The proposed new charge is £2.85
262	Music Service Charges- Maintained Schools - per hour	£35.50 - £37.00	£1.00	2.81% - 2.70%	1 September 2017	The proposed new charge is £36.50 - £38.00
263	Music Service Charges - Non Maintained Schools - per hour	£38.00	£1.00	2.63%		The proposed new charge is £39.00
264	Music Service Ensemble Fees	£47.00 - £57.50	£1.50	3.19% - 2.60%		The proposed new charge is £48.50 - £59.00
265	Music Service Choir Fees (Primary)	£36.50	£1.00	2.73%		The proposed new charge is £37.50
266	Music Service Choir Fees (Secondary)	£42.00	£1.00	2.38%		The proposed new charge is £43.00
267	Music Service Advanced Percussion Fees (Primary)	£42.00	£1.00	2.38%		The proposed new charge is £43.00
268	Music Service Advanced Percussion Fees (Secondary)	£47.50	£1.50	3.15%		The proposed new charge is £49.00
269	Storey Arms	Various	Various	Average of 2.5% for in-county, 0% for out county		The proposed new charge ranges from £86.00 to £307.00 for in-county and £138.00 to £325.00 for out-county.
270	UWIC Level 1 2 day Team Building (per head)	£148.00	Nil	Nil		No proposed increase.
271	Mountain Leader Award Training (6 day) adult training	£425.00				
272	2 day non-residential National Governing Body (NGB) award – adult training	£156.00				
273	1 day National Governing Body (NGB) award assessment – adult training	£180.00				
	Governance & Legal Services					
	Property Fees					
274	Search Fees	£118.44	Nil	Nil	1 April 2017	No proposed increase. Increased in January 2017 due to a change in VAT rules which brought this charge into scope.
275	Sale of Land	£485.00	£72.75	15.00%		The proposed new charge is £557.75
	Commercial Property Fees					
276	Registration Fee on Notice of Assignment/Underletting/Charge	£80.00	£12.00	15.00%	1 April 2017	The proposed new charge is £92.00
277	Consent for Assignment / Underletting / Change of Use/Alterations	£385.00	£57.75	15.00%		The proposed new charge is £442.75
278	Certificates of Title	£70.00	£10.50	15.00%		The proposed new charge is £80.50
279	Grant of Shop Lease	£500.00	£75.00	15.00%		The proposed new charge is £575.00
280	Workshops Lease	£230.00	£34.50	15.00%		The proposed new charge is £264.50
281	Grant of Industrial Lease	£825.00	£123.75	15.00%		The proposed new charge is £948.75
282	Market Tenancies	£285.00	£42.75	15.00%		The proposed new charge is £327.75
283	Lease Renewals	£285.00	£42.75	15.00%		The proposed new charge is £327.75
284	Variations/Surrenders	£330.00	£49.50	15.00%		The proposed new charge is £379.50
	Nursing Home charge fees					
285	Individual properties/householder applications	£380.00	£57.00	15.00%	1 April 2017	The proposed new charge is £437.00

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
286	Standard S106	£1,255.00	£188.25	15.00%	1 April 2017	The proposed new charge is £1,443.25
287	Complex S106 agreements - e.g. phased development etc. based on actual time	£1,880.00	£282.00	15.00%		The proposed new charge is £2,162.00
288	Unilateral obligations for S106	£810.00	£121.50	15.00%		The proposed new charge is £931.50
289	Unilateral obligations for S106 in relation to Appeals	£810.00	£121.50	15.00%		The proposed new charge is £931.50
290	Deed of variation for S106	£555.00	£83.25	15.00%		The proposed new charge is £638.25
291	Consent to disposals under S106 restriction	£60.00	£9.00	15.00%		The proposed new charge is £69.00
292	Easements	£380.00	£57.00	15.00%		The proposed new charge is £437.00
293	Wayleaves	£230.00	£34.50	15.00%		The proposed new charge is £264.50
	Residential Property Fees					
294	Registration Fee on Notice of Assignment/Underletting/Charge	£80.00	£12.00	15.00%	1 April 2017	The proposed new charge is £92.00
295	Deed of Postponement	£85.00	£12.75	15.00%		The proposed new charge is £97.75
296	Right to Buy - 2nd Mortgage Questionnaires	£85.00	£12.75	15.00%		The proposed new charge is £97.75
297	Pre- emption questionnaires	£55.00	£8.25	15.00%		The proposed new charge is £63.25
298	Transfers (Subject to Mortgage)	£205.00	£30.75	15.00%		The proposed new charge is £235.75
299	Vacating Receipts	£60.00	£9.00	15.00%		The proposed new charge is £69.00
300	Sales of Freehold Reversions	£475.00	£71.25	15.00%		The proposed new charge is £546.25
301	Deeds of Variation (Right to Buy leases)	£155.00	£23.25	15.00%		The proposed new charge is £178.25
302	Nursing Home charge fees	£55.00	£8.25	15.00%		The proposed new charge is £63.25
303	Shared Equity Scheme resales and redemptions	£335.00	£50.25	15.00%		The proposed new charge is £385.25
304	CCTV Requests in Connection with Data Protection Act	£75.00	£11.25	15.00%		The proposed new charge is £86.25
	Social Services					
305	Maximum Charge for Non-Residential Care Services - per week	£60	£10	16.67%	1 April 2017	Proposed amendment to maximum charge set by the WG to £70.00 per week. Actual charge subject to means testing.
	Externally Set					
306	Rent Smart Wales	Various	Nil	Nil	1 April 2017	These fees are set and approved by Welsh Government as part of a 5 year finance model.
307	Shared Regulatory Service	Various	Various	Various		These fees are set either by the Shared Regulatory Service Joint Committee or by statute/other regulation.

CARDIFF COUNCIL: HRA FEES AND CHARGES 2017/18

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
1	Pre-assignment enquiries	£100.80	Nil	Nil	3 April 2017	No proposed increase.
2	Landlord consents for leaseholders	£155.00				
3	Postponement of Right to Buy charge	£100.80				
4	Administration charge for major works	12% and capped at £250				
5	Leaseholders Sub-Letting Charge	£30.00				
6	Leaseholder Management Fee	£163.08				
7	Council Dwellings Rent, including sheltered dwellings	Variable	2.5% plus £2.00	2.5% plus £2.00		As per Welsh Government guidance.
8	All Property Cleaning Charge	£0.37	Nil	Nil		No proposed increase.
9	Retirement Complex - Community Alarm Full Cover	£4.56				
10	Retirement Complex - Cleaning	£8.56				
11	Retirement Complex - Service Charges	Variable	Various	5.95%		In line with utility costs at each complex, and new split ratio for communal proportion.
12	Retirement Complex - Communal Maintenance	£5.57	Nil	Nil		No proposed increase.
13	Retirement Complex - Scheme Management	£4.74				
14	Grounds & Pest Control	£0.97				
15	Flats Service Charge - Communal Maintenance	£1.06				
16	Flats Service Charge - Reduced Cleaning Charge	£2.35				
17	Discretionary Repairs	£1.48				
18	Sheltered Service Charges - Personal Heating	Various	Various	5.73%		In line with costs at each complex, and revised charge ratio between property sizes.
19	Water Charges Sheltered Complex			-5.36%		In line with costs for each complex. Overall change is decrease of 5.36%
20	Adult Services Furniture Renewal	£65.31	£1.63	2.50%		The proposed new charge is £66.94
21	Carport	£4.23	Nil	Nil		No proposed increase.
22	Garages - Attached	Various	Various	2.50%		Increase in line with WG percentage rate for rent charges.
23	Garage rents - Tenants	£5.49	£0.51	9.30%		The proposed new charge is £6.00
24	Garage rents - Private Let	£6.87	£3.13	45.56%		The proposed new charge is £10.00
25	Garage rents with water - Tenants	£7.84	-£1.59	-20.28%		The proposed new charge is £6.25
26	Garage rents with water - Private Let	£9.22	£1.03	11.17%		The proposed new charge is £10.25
27	Garage Rent at sheltered complex (Electricity)	£8.25	£0.21	2.50%		The proposed new charge is £8.46
28	Hardstandings	£2.25	Nil	Nil		No proposed increase.
29	Garden Sheds	£0.37 / £0.49	£-0.37 / £-0.49	-100.00%		Charge removed for 2017/18. Charge for small number of sheds incorporated in general maintenance.
30	Concierge Service Butetown/Arc	£4.07	£0.43	10.50%		Virtual concierge service extended to high rise blocks.
31	Concierge Service Litchfield Court	£29.04	-£15.17	-52.30%		The proposed new charge is £13.87
32	Flats Service Charge - Cleaning Rota scheme	£4.03	Nil	Nil		No proposed increase.
33	Flats Service Charge - Cleaning Cleaner on site	£4.53				
34	Flats Service Charge - Cleaning Reduced communal area	£1.01				
35	Flats Service Charge - Lighting	£0.80				
36	Flats Service Charge - Door Entry	£0.40				
37	Beech House heating	£6.65	-£0.64	-9.60%		The proposed new charge is £6.01
38	Sycamore House heating	£7.88	-£1.32	-16.70%		The proposed new charge is £6.56
39	Hostel service Charges	Various	Various	Various		Amend in line with costs, no overall change.
40	TV Licence - Hostels	£0.44/£0.53	Nil	Nil		No proposed increase.
41	Drainage Service - Tai Penlan	£5.79				

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
42	Hostel Rent	Various	Various	2.50%	3 April 2017	Increase in line with WG percentage rate for rent charges. Rent at Ty Tresillian reduced as service charge split for communal heating/lighting.
43	Tresillian Hostel Communal Heating & Lighting	N/A	See Comment	See Comment		The communal heating & lighting charge has been split from rent and the proposed new charge is £6.37

CARDIFF COUNCIL: OUTDOOR FEES AND CHARGES 2017/18

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
	Sailing Centre					
1	Windsurfing - 2 day - Adult	£165.00	£10.00	6.06%	1 April 2017	The proposed new charge is £175.00
2	Windsurfing - 2 day -Youth	£120.00	£5.00	4.17%		The proposed new charge is £125.00
3	Multi Activity - 2 day -Youth	£120.00	£5.00	4.17%		The proposed new charge is £125.00
4	Supervised Sailing & Windsurfing (3 hour session)	£21.00	£1.00	4.76%		The proposed new charge is £22.00
5	Supervised Sailing & Windsurfing - 5 x 3hr Sessions	£100.00	£5.00	5.00%		The proposed new charge is £105.00
6	Supervised Sailing & Windsurfing - 10 x 3hr Sessions	£180.00	£20.00	11.11%		The proposed new charge is £200.00
7	Youth Sailing Courses - 2 day	£120.00	£5.00	4.17%		The proposed new charge is £125.00
8	Youth Sailing Courses - 3 day	£160.00	£10.00	6.25%		The proposed new charge is £170.00
9	Youth Sailing Courses - 6 week	£180.00	£10.00	5.56%		The proposed new charge is £190.00
10	Youth Sailing Courses - 10 week	£280.00	£25.00	8.93%		The proposed new charge is £305.00
11	Youth Sailing Courses - After Schools club	£120.00	£5.00	4.17%		The proposed new charge is £125.00
12	Youth Sailing Taster 1/2 day	£30.00	Nil	Nil		No proposed increase.
13	Scout Sailing Taster 1/2 day	£16.00	£1.00	6.25%		The proposed new charge is £17.00
14	Sailing Schools Group	£8.50 per pupil per session primary £9.00 per pupil per session secondary	£1.00	11% - 13%		The proposed new charges are: £9.50 per pupil per session primary £10.00 per pupil per session secondary
15	Adult Level 1 - 2 day	£170.00	£10.00	5.88%		The proposed new charge is £180.00
16	Adult Level 2 + - 2 day	£165.00	£10.00	6.06%		The proposed new charge is £175.00
17	Adult Advanced 2 day	£165.00	Nil	Nil		No proposed increase.
18	Adult Level 1 - 6 week	£250.00	£15.00	6.00%		The proposed new charge is £265.00
19	Adult Level 2 - 6 week	£245.00	£15.00	6.12%		The proposed new charge is £260.00
20	Adult Advanced - 6 week	£245.00	£15.00	6.12%		The proposed new charge is £260.00
21	Adult Sailing Taster 1/2 day	£45.00	Nil	Nil		No proposed increase.
22	Corporate Sailing Taster 1/2 day	£85.00	£5.00	5.88%		The proposed new charge is £90.00
23	Corporate Sailing Taster Full day	£150.00	£30.00	20.00%		The proposed new charge is £180.00
24	Sailing/Windsurfing	£120.00 half day, £240.00 full day	Nil	Nil		No proposed increase.
	Sailing Centre (Powerboat & Shore based)					
25	Powerboat Level 1	£110.00	£10.00	9.09%	1 April 2017	The proposed new charge is £120.00
26	Powerboat Level 2	£220.00	£10.00	4.55%		The proposed new charge is £230.00
27	Powerboat Safety Boat	£220.00	£10.00	4.55%		The proposed new charge is £230.00
28	Powerboat Intermediate	£245.00	£15.00	6.12%		The proposed new charge is £260.00
29	Powerboat Advanced	£265.00	£15.00	5.66%		The proposed new charge is £280.00
30	Private Tuition - Powerboat	£165.00	£10.00	6.06%		The proposed new charge is £175.00
31	Royal Yachting Association (RYA) First Aid	£90.00	£5.00	5.56%		The proposed new charge is £95.00
32	Royal Yachting Association (RYA) VHF/DSC	N/A	See comment	See comment		New charge of £95.00, in-line with First Aid course.
	Activity Adventure Program Cardiff Bay Water Activity Centre					
33	Multi Activity half day (8 - 16 people)	£20.00	Nil	Nil	1 April 2017	No proposed increase.
34	Multi Activity full day (8 - 16 people)	£32.50				
35	Bell Boat session Junior (2 hours)	£7.50	£0.50	6.67%	1 April 2017	The proposed new charge is £8.00
36	Bell Boat session Adult (2 Hours)	£12.50	£1.00	8.00%		The proposed new charge is £13.50
37	Archery session (1.5 hours)	£22.50	£1.50	6.67%		The proposed new charge is £24.00
38	Archery course (4 x 1.5 hours)	£65.00	£5.00	7.69%		The proposed new charge is £70.00

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
	Fishing					
39	Fishing Licences - Day	£4.00 Junior £5.00 Concession £8.00 Adult	Nil	Nil	1 April 2017	No proposed increase.
40	Fishing Licences - Annual	£23.00 Junior £32.00 Concession £47.00 Adult				
41	Fishing Tuition - 2.5 hours	£20.00 Junior £25.00 Adult				
42	Fishing Tuition - 4 x 2.5 hrs	£65.00				
	Slipway Fees and Charges					
43	Single occupancy launch	£5.00	£1.00	20.00%	1 April 2017	The proposed new charge is £6.00
44	Multi occupancy launch	£12.00	Nil	Nil		No proposed increase.
45	Sail boat launch	£12.00	£1.00	8.33%		The proposed new charge is £13.00
46	Motor boat launch	£12.00	£1.00	8.33%		The proposed new charge is £13.00
47	Boat Launch - Season Tickets per metre	£23.50	£1.50	6.38%		The proposed new charge is £25.00
	Rowing					
48	Level 1 Blades Junior (3 x 2.5 hours)	£65.00	£5.00	7.69%	1 April 2017	The proposed new charge is £70.00
49	Level 1 Blades Adult (3 x 2.5 hours)	£75.00	£5.00	6.67%		The proposed new charge is £80.00
50	Level 2 Blades Junior (3 x 2 hours)	£60.00	£5.00	8.33%		The proposed new charge is £65.00
51	Level 2 Blades Adult (3 x 2 hours)	£70.00	£5.00	7.14%		The proposed new charge is £75.00
52	Private Tuition (1.5 hours)	£30.00	Nil	Nil		No proposed increase.
53	Recreational Rowing - per hour	£5.00	£0.50	10.00%		The proposed new charge is £5.50
54	Ergo Room Junior - per hour	£2.50	Nil	Nil		No proposed increase.
55	Ergo Room Adult - per hour	£3.00	£1.00	33.33%		The proposed new charge is £4.00
	Cardiff International White Water					
56	Cardiff International White Water	Various	Nil	Nil	1 April 2017	No proposed increase.
57	Sky Trail	£12.00 Youth £15.00 Adults				
	Parks Outdoor					
58	Roath Park	Duck or Fish food £0.60, Both £1.00. Postcards £0.50 / Pack of 6 £2.50	Nil	Nil	1 April 2017	No proposed increase.
59	Roath Park Conservatory	Charges range from £1.50-£24.00 school/group/ family tickets				Previous increase directly affected the footfall adversely. Visitor numbers gradually increasing & any increase would have a detrimental affect on this.
60	Roath Park Conservatory - School/Group Booking Fees	£1.50	£0.50	33.33%		The proposed new charge is £2.00
61	Bowls - buy back of maintenance of Greens - annual charge	£6,300.00	Nil	Nil		No proposed increase.
62	Pavilions	£35.00 Half Day £55.00 Full Day	£1.75	5.00% (Half day) Nil (Full day)	1 April 2017	The proposed new charges are: £36.75 Half Day, £55.00 Full Day
63	Football Pitch & Changing Facilities	£55.00	Nil	Nil		No proposed increase.
64	Football Pitch only	£44.00				
65	Rugby Pitch & Changing Facilities	£75.00				
66	Rugby pitch only	£60.00				
67	Cricket Pitch & Changing Facilities	£66.00				
68	Cricket - Pitch only	£55.00				
69	Baseball Pitch & Changing Facilities	£66.00				
70	Baseball - Pitch only	£55.00				

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
71	Training area & changing facilities	£30.00	Nil	Nil	1 April 2017	No proposed increase.
72	3G Pitch - Gold/Silver Accredited - per hour	£66.00				
73	3G pitch - Bronze/Standard Accredited - per hour	£66.00				
74	3G pitch - Non Accredited - per hour	£66.00				
75	3G pitch - Off Peak - per hour	£40.00				

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By virtue of paragraph(s) 14, 21 of Part(s) 4 and 5 of Schedule 12A
of the Local Government Act 1972.

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Directorate Revenue Budgets

	2016/17 Adjusted Base*	Inflation & Commitments	Financial Pressures	Savings	Total 2017/18
	£000	£000	£000	£000	£000
City Operations	35,816	955	681	(2,160)	35,292
Communities, Housing & Customer Services	42,164	1,488	284	(1,155)	42,781
Corporate Management	23,952	904	0	(134)	24,722
Economic Development	13,475	171	981	(2,397)	12,230
Education & Lifelong Learning	243,432	8,139	80	(2,529)	249,122
Governance & Legal Services	6,048	90	82	(102)	6,118
Resources	18,729	590	230	(1,437)	18,112
Social Services	144,603	12,007	2,300	(5,156)	153,754
Capital Financing	35,310	(1,593)	0	0	33,717
Summary Revenue Account	15,317	(2,244)	0	(1,937)	11,136
Total Budget	**578,846**	**20,507**	**4,638**	**(17,007)**	**586,984**

*The adjusted base reflects the proposed use of the FRM in 2017/18

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Cabinet Member Portfolio Revenue Budgets

	2016/17 Adjusted Base*	Inflation & Commitments	Financial Pressures	Savings	Total 2017/18
	£000	£000	£000	£000	£000
Community Development, Co-operatives & Social Enterprise	11,573	686	0	(1,749)	10,510
Corporate Services & Performance	16,334	303	230	(2,012)	14,855
Early Years, Children & Families	45,518	4,667	1,227	(2,839)	48,573
Economic Development & Partnerships	24,664	1,004	0	(606)	25,062
Education	248,788	8,287	80	(2,893)	254,262
Environment	24,543	563	1,331	(890)	25,547
Health, Housing & Wellbeing	136,433	8,602	1,307	(2,805)	143,537
Skills, Safety & Engagement	10,034	42	132	(475)	9,733
Transport, Planning & Sustainability	10,332	190	331	(801)	10,052
Capital Financing	35,310	(1,593)	0	0	33,717
Summary Revenue Account	15,317	(2,244)	0	(1,937)	11,136
Total Budget	**578,846**	**20,507**	**4,638**	**(17,007)**	**586,984**

*The adjusted base reflects the proposed use of the FRM in 2017/18

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Summary of Post Consultation Changes

	£000	
Funding		
Approval of Council Tax Base in December 2016	(1,918)	Reflecting additional income resulting from increased numbers of dwellings
Net impact of Final Settlement	593	Net of new responsibility in relation to homlessness prevention
Total non-hypothecated funding	**(1,325)**	
New Specific Grant Funding Stream		
Assumed share of additional specific grant funding	(850)	To provide support in meetings NLW costs in social care
Total	**(850)**	
Technical Updates	**(1,131)**	Confirmed rates - VLW, NLW, NDR, Care Cap, Employer's contribution pension rate
Emerging Issues		
Cantonian Accommodation	481	Temporary superblock at Cantonian High School
Social Services Pressures	1,183	Additional pressures to align with Month 8 monitoring position
Cardiff Capital Region City Deal	150	Revenue Contribution
Temporary Accommodation	240	To fully fund loss of subsidy (only partially covered in settlement)
Parking Strategy	180	To support the City's Parking Strategy
Additional Planning Resource	40	To support major new developments
Intensive Cleansing Initiative	350	To provide ongoing funding for the intensive cleansing initiative
Recycling and Reuse Centre	218	Upcycling to help with start up accommodation and acquiring household items
Support for Trainee Placements	230	To provide 20 placements at six months each plus a co-ordinator post
Total	**3,072**	
Savings Amendments		
Reduce CONSULT 82 - (Social Services) External Providers	67	Due diligence - reduce from £125,000 to £58,000
Reduce CONSULT107 - (Corporate Management) Precepts & Levies	167	Reduced following confirmation of South Wales Fire Service levy
Reduce CONSULT 60 - (Resources) Cardiff Academy Income	50	Reduce from £96,000 to £46,000 - see replacement below
Reduce CONSULT 96 - (Resources) HRPS Business Efficiencies	50	Reduce from £102,000 to £52,000 - see replacement below
NEW (Resources) Reduction in support costs for HR system	(100)	Replacement for reductions to CONSULT 60 and 96
Total Savings Amendments	**234**	
Net Overall Impact	**0**	

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Supporting People Programme Grant Spending Plan Appendix 16

Spend Plan Collection Period	Local Authority Spend Plan 2017-18
Regional Collaborative Committee:	The Vale & Cardiff
Local Authority:	Cardiff
Annual Allocation:	£16,267,470

	Service Type												Total units	Total
	Fixed Site (Accommodation Based)						Floating (Community Based)							
	Client units	Less Than 6 Months	Client units	6 to 24 Months	Client units	24 Months plus	Client units	Less Than 6 Months	Client units	6 to 24 Months	Client units	24 Months plus		
Client Spend Category (The category to which the service is primarily focused)	**Numbers**	**£000**	**Numbers**	**£000**	**Numbers**	**£000**	**Numbers**	**£000**	**Numbers**	**£000**	**Numbers**	**£000**	**Numbers**	**£000**
Women at risk of Domestic Abuse	37	548	2	12	0	0	25	182	42	306	0	0	106	1,048
Men at risk of Domestic Abuse	0	0	4	23	0	0	0	0	0	0	0	0	4	23
People with Learning Disabilities	0	0	4	22	354	2,217	0	0	0	0	0	0	358	2,239
People with Mental Health Issues	0	0	9	66	107	567	30	189	0	0	0	0	146	821
People with Substance Issues (Alcohol)	0	0	27	299	38	355	0	0	0	0	0	0	65	654
People with Substance Misuse issues (Drugs and Volatile substances)	0	0	57	703	0	0	0	0	16	101	0	0	73	804
People with Criminal Offending History	0	0	33	386	0	0	0	0	0	0	0	0	33	386
People with Refugee Status	0	0	0	0	0	0	0	0	35	158	0	0	35	158
People with Physical and/or Sensory Disabilities	0	0	0	0	31	75	0	0	0	0	0	0	31	75
People with Developmental Disorders (i.e. Autism)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
People with Chronic Illnesses (including HIV/AIDS)	0	0	0	0	6	34	0	0	0	0	0	0	6	34
Young People who are Care Leavers	0	0	10	181	0	0	0	0	0	0	0	0	10	181
Young People with Support Needs (16 - 24)	0	0	130	1,737	0	0	12	87	18	131	0	0	160	1,956
Single Parent Families with Support Needs	0	0	30	393	0	0	0	0	0	0	0	0	30	393
Families with Support Needs	51	693	0	0	0	0	50	95	0	0	0	0	101	788
Single People with Support Needs not listed above (25-54)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
People over 55 years of age with Support Needs (this category must be exclusive of alarm services)	0	0	0	0	159	239	50	83	0	0	0	0	209	322
Generic Floating support to prevent homelessness (tenancy support services which cover a range of service user needs but which must be exclusive of fixed site support)							528	2,200	6	114	0	0	534	2,314
Alarm services (including sheltered/extracare schemes)	0	0	0	0	3,782	675	0	0	0	0	0	0	3,782	675
Expenditure which does not directly link to the spend plan categories above (Explanation required in accompanying e-mail)	221	2,319	84	633	0	0	0	444	0	0	0	0	305	3,396
TOTALS	**309**	**3,561**	**390**	**4,455**	**4,477**	**4,162**	**695**	**3,280**	**117**	**809**	**0**	**0**	**5,988**	**16,267**

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Medium Term Financial Plan

	Medium Term Financial Plan		
	2018/19 £000	**2019/20 £000**	**2020/21 £000**
Adjusted Base Budget Brought Forward	**586,984**	**581,204**	**576,967**
Pay (non Schools)			
Pay Inflation	1,500	1,515	1,530
Increments	700	670	640
Other - Living Wage, Actuarial Review, Auto Enrolment	497	465	65
Total Pay Inflation	**2,697**	**2,650**	**2,235**
Price Inflation (non Schools)	4,171	3,655	3,626
Schools Growth			
Pupil Numbers	1,838	2,482	2,236
Pay Costs	4,162	5,780	3,675
Price Inflation	178	150	30
Special School Places & Complex Needs Enhancement	989	987	987
Breakfast Initiative & Free School Meals	0	0	0
Total Schools Growth	**7,167**	**9,399**	**6,928**
Capital Financing	**233**	**707**	**2,616**
Commitments and Realignments			
Precommitments	1,508	459	121
Realignments	(715)	0	0
Total Commitments	**793**	**459**	**121**
Demographic Growth (non Schools)			
Social Services - Adults	1,700	1,700	1,700
Social Services - (Children's)	1,500	1,500	1,500
Other	338	150	150
Total Demographic Growth	**3,538**	**3,350**	**3,350**
Financial Pressures	**3,000**	**3,000**	**3,000**
Resources Required	**608,583**	**604,424**	**598,843**

Resources Available:-			
Aggregate External Finance	(423,937)	(419,700)	(415,505)
Council Tax at 2016/17 level	(157,267)	(157,267)	(157,267)
Total Resources Available	**(581,204)**	**(576,967)**	**(572,772)**

BUDGET REDUCTION REQUIREMENT	**27,379**	**27,457**	**26,071**

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Themed Opportunities for Savings in 2018/19 and 2019/20

	2018/19				2019/20			
	Communities & Wellbeing	Place	Corporate	Total	Communities & Wellbeing	Place	Corporate	Total
Theme	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Commercialisation	720	1,579	536	2,835	1,725	1,364	218	3,307
Working with Partners and Others	1,045	802	46	1,893	2,785	171	29	2,985
Use of Technology	144	0	445	589	59	88	219	366
Review of Grants & Subsidies	300	222	207	729	591	0	155	746
Internally Facing Proposals/C&P	4,318	1,241	1,510	7,069	4,612	739	1,143	6,494
Prevention and Early Intervention	4,584	0	0	4,584	4,720	0	0	4,720
Total	**11,111**	**3,844**	**2,744**	**17,699**	**14,492**	**2,362**	**1,764**	**18,618**

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Appendix 18

Housing Revenue Account	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Employees	13,501	13,719	14,005	14,559
Premises - Council House Repairs	18,600	19,158	19,733	20,325
Premises - Other Repairs and Maintenance	1,089	1,122	1,156	1,191
Premises - Other Premises Costs	2,663	2,743	2,825	2,938
Transport	137	141	145	151
Supplies & Services	2,858	2,933	3,021	3,142
Support Services	5,997	6,177	6,362	6,616
Capital Financing	28,730	29,737	30,602	30,812
Contribution to Reserves	0	0	100	500
Gross Expenditure	**73,575**	**75,730**	**77,949**	**80,234**
Rents	(70,966)	(73,095)	(75,288)	(77,547)
Interest - On Sale of Council Houses	(1)	(1)	(1)	(1)
Interest - On Balances	(50)	(50)	(50)	(50)
Fees & Charges	(468)	(473)	(478)	(483)
Other Income	(2,090)	(2,111)	(2,132)	(2,153)
Total Income	**(73,575)**	**(75,730)**	**(77,949)**	**(80,234)**
Net Expenditure	**0**	**0**	**0**	**0**

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SCHOOL ORGANISATION PLAN RESERVE				
Estimated Movements	**2016/17 £000**	**2017/18 £000**	**2018/19 £000**	**2019/20 £000**
Planned Balance B/Fwd	**8,123**	**6,843**	**4,871**	**1,505**
Contributions to Reserve				
Revenue Release Savings:	7,847	7,747	7,747	7,747
Drawdown From Reserve				
Organisational Restructuring	(4,291)	(4,881)	(5,409)	(80)
Capital Financing Requirement *	(4,836)	(4,838)	(5,704)	(5,735)
Total Drawdown from Reserve	(9,127)	(9,719)	(11,113)	(5,815)
Planned Balance C/Fwd	**6,843**	**4,871**	**1,505**	**3,437**
Movement on Reserve	(1,280)	(1,972)	(3,366)	1,932

* These amounts will continue to be required beyond the profile shown in this appendix, until borrowing costs in respect of 21st Century Schools Band A schemes have been fully repaid.

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Civil Parking Enforcement Account 2017/18 to 2020/21

2016/17 £000s		2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s
(371)	**Parking & Enforcement Reserve Opening Balance**	**(153)**	**(222)**	**(727)**	**(743)**
	Income				
(4,133)	On-Street Car Parking Fees	(4,425)	(4,676)	(4,793)	(4,910)
(998)	Off Street Car Parks	(1,085)	(1,181)	(1,210)	(1,240)
(310)	Residents Parking Permits	(300)	(300)	(310)	(315)
(2,040)	Penalty Charge Notices	(2,129)	(2,129)	(2,129)	(2,129)
(3,411)	Moving Traffic Offences	(3,816)	(3,738)	(3,094)	(2,534)
(10,892)	**Total Income**	**(11,755)**	**(12,024)**	**(11,536)**	**(11,128)**
	Expenditure				
951	Operational costs, parking and permits	875	900	898	866
4,526	Enforcement service including TRO	5,164	5,202	5,205	5,172
5,477	**Total Expenditure**	**6,039**	**6,102**	**6,103**	**6,038**
(5,415)	**CPE Annual (Surplus) / Deficit**	**(5,716)**	**(5,922)**	**(5,433)**	**(5,090)**
	Budgeted Eligible Expenditure				
5,025	Budgeted contribution to support highways, transport and environmental maintenance and improvements as per Section 55 of the Transport Regulations Act 1984	5,025	5,025	5,025	5,025
(390)	**Revised CPE Annual (Surpus) / Deficit**	**(691)**	**(897)**	**(408)**	**(65)**
	Commitments				
150	Cardiff West Bus Interchange	0	0	0	0
50	20 mph zones (lines and signage)	0	0	0	0
50	75% residential parking (lines and signage)	0	0	0	0
15	Car Free Day	0	0	0	0
187	A4232/A48 resurfacing	0	0	0	0
156	DFS units, new signs, school keep clear zones	7	7	7	7
0	Highways/Transport improvements	50	50	50	50
0	Moving Traffic Offences expansion	230	0	0	0
0	Bus Corridor improvements	335	335	335	168
608		**622**	**392**	**392**	**225**
(153)	**Estimated Closing Balance**	**(222)**	**(727)**	**(743)**	**(583)**

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Capital Programme 2017/18 - 2021/22

General Fund Capital Programme

			2017/18 Including Slippage £000	Indicative 2018/19 £000	Indicative 2019/20 £000	Indicative 2020/21 £000	Indicative 2021/22 £000	Total £000
	Annual Sums							
1	Disabled Adaptations Grants (see also Public Housing)	To provide adaptations such as showers, stair lifts and internal modifications to allow the recipient to live independently within their own home.	4,600	3,800	3,800	3,800	3,800	**19,800**
2	Owner Occupier Costs - Housing Regeneration	A rolling programme with a coordinated approach to improving the City's oldest and worst condition housing stock including energy efficiency. Also to fund owner occupier costs of improvements to housing and boundary walls.	440	250	140	140	140	**1,110**
3	Alleygating	To prevent anti-social behaviour with other benefits such as reduced street cleansing and highway maintenance costs.	50	50	50	50	50	**250**
4	Neighbourhood Renewal Schemes (NRS)	Local regeneration schemes based on ward Member priorities. Completion of existing schemes and start of remaining schemes in the programme at Coed y Gores play area and Hendre Park access improvements.	580	0	0	0	0	**580**
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. Clare Road / Penarth Road completion and Llangrannog Road are the final schemes within this programme of works.	560	360	360	360	0	**1,640**
6	Schools Property Asset Renewal	To address the condition of the schools property stock within the Council in accordance with Directorate Asset Management Plans and priority works.	5,552	2,052	2,052	2,052	2,052	**13,760**
7	Schools Suitability and Sufficiency	To cater for increasing accessibility issues in schools, to address rising pupil numbers and works required to improve facilities in schools that are not part of the 21st Century Schools programme.	1,040	1,040	1,040	1,040	1,040	**5,200**
8	Carriageway Investment	Allocation for road resurfacing - priorities based on annual engineering inspections.	1,350	1,350	1,350	1,350	1,350	**6,750**
9	Footway Investment	Allocation for footway resurfacing including implementation of dropped kerbs - priorities based on annual engineering inspections.	470	470	470	470	470	**2,350**
10	Footway Improvements around Highway Trees	To address the condition of tree roots and tree pits on footways.	125	125	125	125	125	**625**
11	Street Lighting Renewals	To replace structurally unsound and install new street lighting columns including renewal of electrical cabling - priorities based on structural and electrical testing and inspections.	270	270	270	270	270	**1,350**
12	Highway Structures including Bridges	The strengthening or replacement of sub standard bridges, culverts and other highways structures following principal inspection reports.	750	750	750	750	750	**3,750**
13	Bus Corridor Improvements	Bus corridor improvements with a focus on securing match funding. Funding brought forward into 2017/18 towards creation of Cardiff West Interchange.	1,175	170	110	110	110	**1,675**

			2017/18 Including Slippage £000	Indicative 2018/19 £000	Indicative 2019/20 £000	Indicative 2020/21 £000	Indicative 2021/22 £000	Total £000
14	Road Safety Schemes	Local network improvements including junction and pedestrian safety improvements, with a focus on securing match funding.	335	335	335	335	335	**1,675**
15	Telematics / Butetown Tunnel	Long term programme of transportation infrastructure improvements including fan replacements required for the ongoing operation of the tunnel.	849	140	135	135	135	**1,394**
16	Transport Grant Match Funding	Additional match funding for Council bids to Welsh Government for transport schemes. Confirmation of grant award required before release of funding.	375	375	375	375	375	**1,875**
17	Strategic Cycle Network Development	Implementation and match funding of the cycling strategy as prioritised in the integrated network map. Installation of cycle parking and minor network improvements e.g. dropped crossings to improve network permeability.	400	400	400	400	400	**2,000**
18	Parks Infrastructure	To improve existing parks infrastructure e.g. allotments, hard surfaces, sports fields, parks utilities and outdoor leisure facilities.	140	140	140	140	140	**700**
19	Play Equipment	Replacement of existing play equipment in parks.	144	90	90	90	90	**504**
20	Vehicle Replacement	Annual sum towards vehicle replacement.	200	200	200	200	200	**1,000**
21	Non Schools Property Asset Renewal	To address the condition of the non-schools property stock within the Council in accordance with Directorate Asset Management Plans and priority works.	1,355	1,355	1,355	1,355	1,355	**6,775**
22	Materials Recycling Facility	To establish a planned regime for upgrades to minimise downtime at the Materials Recycling Facility.	45	45	45	45	45	**225**
23	ICT Refresh	To replace failing / non compliant hardware.	400	400	400	400	400	**2,000**
24	Contingency	To address unforeseen pressures in the Capital Programme that arise in year that cannot be managed within existing resources.	200	200	200	200	200	**1,000**
	TOTAL ANNUAL SUMS		**21,405**	**14,367**	**14,192**	**14,192**	**13,832**	**77,988**

	Ongoing Schemes / Amendments to Ongoing Schemes							
25	Citizen Hubs	Final allocation of funding to complete Hubs programme in line with approved strategy including Llanishen and Llanedeyrn.	730	0	0	0	0	**730**
26	St Mellons Hub Phase 2	Subject to generation of matching level of capital receipts. Excludes Public Housing contribution.	2,700	504	0	0	0	**3,204**
27	Day Centre Opportunities Strategy	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.	905	0	0	0	0	**905**
28	Maelfa Centre	Enabling works for the regeneration of Maelfa Centre and Council contribution towards the development of a viable local shopping centre scheme.	841	0	0	0	0	**841**
29	Whitchurch High School DDA & Suitability Works	DDA adaptation works to the Upper school to allow for progression of pupils and to determine longer term Council wide approach to ensuring a permanent solution to accessibility for disabled pupils and condition of facilities.	1,000	1,000	0	0	0	**2,000**
30	21st Century Schools - Band A	This represents the Council's Capital Programme contribution to the 21st century schools Band A financial model.	11,500	15,250	0	0	0	**26,750**

			2017/18 Including Slippage £000	Indicative 2018/19 £000	Indicative 2019/20 £000	Indicative 2020/21 £000	Indicative 2021/22 £000	Total £000
31	St Mellon's CW Primary	To address a number of accommodation issues highlighted in a previous inspection report.	250	0	0	0	0	**250**
32	Bereavement Strategy	Improvement of facilities at Thornhill Crematorium and other bereavement infrastructure.	150	160	150	75	75	**610**
33	Greener Grangetown	A partnership project with Dwr Cymru, Natural Resources Wales and Cardiff Council to retrofit sustainable drainage systems and undertake a comprehensive regeneration scheme.	361	0	0	0	0	**361**
34	Highway Carriageway Reconstruction	Investment in reconstruction and resurfacing of structurally deteriorated roads deemed a priority.	350	0	0	0	0	**350**
35	CCTV System Upgrade	To replace obsolete components of the City's CCTV monitoring system based in County Hall and all remote sites.	340	0	0	0	0	**340**
36	Parc Cefn Onn	Council match funding contribution to the successful award of Heritage Lottery funding.	110	0	0	0	0	**110**
37	Roath Park	Utilise earmarked capital receipt towards development of a strategy of securing matchfunding for a range of schemes to improve financial sustainability of the park and outbuildings subject to approval of a business case.	200	700	0	0	0	**900**
38	Flood Risk Prevention	A programme of works at various locations where water flows from parks and open spaces onto adjacent land causing flooding.	142	0	0	0	0	**142**
39	Regionalising Regulatory Services	Further allocation towards ICT system costs for this regional collaboration	186	0	0	0	0	**186**
40	Replacement of Athletics Track - Cardiff International Stadium	To fund the replacement of the track, following transfer of operation to Cardiff and Vale College	0	0	0	500	0	**500**
41	Central Square - Public Realm	Public realm improvements as part of the Council's Central Square regeneration as various phases of the development are completed.	3,000	4,620	0	0	0	**7,620**
42	Cardiff Social Innovation Fund	Grants to support Social Enterprises.	14	0	0	0	0	**14**
43	Council / S4C Investment Fund	Investment in Small Medium Enterprises with match funding from S4C subject to specific criteria.	50	0	0	0	0	**50**
44	Central Square - Integrated Transport Hub	Delivery of Central Square development including a new integrated transport hub.	5,000	14,500	0	0	0	**19,500**
45	Dumballs Road Regeneration	Residual Land Purchase.	1,600	0	0	0	0	**1,600**
46	International Sports Village	Subject to approval of a business case, to create temporary car park to meet parking obligation to the International Pool whilst releasing other areas of land for development. Any scheme is subject to there being no additional cost to Council in excess of resources available from capital receipts and other external contributions.	1,300	0	0	0	0	**1,300**
47	Organisational Development - Strategic Property Rationalisation	To meet capital expenditure implications of Strategic property and accommodation rationalisation to allow efficient use of properties. Subject to generation of matching level of capital receipts.	200	0	0	0	0	**200**
48	Community Asset Transfer	To pump prime essential capital improvement works to buildings which local community groups are looking to take over from the Council. Maximum individual award of £25k.	100	50	0	0	0	**150**
49	St Davids Hall	Funding towards priority one works.	328	0	0	0	0	**328**

			2017/18 Including Slippage £000	Indicative 2018/19 £000	Indicative 2019/20 £000	Indicative 2020/21 £000	Indicative 2021/22 £000	Total £000
50	Parking / Traffic Enforcement Initiatives (Parking & Enforcement Reserve)	Expansion of moving traffic offences, and bus corridor improvements to be approved in line with an agreed governance process from Parking & Enforcement income and earmarked reserve.	565	335	335	335	168	**1,738**
51	Modernising ICT to Improve Business Processes	Investment in technology projects including: property asset management, customer relationship management (CRM), mobile scheduling and digitisation, allowing the Council to make business process improvements and so improve directorate service delivery.	871	829	800	966	0	**3,466**
52	Children's Services Accommodation Strategy	Funds ring-fenced for a scheme which provides direct benefit to children.	260	300	0	0	0	**560**
	TOTAL ONGOING SCHEMES		**33,053**	**38,248**	**1,285**	**1,876**	**243**	**74,705**
	New Capital Schemes/Annual Sums (Excluding Invest to Save)							
53	Day Centre Opportunities Strategy	Additional costs to upgrade and convert existing Grand Avenue Centre and Fairwater Day Centre into specialist centres for dementia and other high need clients as part of Phase 1 schemes. Allocation assumes a successful grant application for WG Intermediate Care Fund and costs to be managed within available resources.	352	320	0	0	0	**672**
54	Domestic Abuse / Multi Agency Hub	Development of a composite service for victims of violence, domestic abuse and sexual violence due to increases in demand for these services expected as a result of new legislation.	400	800	0	0	0	**1,200**
55	Highway Carriageway Reconstruction	Programme to reduce backlog of structural failure, beyond routine repairs.	300	300	300	300	300	**1,500**
56	Highways Asset Investment Strategy	To prevent deterioration in the condition of roads, footpaths, street lighting and other associated Highways infrastructure. Additional allocation on top of the existing capital allocation of £2.215m p.a.	665	665	665	665	665	**3,325**
57	Delivering the Cardiff Cycling Strategy	Required for increased cycling infrastructure works which would also provide greater leverage for external capital funding. The additional allocation doubles the level of investment in cycling.	400	400	400	400	400	**2,000**
58	Bute East Dock Crane Refurbishment	Initiitial design options to determine future use and address health and safety issues.	25	0	0	0	0	**25**

			2017/18 Including Slippage £000	Indicative 2018/19 £000	Indicative 2019/20 £000	Indicative 2020/21 £000	Indicative 2021/22 £000	Total £000
59	Schools Safeguarding: Secure Lobbies and Fencing upgrade	Allocation to manage safeguarding within schools . To fund work to manage visitors, including; perimeter fencing, keypad access control, CCTV, security personnel and 'air lock' systems.	100	100	100	0	0	**300**
60	Schools ICT Infrastructure	Investment to support the most urgent ICT priorities for teaching and learning needs. Opportunities for external grant funding and approaches to self funding models within Education to be considered.	100	100	100	100	100	**500**
61	Schools Kitchen Upgrades	Mynadd Bychan, (2017/18), Fairwater and Herbert Thompson (2018/19) require considerable upgrade to kitchen facilities. Work required includes; emergency lighting, ventilation, reconfiguration of walls and installation of new electronics.	100	200	200	0	0	**500**
62	Schools Fire Precaution Works	Additional allocation to manage compliance with statutory responsibility within existing schools Asset Renewal Budgets.	250	250	250	250	250	**1,250**
63	Learning Disabilities Internal Day Care	Short term condition and access improvements at Tremorfa whilst feasibility studies, options appraisals take place and business case prepared for a longer term solution to allow for expected increases in capacity requirements for young people with complex behavioural needs.	250	0	0	0	0	**250**
	TOTAL NEW SCHEMES		**2,942**	**3,135**	**2,015**	**1,715**	**1,715**	**11,522**
	Schemes funded by Grants and Contributions (subject to approval of bids)							
64	Museums, Archives & Libraries Grant (WG)	Bid for Library provision at Llanedeyrn Hub.	80	0	0	0	0	**80**
65	Enable Grant (WG)	Support for disabled adaptations and independent living.	400	0	0	0	0	**400**
66	Intermediate Care Fund Grant (WG)	To support investment in specialist centres for dementia and other high need clients as part of the Council's Day Centre Strategy.	330	250	0	0	0	**580**
67	21st Century Schools Band A (WG)	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.	17,400	14,855	0	0	0	**32,255**
68	Greener Grangetown Dwr Cymru and Landfill Communities Fund Grant	To retrofit sustainable drainage systems and undertake a comprehensive regeneration scheme.	1,304	0	0	0	0	**1,304**
69	Safe Routes in Communities (WG)	To approve accessibilty and safety and encourage walking and cycling in communities.	450	0	0	0	0	**450**
70	Road Safety Grant (WG)	To support the achievement of targets for road safety casualty reduction.	450	0	0	0	0	**450**
71	Local Transport Fund (WG)	To develop integrated, effective, accessible, affordable and sustainable transport systems. Future of the grant to be reviewed by WG after 2017/18.	1,500	0	0	0	0	**1,500**
72	National Heritage Lottery Fund - Parc Cefn Onn	To provide a range of access improvements for users that want to be able to take advantage of this Grade 2 listed historic park.	390	70	0	0	0	**460**
73	Harbour Authority (WG)	Approved asset renewal programme and events infrastructure.	380	440	285	0	0	**1,105**
	TOTAL SCHEMES FUNDED BY GRANTS AND CONTRIBUTIONS (SUBJECT TO APPROVAL OF BIDS)		**22,684**	**15,615**	**285**	**0**	**0**	**38,584**

			2017/18 Including Slippage £000	Indicative 2018/19 £000	Indicative 2019/20 £000	Indicative 2020/21 £000	Indicative 2021/22 £000	Total £000
	Additional borrowing undertaken by the Council to be repaid from revenue savings/income (Invest to Save - Subject to Business Case)							
	Existing Schemes							
74	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.	400	600	0	0	0	**1,000**
75	21st Century Schools - Band A	Strategic investment programme to be paid back from revenue release savings and WG Local Government Borrowing Initiative revenue grant.	21,087	5,572	0	0	0	**26,659**
76	LED Lighting on Principal Roads	Replacement of street lighting on strategic routes with LED lights.	3,600	0	0	0	0	**3,600**
77	Moving Traffic Offences Scheme/Parking & Enforcement	Additional investment in bus lane and junction enforcement, parking meter replacement and vehicles.	200	0	0	0	0	**200**
78	Leisure Centres - Alternative Service Delivery (ADM)	Commitment to make prudential borrowing available to be repaid as part of the procurement exercise for leisure facilities.	2,000	2,000	0	0	0	**4,000**
79	Energy Efficiency - REFIT	Installation of energy efficiency measures in existing Council buildings using WG Green Growth loan funding.	2,023	0	0	0	0	**2,023**
80	Cardiff Enterprise Zone	A range of economic development schemes aiming to bring growth and new jobs to the City and region as well as other benefits to citizens, business and visitors. Budget of £12.5m brought forward into 2016/17 to pay for Dumballs Road Land Purchase.	2,500	0	0	0	0	**2,500**
81	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**
	New Invest to Save Schemes							
82	Plastics Auto Sorter	The Materials Recycling Facility at Lamby Way to be upgraded with technology to sort recyclable plastics by type, increasing market value of end products and yield of recycling capability.	650	0	0	0	0	**650**
83	St David's Hall & New Theatre Arts Venues	Investments to be undertaken by these arts venues in future.	0	1,000	0	0	0	**1,000**
	TOTAL INVEST TO SAVE		**32,960**	**9,672**	**500**	**500**	**500**	**44,132**

TOTAL GENERAL FUND	**113,044**	**81,037**	**18,277**	**18,283**	**16,290**	**246,931**

			2017/18 Including Slippage £000	Indicative 2018/19 £000	Indicative 2019/20 £000	Indicative 2020/21 £000	Indicative 2021/22 £000	Total £000
	Public Housing Capital Programme (HRA)							
84	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.	4,500	3,400	3,400	3,150	2,400	**16,850**
85	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.	14,250	13,100	12,290	10,300	10,150	**60,090**
86	New Build Council Housing / Acquisitions	Delivery of new build housing as part of the Housing Partnership Project and consideration of options to secure additional sites for development.	8,500	12,150	6,400	2,400	7,100	**36,550**
87	Hub Developments	Public housing contribution to Hub Schemes at St Mellons and Llanishen.	355	300	0	0	0	**655**
88	Disabled Facilities Service	To provide adaptations and associated improvements to the homes of disabled people.	2,300	2,300	2,300	2,300	2,300	**11,500**
89	Modernising ICT to Improve Business Processes	Contribution towards investment in technology to improve business processes.	100	100	100	100	100	**500**
	TOTAL PUBLIC HOUSING		**30,005**	**31,350**	**24,490**	**18,250**	**22,050**	**126,145**
	TOTAL CAPITAL PROGRAMME EXPENDITURE		**143,049**	**112,387**	**42,767**	**36,533**	**38,340**	**373,076**

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Capital Resources 2017/18 - 2021/22

	2017/18	Indicative 2018/19	Indicative 2019/20	Indicative 2020/21	Indicative 2021/22	Total
	£000	£000	£000	£000	£000	£000
General Fund						
WG Unhypothecated Supported Borrowing	(8,412)	(8,412)	(8,412)	(8,412)	(8,412)	**(42,060)**
WG General Capital Grant	(5,119)	(5,119)	(5,119)	(5,119)	(5,119)	**(25,595)**
Additional Borrowing to cover estimated slippage from 2016/17	(5,550)	0	0	0	0	**(5,550)**
Additional Borrowing to balance existing Capital Programme	(7,442)	(1,505)	(251)	(917)	909	**(9,206)**
Additional Borrowing for New Capital Schemes	(2,942)	(3,135)	(2,015)	(1,715)	(1,715)	**(11,522)**
Additional Borrowing - Invest to Save Schemes to be repaid from revenue savings/income	(32,960)	(9,672)	(500)	(500)	(500)	**(44,132)**
21st Century Schools Band A - Earmarked Capital Receipts	(10,500)	(15,250)	0	0	0	**(25,750)**
Central Square - Earmarked Capital Receipts and Contributions	(8,000)	(19,120)	0	0	0	**(27,120)**
Earmarked Capital Receipts (ISV Temp Car Park Site 3)	(1,300)	0	0	0	0	**(1,300)**
Other Earmarked Capital Receipts	(4,960)	(1,504)	0	0	0	**(6,464)**
Non Earmarked Capital Receipts	(2,000)	(1,000)	(1,000)	(1,000)	(1,000)	**(6,000)**
Direct Revenue Financing - Property Asset Renewal	(210)	(210)	(210)	(210)	(210)	**(1,050)**
21st Century Schools - Earmarked Reserve	(250)	0	0	0	0	**(250)**
Parking & Enforcement - Earmarked Reserve	(565)	(335)	(335)	(335)	(168)	**(1,738)**
Bereavement Reserve	(150)	(160)	(150)	(75)	(75)	**(610)**
External funding estimates and contributions	(22,684)	(15,615)	(285)	0	0	**(38,584)**
Total General Fund	**(113,044)**	**(81,037)**	**(18,277)**	**(18,283)**	**(16,290)**	**(246,931)**
Public Housing Resources (HRA)						
Major Repairs Allowance WG Grant	(9,600)	(9,600)	(9,600)	(9,600)	(9,600)	**(48,000)**
Additional Borrowing - Housing Partnership Project / Acquisitions	(6,200)	(11,700)	(6,400)	(2,400)	(7,100)	**(33,800)**
Additional Borrowing to balance Capital Programme	(2,905)	(4,550)	(3,440)	(1,150)	(200)	**(12,245)**
Direct Revenue Financing / Reserves	(5,000)	(5,050)	(5,050)	(5,100)	(5,150)	**(25,350)**
External contributions	(2,300)	(450)	0	0	0	**(2,750)**
Capital Receipts - Dwelling Sales	(4,000)	0	0	0	0	**(4,000)**
Total Public Housing	**(30,005)**	**(31,350)**	**(24,490)**	**(18,250)**	**(22,050)**	**(126,145)**
Total Capital Programme Resources Required	**(143,049)**	**(112,387)**	**(42,767)**	**(36,533)**	**(38,340)**	**(373,076)**

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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 that capital expenditure plans are affordable, prudent and sustainable
- That Treasury Management decisions are taken in accordance with good professional practice
- That local strategic planning, asset management planning and proper option appraisal are supported
- To provide a clear and transparent framework to ensure accountability

Prudential Indicators

The indicators required are shown below, with further explanation as to their meaning:

1(a). External Debt - Operational Boundary

The most likely, prudent view of the level of gross external indebtedness. External debt includes both borrowing and long term liabilities (e.g. finance leases). It encompasses all borrowing, whether for capital or revenue purposes.

1(b). External Debt - The Authorised Limit

The upper limit on the level of gross external indebtedness, which must not be breached without Council approval. It is the worst-case scenario. It reflects the level of borrowing which, while not desired, could be afforded but may not be sustainable. Any breach must be reported to the executive decision making body, indicating the reason for the breach and the corrective action undertaken or required to be taken.

1(c). External Debt - Actual External Debt

The indicator for actual external debt will not be directly comparable to the operational boundary and authorised limit, since the actual external debt will reflect the actual position at one point in time.

2. Financing cost to Net Revenue Stream

The percentage of revenue budget set aside each year to service debt financing costs

3. Capital Financing Requirement (CFR)

The Capital Financing requirement (CFR) replaced the 'Credit Ceiling' measure of the 1989, Local Government and Housing Act. It measures an authority's underlying need to borrow or use other long-term liabilities, to pay for capital expenditure.

4. Capital Expenditure

The level of capital expenditure incurred and likely to be incurred in future years. This is to be based on an accruals basis and on the definition of capital expenditure.

5. Incremental impact of Capital Investment decisions on Council Tax / Average weekly Housing Rents

This shows the impact of new capital investment decisions included in the budget on the Council Tax and average weekly rent for HRA.

6. Gross External Borrowing and the Capital Financing Requirement

The level of external borrowing is required to be compared to the Capital Financing Requirement which represents the underlying need to borrow. Requires that borrowing in the medium term can only be for capital purposes.

7. Adoption of CIPFA's Treasury Management Code of Practice

CIPFA's Code of Practice for Treasury Management in the Public Services (the CIPFA Code) primary aim is to ensure that public services manage and control the risks attached to its treasury functions in an efficient, effective and economic manner.

Accordingly, the adoption of the Code has been encapsulated in Local Authorities (Capital Finance and Accounting) Regulations that call for explicit compliance with the CIPFA Code.

8. Interest Rate Exposures

Recognition of the impact on revenue budgets of changes in interest rates as well as the need to ensure that local authorities maintain flexibility in their treasury strategy has resulted in the adoption of an interest rate exposure indicator
This indicator sets out for the following three years an upper limit for both

fixed rate and variable rate exposure.

9. Maturity Structure of Borrowing

Local Authority debt portfolios consist of a number of loans with differing maturities. Setting limits assists in ensuring any new borrowing in particular when combined with existing borrowing does not result in large concentrations of borrowing maturing in a short period of time.

10. Principal sums invested for greater than one year

This indicator measures the exposure of a local authority to investing for periods of greater than one year.

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Glossary of Terms

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 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 on other markets (e.g. the money market).

Capital Programme
The Capital Programme sets out the Council's capital expenditure plans for the forthcoming financial year as well as for the medium term. It is approved annually at Council and identifies the estimated cost of those schemes, their projected phasing over financial years as well as the method of funding such expenditure.

Certificates of Deposits (CDs)
A certificate issued for deposits made at a deposit-taking institution (generally a bank). The bank agrees to pay a fixed interest rate for the specified period of time, and repays the principal at maturity. CDs can be purchased directly from the banking institution or through a securities broker. An active interbank secondary market exists to buy and sell CDs.

Chartered Institute of Public Finance & Accountancy (CIPFA)
CIPFA is the professional body for people in public finance. As a specialised public services body, they provide information, guidance, and determine accounting standards and reporting standards to be followed by Local Government.

Collective Investment Scheme Structures
Schemes whereby monies from a number of investors are pooled and invested as one portfolio in accordance with pre-determined objectives.

Corporate Bonds
Bonds that are issued by a company or other non-government issuers. They represent a form of corporate debt finance and are an alternative means of raising new capital other than equity finance or bank lending.

Counterparty
One of the parties involved in a financial transaction with whom the Council may place investments.

Counterparty / Credit Risk
Risk that a counterparty fails to meet its contractual obligations to the Council to repay sums invested.

Credit Criteria
The parameters used as a starting point in considering with whom the Council may place investments, aimed at ensuring the security of the sums invested.

Credit Default Swaps
A financial transaction which the buyer transfers the credit risk related to a debt security to the seller, who receives a series of fees for assuming this risk. The levels of fees reflect the perceived level of risk.

Credit Rating
A credit rating assesses the credit worthiness of an individual, corporation, or even a country. Credit ratings are calculated from financial history and current assets and liabilities. Typically, a credit rating tells a lender or investor the probability of the subject being able to pay back a loan. Ratings usually consist of a long-term, short-term, viability and support indicators. The Fitch credit rating of F1 used by the

Council is designated as “Highest Credit quality” and indicates the strongest capacity for timely payment of financial commitments.

Debt Management Account Deposit Facility (DMADF)
The Debt Management Office provides this service as part of its cash management operations and of a wider series of measures designed to improve local and central government’s investment framework and cash management. The key objective of the DMADF is to provide users with a flexible and secure facility to supplement their existing range of investment options while saving interest costs for central government.

Debt Restructuring
Debt restructuring is a process that allows an organisation to reduce, renegotiate and undertake replacement debt.

Diversification of Investments
The process of creating a portfolio of different types of financial instruments with regard to type, price, risk issuer, location, maturity, etc. in order to reduce the overall risk of the portfolio as a whole.

Duration (Maturity)
The length of time between the issue of a security and the date on which it becomes payable.

External Borrowing
Money borrowed from outside of the Council.

Financial Instrument
Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. Typical financial liabilities are borrowing and financial guarantees. Typical financial assets include bank deposits, amounts owed by customers, loans receivable and investments.

Fitch Credit Ratings
A commercial organisation providing an opinion on the relative ability of an entity to meet financial commitments, such as interest, preferred dividends, repayment of principal, insurance claims or counterparty obligations. The opinion is usually provided in the form of a credit rating.

Fixed Rate
An interest rate that does not change over the life of a loan or other form of credit.

Floating Rate Notes
A money market security paying a floating or variable interest rate, which may incorporate a minimum or floor.

Four Clauses of Treasury Management
In compliance with the First Clause, this Council will create and maintain, as the cornerstones for effective treasury management:

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities.
- Suitable Treasury Management Practices (TMP's), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

In compliance with the Second Clause, this Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy in advance of the year, a mid year review and an annual report after its close, in the form prescribed in its TMP's.

In compliance with the Third Clause, this Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Cabinet, and for the execution and administration of treasury management decisions to the Corporate Director Resources in accordance with existing delegations, who will act in accordance with the organisation's policy statement, TMP's and CIPFA's Standard of Professional Practice on Treasury Management.

In compliance with the Fourth Clause, this Council requires the scrutiny of the accounting, audit and commercial issues of its Treasury Management Strategy and Practices to be undertaken by the Council's Audit Committee due to the technical nature of the documents.

Fraud / Error Risk
Risk of losses being incurred as a result of fraud, error or corruption in treasury management and failure to institute adequate systems, procedures and other arrangements to prevent irregularities.

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.

Medium Term Financial Plan
Plan outlining the financial strategies and actions that are envisaged by the Council in the medium term regarding the budget.

Minimum Revenue Provision (MRP)
This is the amount which must be charged to the authority's revenue account each year and set aside as provision for repaying external loans and meeting other credit liabilities. The prudent amount is determined having regard to guidance issued by WG. This has the effect of reducing the Capital Financing Requirement (CFR).

Money Market
The market for short-term securities or investments, such as certificates of deposit, commercial paper or treasury bills, with maturities of up to one year.

Money Market Funds
An investment fund which pools the investments of numerous depositors, spreading those investments over a number of different financial instruments and counterparties. Funds with a constant Net Asset Value (NAV) are those where any sum invested is likely to be the same on maturity. Funds with a variable Net Asset Value (NAV) are those where the sum on maturity could be higher or lower due to movements in the value of the underlying investments.

Net Asset Value (NAV)
The market value of an investment fund's portfolio of securities as measured by the price at which an investor will sell a fund's shares or units.

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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Annual Minimum Revenue Provision (MRP) Policy Statement for 2017/18

It is proposed that the Council's MRP Policy is as follows, with any change in the level, timing and method of provision in year delegated to the Section 151 Officer.

The broad aim of the 'prudent provision' is to ensure that debt arising from Capital expenditure is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits to service delivery (useful life) or in the case of borrowing supported by the WG via the RSG, reasonably in line with the period implicit in the determination of that grant.

- Council Fund historic expenditure prior to 1 April 2004 as well as subsequent supported borrowing approved by the WG is to be provided for at 4.0% on a reducing balance basis in 2017/18, a reduction from the 4.5% figure for 2016/17 and previous years. This is consistent with the support provided by WG as part of the Revenue Support Grant for Supported borrowing. This approach will continue unless WG change the approach to providing support as part of the RSG formula or any revision to MRP Guidance either in Wales or in England, albeit regular reviews of the position will continue.

- HRA supported borrowing, which was part of the previous housing subsidy system is to be provided for at 2% on a straight line basis. MRP on the significant £187 million settlement buyout payment is to be on 2% straight line basis as a minimum but with voluntary repayments to create headroom against the HRA debt cap for future development and reduce long term costs of servicing debt.

- Additional borrowing for a general increase in investment either in the Council Fund or HRA to balance the Capital Programme in a year is to be provided for on a straight line basis over the estimated average life of the assets created.

- Any additional expenditure linked to specific schemes e.g. Invest to Save, 21st Century Schools etc. is to be provided for on a straight line basis, or over the estimated useful life of assets being created or a shorter period as determined by the Section 151 Officer or suggested periods determined by WG as is the case with LGBI.

- Revenue Provision in excess of the above requirements can be made subject to affordability and following advice of the Section 151 officer.

- Subject to agreement of the S151 Officer, MRP may be waived on expenditure recoverable within a prudent period of time through capital receipts (e.g. land purchases) or deferred to when the benefits from investment are scheduled to begin or when confirmed external grant payments towards that expenditure are expected.

- 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.

Approved list of Counterparties (Authorised to accept sterling deposits in the UK) (@ 31/12/16)

	£	Duration
Australia AAA		
Australia and New Zealand Banking Group	12m	2 years
Commonwealth Bank of Australia	12m	2 years
National Australia Bank	12m	2 years
Canada AAA		
Canadian Imperial Bank of Commerce	12m	2 years
Toronto Dominion Bank	12m	2 years
France AA		
Credit Industriel et Commercial	10m	1 year
Societe Generale	10m	1 year
Germany AAA		
DZ Bank (Deutsche Zentral-Genossenschaftsbank)	12m	2 years
Netherlands AAA		
Cooperatieve Centrale Raiffeisen Boerenleenbank (Rabobank Nederland)	12m	2 years
Singapore AAA		
DBS Bank	12m	2 years
Oversea Chinese Banking Corporation	12m	2 years
United Overseas Bank	12m	2 years
Sweden AAA		
Skandinaviska Enskilda Banken	10m	1 year
Svenska Handelsbanken	12m	2 years
Switzerland AAA		
UBS AG	10m	1 Year
United Kingdom AA		
Barclays Bank	10m	1 Year
Close Brothers	10m	1 Year
Goldman Sachs International Bank	10m	1 Year
HSBC Bank plc	12m	2 years
Santander UK plc	10m	1 Year
Standard Chartered Bank	10m	1 Year
Bank of Scotland	10m	1 Year
Lloyds Bank	10m	1 Year
Royal Bank of Scotland	15m	2 Years
Coventry Building Society	10m	1 Year
Nationwide Building Society	10m	1 Year
Local Authorities	15m	2 Years
Debt Management Agency Deposit Facility	n/a	6 Months
Money Market Funds		
BlackRock Institutional Cash Series Sterling Fund	12m	Instant Access
Fidelity GBP Institutional Cash Fund	12m	Instant Access

Goldman Sachs Sterling Reserves Fund	12m	Instant Access
Insight Sterling Liquidity Fund	12m	Instant Access
Legal & General Investment Management 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
Standard Life Investments Sterling Liquidity	12m	Instant Access

CITY & COUNTY OF CARDIFF
DINAS A SIR CAERDYDD

COUNCIL MEETING: 23 FEBRUARY 2017

CARDIFF
CAERDYDD

REPORT OF CORPORATE DIRECTOR RESOURCES

WALES INVESTMENT POOL JOINT GOVERNANCE COMMITTEE

Reason for this report

1. To seek Council's approval to establish a Joint Governance Committee for the Wales Investment Pool, which will oversee the pooling of the investments of the eight Local Government Pension Scheme funds in Wales.

2. To ask Council to note the draft Inter Authority Agreement and to delegate the signing of the final version of the Agreement to the Corporate Director Resources.

3. To ask Council to approve the appointment of Carmarthenshire County Council as the Host Council for the Joint Governance Committee.

4. To ask Council to delegate authority to approve any minor amendments to the Inter Authority Agreement to the Corporate Director Resources.

Background

5. The City of Cardiff Council is the administering authority for the Cardiff & Vale of Glamorgan Pension Fund ('the Fund') which is part of the Local Government Pension Scheme (LGPS) for England and Wales. Following a report to Full Council on 30 June 2016, the Council established a Pensions Committee and strategic functions relating to Pensions were delegated to the Committee. Operational and administrative functions are delegated to the Corporate Director Resources. The Fund currently comprises 36 contributing employing bodies and provides services to 38,000 employees, pensioners and deferred beneficiaries.

6. The Fund holds assets of around £1.9 billion most of which are invested across a range of asset classes (equities, bonds and property) and through a number of investment managers. The Fund's assets are held in order to meet its liabilities to pay pension benefits to Fund members, their dependants and nominated beneficiaries, in compliance with the LGPS Regulations.

7. The eight LGPS funds in Wales have been working together for several years to identify areas of potential collaboration, directed by the Society of

Welsh Treasurers (SWT) Pensions Subgroup. In 2013 the Subgroup published a report "Welsh Local Government Pension Funds: Working Together" which identified investments as the area where collaboration might yield the most significant savings. The Subgroup then commissioned Mercers Ltd to identify options for collaborative investing and in May 2015 their report recommending a Common Investment Vehicle (CIV) was issued. In September 2015 the eight funds agreed to proceed with establishing a CIV on a voluntary basis and Hymans Robertson were appointed in December 2015 to advise on the procurement of a CIV from a third party provider.

8. The UK Government has issued a number of consultations on the management of LGPS investments and in 2015 announced that all LGPS funds in England and Wales must join together to form investment pools rather than the current arrangement whereby Individual funds appoint investment managers themselves. Criteria for the pools were published in November 2015 including a minimum size of £25 billion. Outline proposals for the pools were required in February 2016 with detailed proposals to be submitted by 15 July 2016.

9. Although the total assets of the eight LGPS funds in Wales are circa £15 billion, thereby falling short of the minimum size requirement, the funds continued their work towards an All Wales CIV. An initial proposal for a Wales Investment Pool was submitted to DCLG in February 2016, referencing the existing collaborative relationships, the progress already made towards the CIV and the distinct political and cultural environment in Wales. The report to Full Council on 30 June 2016 provided the Council with a summary of the proposed collaboration arrangements including the establishment of a Joint Governance Committee. The funds submitted their detailed proposals on 15 July 2016 and received approval from the Minister on 23 November.

10. A Financial conduct Authority (FCA) regulated Third Party Operator is being procured to supply the necessary infrastructure for establishing a pooling vehicle and to manage the Pool on behalf of the eight funds. The Government target for transfer of liquid assets i.e. publicly listed equities and bonds into the pooled vehicle is April 2018 while illiquid investments such as property, infrastructure and private equity are likely to transition over a much longer period of time. In addition, Government has stressed that investments with significant exit costs should not be wound up early on account of the pooling arrangements.

Inter Authority Agreement

11. In developing the proposals and taking the work forward to date, the eight Welsh Pension funds have operated under a Memorandum of Understanding which is not legally binding. Before entering into a contract with the Operator it is necessary to formalise the joint governance and decision making framework.

12. The Inter Authority Agreement (IAA), which is attached to this report as Appendix 1, has been developed as the legal framework for establishing

a Joint Governance Committee for the Wales Investment Pool. The IAA sets out the governance arrangements for the Pool, the rights and obligations of the eight participating authorities and the powers and responsibilities delegated to the JGC.

13. The responsibilities of the JGC are listed in Schedule 4 of the IAA and include:
    - Monitoring of the performance of the Pool Operator
    - Making decisions on asset class sub-funds to be made available by the Operator to implement the individual investment strategies of the eight funds
    - Providing accountability to the participating funds on the management of the Pool
    - Having responsibility for reporting on the Pool to the UK Government and other stakeholders
    - Having oversight of the Officer Working Group

14. The JGC will operate on a 'One Fund, One Vote' basis.

15. The IAA sets out the terms of reference for the Officer Working Group which will act as advisors to the JGC.

16. Under the new arrangements administering authorities will continue to retain control over setting their investment strategy and detailed asset allocation. This continues to allow the broad risk and return characteristics of the investment strategy to be set in conjunction with each pension fund's overall funding strategy. Funds will then invest in asset sub-funds which will be made available by the Operator of the Welsh Pool.

17. The IAA can only be amended or terminated with the agreement of all eight constituent authorities.

Host Authority

18. The IAA provides for one of the eight authorities to act as Host Authority for the JGC. The Host Authority will provide administrative and secretarial support to the JGC and will implement decisions made by the JGC. The Host Authority will liaise with the Operator on behalf of the participating authorities and will also be responsible for arranging training for members of the JGC.

19. It is proposed that Carmarthenshire County Council (administering authority of the Dyfed Pension Fund) act as Host Authority for the Wales Investment Pool.

Equalities Impact Assessment

20. No Equalities Impact Assessment has been undertaken. No equalities impact issues are anticipated to arise directly from the establishment of the Wales Investment Pool.

Financial Implications

21. All costs associated with the management and administration of an LGPS pension fund are chargeable to the fund's accounts. Under the Inter Authority Agreement, the running costs of the Joint Governance Committee will be divided equally between the eight participating authorities. Expenditure incurred in the management of specific pooled investments will be charged to the relevant Pension Funds in proportion to the pooled amounts.

Legal Implications

22. The body of the report notes that the IAA is in draft, however Legal Services are instructed that the principles of collaboration set out in the IAA are not anticipated to change. It is for this reason that the first and seventh recommendations seek a delegation to the Corporate Director Resources to approve and sign the final version upon consultation with the Chair of the Pensions Committee and the Director of Governance and Legal Services.

23. It is noted that Council have previously received a report setting out the detailed background of the Wales Investment Pool and have noted the proposed collaborative model of a Joint Committee. The second recommendation seeks approval of the establishment of the Joint Committee upon conclusion of the IAA by all parties. Local Authorities have broad powers to collaborate and delegate their functions to joint committees under section 101 and 102 of the Local Government Act 1972, section 9 of the Local Government Wales Measure 2009 and all other enabling powers. The Joint Committee model provides that Council would delegate certain functions relating to the Pension Fund to the Joint Committee. The Joint Committee has no separate legal identity and so cannot own property or enter into contracts in its own right. It is proposed that one authority shall act as Host Authority and the body of the report identifies Carmarthenshire as the Host Authority. The Host Authority shall take responsibility for employment of any staff required for the running of the Joint Committee, enter third party contracts for services (with the exception of the Operator contract as noted in the body of the report) and provide support services required.

24. If approved, the content and form of the IAA is intended to create a legally binding agreement between the authorities. It sets out, amongst other things (1) the extent of matters delegated to the Joint Committee and those reserved for each Local Authority, (2) the constitutional set up of the Joint Committee and its terms of reference, (3) the remit of the supporting officer working group (4) termination and exit provisions (5) the structure of the pooling collaboration (6) which Authority shall Host the collaboration and the responsibilities of the Host Authority and ancillary matters such as any cost apportionments, indemnities required to carry out the role of Host (7) financial management arrangements and (8) provisions to address such matters as disputes, variations, freedom of information.

Equalities Duties.

25. In considering this matter the decision maker must have regard to the Council's duties under the Equality Act 2010. 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. Protected characteristics are: (a) Age, (b) Gender reassignment, (c) Sex, (d) Race – including ethnic or national origin, colour or nationality, (e) Disability, (f) Pregnancy and maternity, (g) Marriage and civil partnership, (h) Sexual orientation, (i) Religion or belief – including lack of belief.

26. The report identifies that an Equality Impact Assessment is not required. The purpose of the Equality Impact Assessment is to ensure that the Council has understood the potential impacts of the proposal in terms of equality so that it can ensure that it is making proportionate and rational decisions having due regard to its public sector equality duty. The decision maker must have due regard to the Equality Impact Assessment in making its decision.

27. The decision maker should also have regard when making its decision to the Council's wider obligations under the Wellbeing of Future Generations (Wales) Act 2015. In brief the act makes provision with regards promoting/improving wellbeing.

RECOMMENDATIONS

It is recommended that Council:

28. Notes the content of the draft Inter Authority Agreement attached at Appendix 1 and delegates authority to the Corporate Director Resources in consultation with the Chair of the Pensions Committee and the Director of Governance and Legal Services to approve and sign the final version of the IAA.

29. Approves the establishment of a joint committee (hereinafter referred to as the Joint Governance Committee) on conclusion of the IAA referred to in recommendation 1 above and on the basis of the terms of reference attached.

30. Delegates the exercise of certain functions to the Joint Governance Committee as set out in the terms of reference and notes those functions that are reserved to Council.

31. Approves the appointment of the Chair of the Pensions Committee or his/her nominated Deputy to the Joint Governance Committee as The City of Cardiff representative.

32. Delegates to the nominated representative of the City of Cardiff authority to act within the terms of reference of the Joint Governance Committee to enable the exercise of any delegated function.

33. Approves that Carmarthenshire County Council (Dyfed Pension Fund) acts as Host Council with the responsibilities set out in the Inter Authority Agreement.

34. Delegates authority to the Corporate Director Resources in consultation with the Director of Governance and Legal Services to agree any further minor amendments to the IAA.

CHRISTINE SALTER
CORPORATE DIRECTOR RESOURCES

Appendix 1 – Draft Inter Authority Agreement

Background Papers:
DCLG Consultation - 1 May 2014 – Call for evidence on the future structure of the Local Government Pension Scheme
DCLG - 25 November 2015 – Local Government Pension Scheme – Opportunities for collaboration, cost savings and efficiencies
DCLG Consultation 25 November 2015 – Local Government Pension Scheme Investment Regulations
Welsh LGPS Funds – July 2016 – Submission to DCLG from the Wales Pool
Letter from DCLG dated 23 November 2016

Dated _____2017

D R A F T

Inter-Authority Agreement
between

Carmarthenshire County Council	(1)
City & County of Swansea Council	(2)
City of Cardiff Council	(3)
Flintshire County Council	(4)
Gwynedd Council	(5)
Powys County Council	(6)
Rhondda Cynon Taff County Borough Council	(7)
Torfaen County Borough Council	(8)

RB27
Burges Salmon LLP
www.burges-salmon.com
Tel: +44 (0)117 307 6997
Fax: +44 (0)117 902 4400

CONTENTS

THIS DEED is made on 2017

BY

(1) **CARMARTHENSHIRE COUNTY COUNCIL** of [ADDRESS] ("**Carmarthenshire Council**")

(2) **CITY & COUNTY OF SWANSEA COUNCIL** of [ADDRESS] ("**Swansea Council**").

(3) **CITY OF CARDIFF COUNCIL** of [ADDRESS] ("**Cardiff Council**").

(4) **FLINTSHIRE COUNTY COUNCIL** of [ADDRESS] ("**Flintshire Council**").

(5) **GWYNEDD COUNCIL** of [ADDRESS] ("**Gwynedd Council**")

(6) **POWYS COUNTY COUNCIL** of [ADDRESS] ("**Powys Council**")

(7) **RHONDDA CYNON TAFF COUNTY BOROUGH COUNCIL** of [ADDRESS] ("**Rhondda Council**")

(8) **TORFAEN COUNTY BOROUGH COUNCIL** of [ADDRESS] ("**Torfaen Council**")

(together referred to as the "**Constituent Authorities**" and individually as a "**Constituent Authority**")

BACKGROUND

(A) The Constituent Authorities are committed to the development of a formal joint committee pursuant to section 101 and section 102 of the Local Government Act 1972 to ensure the effective operation of the arrangements for asset pooling within the LGPS under a framework of strong internal governance to achieve economies of scale and improved investment infrastructure.

(B) The Constituent Authorities are all councils responsible for the administration of local government within their areas as set out in the Local Government Act 1972. The Department for Communities and Local Government in its letter dated 23 November 2016 has confirmed that the Constituent Authorities have been granted permission for each Constituent Authority to continue to collaborate with every other Constituent Authority to form a pool of assets in respect of each of their respective funds under the LGPS.

(C) The Constituent Authorities shall carry on the Pooling Collaboration (as defined below) under the terms of this Agreement to oversee its governance.

AGREED TERMS

1 INTERPRETATION

1.1 The following definitions and rules of interpretation apply in this Agreement.

Business Day a day other than a Saturday, a Sunday or a public holiday in England when banks in London are open for business.

Business Plan has the meaning given by clause 6.

CIPFA Guidance means the guidance published in October 2016 by the Chartered Institute of Public Finance and Accountancy entitled *investment pooling governance principles for LGPS Administering Authorities*.

Commencement Date the date upon which all Constituent Authorities have signed this Agreement.

Constituent Authorities the parties to this Agreement, and all other administering authorities within the LGPS who are or become parties to this Agreement at any time.

Financial Year means in the case of the first Financial Year, the period from the Commencement Date to (and including) the following 31 March. For subsequent Financial Years the period between 1 April and 31 March (inclusive) and for the last Financial Year any lesser period necessary.

Host Council means the Constituent Authority appointed in accordance with clause 7 and whose duties are described within that clause.

Investment Pool means the pooled investments (whether held in single funds, multiple sub-funds or held in alternative structures outside of a collective investment vehicle) derived from assets held by the Constituent Authorities in their capacity as administering authorities within the LGPS for the purpose of the Pooling Collaboration described by this Agreement.

Investment Regulations means the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (SI 2016/946).

Joint Governance Committee means the joint committee formed by this Agreement.

LGPS the Local Government Pension Scheme established pursuant to regulations made by the Secretary of State in exercise of powers under section 7 and 12 of the Superannuation Act 1972 and the provisions of the PSPA 2013.

Member in this Agreement means a member of the Joint Governance Committee appointed in accordance with clause 3.3 or their deputy appointed in accordance with clause 3.4.

Monitoring Officer means the person designated by each Constituent Authority for the purposes of section 5 of the Local Government and Housing Act 1989.

Operator means the operator of the pooled investment vehicle being an Authorised Contractual Scheme (as defined by the Operator Contract) pursuant to the Operator Contract.

Operator Contract means the agreement between the Constituent Authorities and the Operator.

OWG means the Officers Working Group described in clause 4.

Pension Board means a local pension board or a joint local pension board within the meaning given to each phrase by regulation 106 of the Local Government Pension Scheme Regulations 2013 (SI 2013/2356) and section 5 of the PSPA 2013.

Pooling Collaboration means the arrangements for asset pooling under the Investment Pool within a framework of strong internal governance to achieve economies of scale and improved investment in infrastructure carried on by the Constituent Authorities as described by this Agreement.

Pooling Contribution means as defined in clause 10.1.

PSPA 2013 means the Public Service Pensions Act 2013.

S151 officer means the person appointed by each Constituent Authority for the purposes of section 151 of the Local Government Act 1972.

Secretary of State means the Department for Communities and Local Government or such replacement department which has responsibility for the LGPS.

Submission means the document created by the Constituent Authorities entitled "*Submission by the Wales Pool to the Department for Communities and Local Government (DCLG) In response to the publication in November 2015: LGPS: Investment Reform Criteria and Guidance*" dated 15 July 2016.

Terms of Reference means the governing framework document concerning the functions and operations of the Joint Governance Committee.

TUPE means the Transfer of Undertakings (Protection of Employment) Regulations 2006.

1.2 Clause, schedule and paragraph headings shall not affect the interpretation of this agreement.

1.3 A **person** includes a natural person, corporate or unincorporated body (whether or not having a separate legal personality).

1.4 The schedules form part of this agreement and shall have effect as if set out in full in the body of this agreement. Any reference to this agreement includes the schedules.

1.5 A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established.

1.6 Unless the context otherwise requires, words in the singular include the plural and in the plural include the singular.

1.7 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.

1.8 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and includes any subordinate legislation made from time to time under it.

1.9 A reference to **writing** or **written** includes faxes and email.

1.10 Documents in **agreed form** are documents in the form agreed by the parties and initialled by them or on their behalf for identification.

1.11 References to clauses and schedules are to the clauses and schedules of this Agreement; references to paragraphs are to paragraphs of the relevant schedule.

1.12 Any words following the terms **include**, **including**, **in particular** or **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding them.

1.13 Any obligation in this agreement on a person not to do something includes an obligation not to agree or allow that thing to be done.

1.14 Any reference to the title of an officer or any of the Constituent Authorities shall include any person holding such office from time to time by the same or any title substituted thereafter or such other officer of the relevant Constituent Authority as that Constituent Authority may from time to time appoint to carry out the duties of the officer referred to.

2 COMMENCEMENT AND CESSATION OF THE MEMORANDUM OF UNDERSTANDING

2.1 The Agreement shall commence on the Commencement Date. For the avoidance of doubt, this Agreement is only effective when each Constituent Authority has executed it and each Constituent Authority shall be of equal status with equal rights except where expressly stated otherwise and shall continue on the terms of this Agreement until the earlier of the following:

(a) all Constituent Authorities agree in writing to its termination; or

(b) there is only one remaining Constituent Authority who has not exited this Agreement in accordance with clauses 21 or 22.

2.2 The Constituent Authorities confirm that the memorandum of understanding between them relating to *The procurement of services by the administering authorities of the local government pension scheme in Wales* shall cease to have effect from the Commencement Date.

3 FORMATION OF THE JOINT GOVERNANCE COMMITTEE

3.1 The Constituent Authorities by this Agreement hereby form the Joint Governance Committee pursuant to section 101(5) and 102(1) of the Local Government Act 1972 for the purposes of overseeing and reporting on the performance of the Investment Pool. The Joint Governance Committee shall not be responsible for formulating or revising the investment strategy described by regulation 7 of the Investment Regulations in respect of each or any of the Constituent Authorities.

3.2 Meetings of the Joint Governance Committee are subject to the provisions of the Local Government Act 1972 including the provisions on access to information and meetings held in public.

3.3 The membership of the Joint Governance Committee shall be one elected member nominated by each of the Constituent Authorities provided that the elected member is a member of that Constituent Authority's pensions committee (or equivalent body) for the purposes of the Local Government Pension Scheme Regulations 2013.

3.4 For the purposes of clause 3.3, each Constituent Authority may appoint a named deputy who must be an elected member of the same Constituent Authority's pension committee (or equivalent body) for the purposes of the Local Government Pension Scheme Regulations 2013 as the Member for whom they are acting as deputy .

3.5 The Joint Governance Committee shall undertake its role and act in accordance with the Terms of Reference set out in Schedule 4 and undertake the matters set out in

Schedule 3 and shall seek and have regard to the advice of the OWG and any professional advisors appointed in carrying out its functions under this Agreement.

3.6 Every meeting shall be governed by the procedure and requirements set out in Schedule 6.

3.7 A programme of training will be provided to Members and their deputies having regard to CIPFA Guidance and the training provided to Members in their roles on their respective Constituent Authority pension committees. In order to be eligible to participate in the Joint Governance Committee Members must attend and complete this training within [6 months] of being appointed to the Joint Governance Committee and must thereafter attend update and refresher sessions provided at intervals deemed appropriate by the Joint Governance Committee. If Members do not attend mandatory training sessions, they may be required to undertake such training at the cost of the Constituent Authority the Member represents. Any failure to undertake necessary training shall be a matter for consideration of the relevant Member's Constituent Authority pension committee who shall determine if the Member has complied with that Constituent Authority's code of conduct and whether they should remain appointed to the Joint Governance Committee.

4 OFFICERS WORKING GROUP

4.1 The Joint Governance Committee shall appoint the OWG on the following terms:

(a) **Purpose**: the OWG shall support and advise the Joint Governance Committee on such matters as the Joint Governance Committee may reasonably request or any matters relating to the Pooling Collaboration which are raised by any Constituent Authority's Section 151 Officer or Monitoring Officer;

(b) **Membership**: each Constituent Authority shall nominate up to [two] officers employed by that Constituent Authority as its representatives on the OWG;

(c) **Remit**: the remit of the OWG shall be as set out in Schedule 8;

4.2 The OWG shall undertake its role and have regard to the Joint Governance Committee terms of reference set out in Schedule 4

4.3 Each Constituent Authority's Section 151 Officer and Monitoring Officer shall, where they are not members of the OWG, have the right to attend meetings of the OWG and receive copies of any papers.

5 DECISION MAKING

5.1 The Constituent Authorities have identified the following two categories of decisions together with the means by which they will be taken:

(a) "**Joint Governance Committee Matter**": a matter which is to be decided upon at a quorate meeting of the Joint Governance Committee by those present and entitled to vote and any such decision will be binding on all of the Constituent Authorities and such matters are identified in Schedule 3;

(b) "**Matters Reserved to the Constituent Authorities**": a matter which will have to be referred to each Constituent Authority for decision (having regard to any recommendation to be made thereon by the Joint Governance Committee) until the matter has been determined by all of the Constituent Authorities. If the Constituent Authorities fail to reach the same decision in respect of such matter then the matter shall be referred under clause 36 (Dispute Resolution) as a dispute for resolution, and such matters are identified in Schedule 2.

6 BUSINESS PLAN

6.1 The Joint Governance Committee shall, with the support of the OWG, produce a draft Business Plan to cover the medium term (being up to five years) having regard to the electoral cycle and the operational requirements of the Constituent Authorities for consultation with the Constituent Authorities. The draft Business Plan shall have regard to:

(a) the strategic objectives of the Pooling Collaboration over the relevant plan period;

(b) the financial budget for the relevant Business Plan period and/or any annual budget set;

(c) the delivery plan produced by the Operator in connection with the Investment Pool including any costs or fees proposed by the Operator or any other supplier;

(d) the requirements on each of the Constituent Authorities in their individual capacity as an administering authority pursuant to the Investment Regulations;

(e) the requirements of each Constituent Authority's investment strategy;

(f) the advice of appropriately qualified and authorised and regulated professional advisors;

(g) the guidance issued from time to time by the Secretary of State as referred to in regulation 7(1) of the Investment Regulations;

(h) such other matters that the Constituent Authorities may consider necessary to the furtherance of the Pooling Collaboration including (subject to clause 10.2), the proposal and development of ad hoc projects.

6.2 Consultation on the draft Business Plan shall be carried out by the OWG (with the Pension Boards, the Operator (where appropriate) and the Constituent Authorities and such other parties as it may deem necessary) who shall report on the outcome of that consultation. The Joint Governance Committee shall hold a meeting to discuss and, having had due regard to the consultation response report and the advice of the appropriately qualified and regulated professional advisors, agree a final Business Plan which may include such revisions to the draft as the Joint Governance Committee considers appropriate.

6.3 Following approval by the Joint Governance Committee the Business Plan shall be sent to all Constituent Authorities for their written approval.

6.4 The Business Plan will be reviewed by the Joint Governance Committee and the Constituent Authorities annually. Where any revisions are agreed by the Joint Governance Committee the revised Business Plan shall be sent to all Constituent Authorities for their written approval.

6.5 For the avoidance of doubt, final approval of the Business Plan shall be treated as a Matter Reserved to the Constituent Authorities (as defined in clause 5).

7 HOST COUNCIL

7.1 The Constituent Authorities have agreed, with effect from the Commencement Date, that [*insert name of Host Council*] will be the Host Council for the Pooling Collaboration which shall be carried out for and on behalf of itself and the Constituent Authorities and [*insert name of Host Council*] agrees to act in that capacity subject to and in accordance with and to the extent provided for by the terms of this Agreement. For the avoidance of doubt the role of Host Council includes:-

(a) to act as the employing authority for any staff engaged in the discharge of the Pooling Collaboration's functions (appointing, employing or accepting the secondment of staff) in accordance with this Agreement;

(b) being the point of contact for the purposes of managing the Pooling Collaboration;

(c) providing such administrative resources and facilities that may be necessary for the purpose of discharging the Pooling Collaboration and hold all Pooling Contributions;

(d) providing such governance and administrative services that may be necessary for the purpose of supporting the Pooling Collaboration including arranging and clerking of meetings;

(e) providing training for Members to support their role on the Joint Governance Committee in line with the training plan and in accordance with clause 3.7.

(f) provide appropriately qualified and experienced officers who will act as the primary legal and financial advisers to the Pooling Collaboration; [***Note: we would envisage that these functions are retained for management by the Joint Governance Committee, but please provide any views on this***]

(g) for the purposes of the Pooling Collaboration require their Section 151 Officer and Monitoring Officer (or their substitutes) to undertake oversight and review of the operation of the Pooling Collaboration and decisions of the Joint Governance Committee on behalf of all of the Constituent Authorities; ***[For your consideration]***

(h) power to enter into contracts for supplies and services as required for the purposes of the Pooling Collaboration;

(i) liaise with the Operator on behalf of the Constituent Authorities in the manner and to the extent set out in the Contract Management, Co-ordination and Liaison with the Operator policy and procedure to be approved in accordance with Schedule 5 and to provide any contract management and co-ordination services for the purposes of the Pooling Collaboration set out in that policy and procedure.

7.2 [For the avoidance of doubt the duties and responsibilities of the Host Council pursuant to this Agreement shall only bind the Host Council to the extent that they have been resourced by the Constituent Authorities through this Agreement.]

7.3 Save and except where otherwise required by law all staff employed by the Host Council pursuant to this Agreement shall be employed on the Host Council's relevant terms and conditions of employment and related staff policies including salary structures.

7.4 A replacement Host Council may be appointed by a majority decision of the Constituent Authorities provided that the [current Host Council and] the replacement Host Council agrees.

7.5 If the Host Council withdraws from the Pooling Collaboration pursuant to clause 21 (Voluntary Exit) or clause 22 (Compulsory Exit) then a replacement Host Council will be appointed by a majority decision of the Constituent Authorities provided that the replacement Host Council agrees. The withdrawing Host Council will not have the right to vote in regard to any such appointment.

7.6 Where TUPE applies in connection with the appointment of any replacement Host Council, then the Constituent Authorities shall comply with the provisions of Schedule 7.

7.7 For the duration of this Agreement, the Host Council shall act diligently and in good faith in all its dealings with the other Constituent Authorities.

7.8 For the duration of this Agreement, the Constituent Authorities shall act diligently and in good faith in all their dealings with the Host Council and shall use their reasonable endeavours to assist the Host Council to support the Pooling Collaboration.

8 OPERATOR CONTRACT

8.1 Each Constituent Authority shall promptly execute the Operator Contract in counterpart and return the executed counterpart to the Host Council as soon as reasonably practicable following execution. The Host Council shall as soon as reasonably practicable confirm that the Operator Contract has been duly executed by all Constituent Authorities and is in force and effect.

8.2 The Constituent Authorities authorise the Host Council to carry out its duties pursuant to clause 7.1(i).

8.3 For the avoidance of doubt, any allocation of liability arising under the Operator Contract shall be apportioned between the Constituent Authorities pursuant to the terms of the Operator Contract.

9 LIABILITIES AND INDEMNITIES FOR THE HOST COUNCIL

9.1 Nothing in this Agreement will make the Host Council liable in respect of anything done or omitted to be done by a Constituent Authority up to the Commencement Date.

9.2 .The Host Council shall be indemnified from and against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential loss, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable costs and expenses) arising from the performance of its functions authorised pursuant to clause 7 save in the case of its wilful default or fraud.

10 COMMITMENT OF THE CONSTITUENT AUTHORITIES AND CONTRIBUTIONS

10.1 Subject to clause 10.2, the Constituent Authorities agree to pay the contributions, which shall be calculated equally, of the estimated governance, procurement and administration costs included within the Business Plan (the "**Pooling Contributions**") except where the Business Plan provides otherwise.

10.2 The Constituent Authorities shall meet the costs of ad hoc projects to which they are a party equally between the Constituent Authorities who are parties only and any non-participating Constituent Authorities shall not be liable for any proportion of such costs.

10.3 The Constituent Authorities agree to pay the Pooling Contributions to the Host Council on such dates, and at such frequency, as is determined by the Business Plan. Any costs incurred prior to the approval of the Business Plan shall be payable on being invoiced by the Host Council.

10.4 All Pooling Contributions shall be made by way of payment to the bank account notified to the Constituent Authorities by the Host Council for the purposes of the Pooling Collaboration. The Host Council shall maintain a separate account or accounts as appropriate for all monies received or expended in connection with the Pooling Collaboration in a manner which complies with their accounting arrangements.

10.5 Following the termination of this Agreement, once the costs of the Host Council have been met, the sum standing to the credit of the account or accounts in which Pooling Collaboration funds are held shall be returned to the then remaining Constituent Authorities in the proportions in which they were originally contributed.

10.6 Where any further contribution is required, or repayments are to be made, the Constituent Authorities shall decide the following:

(a) the total amount;

(b) the apportionment of such contribution or repayment between the Constituent Authorities; and

(c) the form of such contribution or repayment.

In the absence of any agreement to the contrary, such contributions or repayments shall be by or to all of the Constituent Authorities equally.

10.7 For the avoidance of doubt, any charges incurred in respect of investment management of the Investment Pool shall be attributed to each Constituent Authority by reference to the assets under management for that Constituent Authority and the investment management charges applicable to each sub-fund (or assets held in any alternative investment structure), are not determined by this Agreement. The liability of each Constituent Authority to meet the fees of the Operator shall be determined by the Operator Contract and not this Agreement.

11 ACCOUNTS

11.1 The Host Council shall keep proper books of account (which expression shall include any computerised accounting system for the time being used by the Pooling

Collaboration) and shall be responsible for ensuring that full and proper entries of all receipts and payments are promptly recorded in them. The books of account shall be kept at the premises of the Host Council and be made available for inspection by all of the Constituent Authorities (who may also take copies). The Host Council shall make available on reasonable request such information as is required by any Constituent Authority to prepare their own accounts or respond to any internal or external audit.

11.2 The Host Council shall ensure that the contributions and payments made by each Constituent Authority shall be held in an account in the name of the Host Council which does not breach regulation 6 of the Investment Regulations.

11.3 The Host Council shall be responsible for ensuring that the accounts relating to the Pooling Collaboration are audited where and when required by law or other competent authority and shall make copies of the audited accounts available to all of the Constituent Authorities.

11.4 The Host Council shall prepare annual accounts in relation to each Financial Year for the Pooling Collaboration in accordance with the Host Council's accounting policies (or such other accounting policy agreed by the Constituent Authorities) by no later than [31 May] in the following Financial Year.

11.5 The Joint Governance Committee may hold a reserve of funds for the purposes of meeting the costs of the Pooling Collaboration. Where the reserve exceeds [40%] of the budget for the forthcoming year then the amount by which the reserve exceeds that sum may be repaid to the Constituent Authorities and such repayment shall be in proportion to the total amount contributed by each.

12 INVESTMENT MANAGEMENT COSTS

12.1 In accordance with clause 10.8, each Constituent Authority shall bear its own costs in respect of investment management they incur or expect to incur in the Pooling Collaboration which shall include all transition costs for the investment and disinvestment of assets.

13 INTELLECTUAL PROPERTY

13.1 Any intellectual property developed by any Constituent Authority for the purposes of the Pooling Collaboration shall be retained by the Constituent Authorities and each Constituent Authority will grant all of the other Constituent Authorities a non-exclusive, perpetual, non-transferable and royalty free licence to use, modify amend and develop it for the purpose of the Pooling Collaboration whether or not the Constituent Authority granting the licence remains a party to this Agreement. All costs and expenses relating to such intellectual property shall be borne by the Constituent Authorities and the other Constituent Authorities shall indemnify the Constituent Authority or Constituent

Authorities in whom such property is vested against all liabilities that may arise directly or indirectly in respect of the use of it.

14 REPORTS

14.1 The Joint Governance Committee shall oversee the Pooling Collaboration and ensure that it is provided in accordance with the Business Plan.

14.2 To ensure that the Constituent Authorities are kept up-to-date with the performance of the Pooling Collaboration, the Joint Governance Committee shall report quarterly and annually to the Constituent Authorities with progress measured against the Business Plan and the objectives of the Investment Pool.

15 INSURANCE

15.1 Where the operation of the Pooling Collaboration is not covered by any existing insurance of the Constituent Authorities, the Host Council shall effect and at all times keep in force (for the benefit of the Members of the Joint Governance Committee and the officers appointed to the OWG) such policies of insurance for such amounts as it shall decide. Such policies shall be maintained at the expense of the Constituent Authorities and shall be an administration cost of this Pooling Collaboration for the purposes of of clause 10.1.

16 DUTIES AND POWER

Each Constituent Authority shall at all times:

(a) use its reasonable skills and endeavours to promote and carry on the Pooling Collaboration for the benefit of the Constituent Authorities, and conduct itself in a proper and responsible manner;

(b) devote such time and attention as the Constituent Authorities may decide in writing to be necessary and appropriate to the Pooling Collaboration;

(c) comply with all legislation, regulations, professional standards and other provisions as may govern the conduct of the Pooling Collaboration, or be determined by the Constituent Authorities as standards to be voluntarily applied to the Pooling Collaboration;

(d) show the utmost good faith to the other Constituent Authorities in all transactions relating to the Pooling Collaboration and give them a true account of, and full information about, all things affecting the Pooling Collaboration;

(e) inform the Constituent Authorities without delay on becoming party to any legal proceedings in connection with the Pooling Collaboration;

(f) punctually pay and discharge its present and future debts and financial obligations;

(g) shall not do or fail to do anything which shall bring any of the other Constituent Authorities, or itself, into disrepute;

(h) obtain all necessary consents sufficient to carry on their duties to the Pooling Collaboration.

16.2 No action which would otherwise be a breach of this clause shall constitute a breach where the Constituent Authority was required to carry out that action in compliance with a statutory duty or order of any court, tribunal or ombudsman.

17 DELEGATION

17.1 Prior to the commencement of the Pooling Collaboration the Constituent Authorities shall put in place such authorisations as are required within their internal governance arrangements to:

(a) delegate the making of the decisions set out in Schedule 3 (Joint Governance Committee Matters) to the Joint Governance Committee and shall authorise their Member and that Member's deputy to exercise the Constituent Authority's vote;

(b) delegate any other matter which is required to comply with the obligations of this Pooling Collaboration, including delegations to its own officers and to the Host Council where required.

17.2 The Constituent Authorities shall review and where necessary amend their delegations throughout the duration of the Pooling Collaboration to ensure that they can comply with the provisions of this Agreement.

17.3 The Joint Governance Committee shall procure that for any purpose for which it may be given power to appoint agents to carry out its duties, the Joint Governance Committee shall act in good faith and with reasonable skill and care in the selection, use and monitoring of such agents.

18 OBLIGATIONS ON CONSTITUENT AUTHORITIES

18.1 Without prejudice to the terms of this Agreement, the Constituent Authorities, on an individual basis, commit to the implementation of the Pooling Collaboration consistently with the Submission (subject to any variation agreed by the Constituent Authorities) and to use their reasonable endeavours to ensure the success of the Pooling Collaboration.

18.2 Nothing in this Agreement shall fetter the discretion of each Constituent Authority to formulate and revise an investment strategy appropriate for their fund within the LGPS pursuant to regulation 7 of the Investment Regulations.

19 INDEMNITY

19.1 Subject to clause 8.3, any Constituent Authority who is in material breach of any of the provisions of this Agreement shall indemnify the other Constituent Authorities from and against all liabilities, costs, expenses, damages and losses, (including but not limited to any direct, indirect or consequential loss, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable costs and expenses) resulting from that breach, without prejudice to any other right or remedy of the other Constituent Authorities howsoever arising.

20 POLICIES AND PROCEDURES

20.1 The Joint Governance Committee shall prepare, maintain and adhere to the policies and procedures which are listed in Schedule 5 and any further policies and procedures which the Joint Governance Committee decides are appropriate, in accordance with applicable law and regulation, competent authority, and CIPFA Guidance, and having had regard to applicable guidance specific to local government management of funds or accounting and auditing requirements. The Joint Governance Committee shall provide them to the Constituent Authorities and OWG and provide them to sub-delegates and other necessary parties with the aim of achieving uniformity and efficiency in operating practices.

20.2 Where any policy or procedure provided for under this Agreement requires the Constituent Authorities to address or copy any communication or similar to any contract management or co-ordination function the Joint Governance Committee will advise the Constituent Authorities of that requirement in writing. As of the date of receipt of an advisory under this clause the Constituent Authorities shall address or copy any communication as advised.

21 VOLUNTARY EXIT

21.1 Any Constituent Authority (the "**VE Authority**") may exit from the Pooling Collaboration by giving not less than 18 (eighteen) months' written notice to the Host Council of its intention to exit the Pooling Collaboration and the date of expiration of that notice is the 31 March which next falls after or is coincident with the end of the 18 (eighteen) month notice period provided that the Constituent Authorities may agree with the VE Authority that a different notice period applies (the "**Exit Date**").

21.2 A VE Authority may exit the Pooling Collaboration and be released from its obligations under this Agreement (other than clause 23) provided that:

(a) it has satisfied all of its obligations up to the Exit Date;

(b) it has satisfied its share of the costs and expenses up to the Exit Date, as well as any necessary costs and expenses to facilitate the exit whether or not incurred after the Exit Date;

(c) subject to clause 21.5 below, it redeems all of its investments from the Investment Pool;

(d) its representatives on the Joint Governance Committee and the OWG resign on or before the Exit Date.

21.3 With effect from the [date of the notice given by the VE Authority pursuant to clause 21.1][Exit Date] the Member (and any nominated deputy for the purposes of clause 3.4) nominated by the VE Authority for the purposes of clause 3.3 shall cease to have any voting rights for the purposes of the Joint Governance Committee and the VE Authority shall cease to be a Constituent Authority.

21.4 For the avoidance of doubt, the VE Authority shall remain liable to make the Pooling Contributions which are due prior to the Exit Date.

21.5 The Constituent Authorities recognise that there may be circumstances where the VE Authority may not be able to redeem all of its assets from the Investment Pool due to the nature of a particular investment (for example where an investment is illiquid or redeeming the asset would be in breach of contract) (the "**Retained Asset(s)**") provided that the Constituent Authorities and the VE Authority shall work together in good faith to redeem the Retained Asset(s) as soon as reasonably practicable. In such circumstances the VE Authority shall continue to make Pooling Contributions after the Exit Date until all of the Retained Asset(s) are redeemed from the Investment Pool. The Pooling Contributions shall be determined by the Business Plan which shall have regard to the relative value of the Retained Assets when compared to the assets applicable to the Constituent Authorities in the Investment Pool.

22 COMPULSORY EXIT

22.1 The Constituent Authorities (other than the CE Authority) may compulsorily require any Constituent Authority (the "**CE Authority**") to leave the Pooling Collaboration, by the Host Council giving the CE Authority written notice if the CE Authority:

(a) commits any serious breach or persistent breaches of this Agreement;

(b) fails to pay any money owing by it to the Host Council within [14 (fourteen)] days of a written request for payment from the Host Council;

(c) fails to account for, or pay over or refund any money received and belonging to the Constituent Authorities within [14 (fourteen)] days after being so required by notice from the Host Council;

(d) wilfully neglects, refuses or omits to perform its duties, obligations and responsibilities under this Agreement; or

(e) is guilty of conduct which, in the reasonable opinion of the other Constituent Authorities, is likely to have a serious adverse effect on the Pooling Collaboration;

provided that in each case the CE Authority is first given [25 Business Days'] following receipt of the written notice to remedy the breach or issue described in paragraphs (a) to (e) and the CE Authority has failed to remedy such breach or issue or to take reasonable steps to do so.

22.2 The effective date of the CE Authority being required to leave the Pooling Collaboration is the 31 March which next falls after or is coincident with the period of 18 (eighteen) month after the notice given in clause 22.1 above provided that the other Constituent Authorities may notify the CE Authority that a different notice period applies (the "**Compulsory Exit Date**").

22.3 The CE Authority shall exit the Pooling Collaboration from the Compulsory Exit Date and must prior to the Compulsory Exit Date:

(a) have satisfied all of its obligations up to the Compulsory Exit Date;

(b) have satisfied its share of the costs and expenses up to the Compulsory Exit Date, as well as any necessary costs and expenses to facilitate the exit whether or not incurred after the Compulsory Exit Date.

(c) subject to the same circumstances in clause 21.5, it redeems all of its investments from the Investment Pool;

(d) its representatives on the Joint Governance Committee and the OWG resign [on or before the Compulsory Exit Date].

22.4 With effect from the date of the notice given by the Host Council to the CE Authority pursuant to clause 22.1 the Member (and any nominated deputy for the purposes of clause 3.4) nominated by the CE Authority for the purposes of clause 3.3 shall cease to have any voting rights for the purposes of the Joint Governance Committee and shall cease to be a Constituent Authority.

22.5 For the avoidance of doubt, the CE Authority shall remain liable to make the Pooling Contributions which are due prior to the Compulsory Exit Date and liable to the continuing liability provisions of clause 23.

22.6 The Constituent Authorities recognise that there may be circumstances where the CE Authority may not be able to redeem the Retained Asset(s) provided that the Constituent Authorities and the CE Authority shall work together in good faith to redeem the Retained Asset(s) as soon as reasonably practicable. In such circumstances the CE Authority shall continue to make Pooling Contributions after the Compulsory Exit Date until all of the Retained Asset(s) are redeemed from the Investment Pool. The Pooling Contributions shall be determined by the Business Plan which shall have regard to the relative value of the Retained Asset(s) when compared to the assets applicable to the Constituent Authorities in the Investment Pool.

23 FURTHER PROVISIONS RELATING TO A VE AUTHORITY OR A CE AUTHORITY

23.1 When any Constituent Authority ceases to be a Constituent Authority by virtue of being a VE Authority or a CE Authority, the continuing Constituent Authorities shall publish notice of the change in the Pooling Collaboration and shall give notice in writing of the change in the Pooling Collaboration to all third parties who have in the last 12 (twelve) months had any dealings with the Pooling Collaboration (as advised by the Host Council and whether as suppliers to the Host Council or as clients or customers of it).

23.2 The VE Authority or CE Authority (as applicable) irrevocably agree and undertake to execute and deliver within 5 working days of request all deeds and documents and to do all acts and things necessary to give effect to the terms of this Agreement and for vesting in the continuing Constituent Authorities the full benefit of the assets, rights and benefits to be transferred to the continuing Constituent Authorities under this Agreement.

Continuing liability

23.3 Where any Constituent Authority exits from this Agreement in accordance with Clause 21 or 22 they shall remain liable to the extent they would have been were they still party to this Agreement for any acts, omissions, costs and expenses arising from acts taken or decisions made during the period in which that Constituent Authority was a party to this Agreement.

23.4 Any Constituent Authority who enters this Agreement after the Commencement Date shall have liability for any acts, omissions, costs and expenses arising from acts taken or decisions made from the date of their entry only.

24 NEW CONSTITUENT AUTHORITY

24.1 The Constituent Authorities shall consider applications from other administering authorities of funds within the LGPS to join the Pooling Collaboration (a "**New Member Application**").

24.2 A New Member Application will be considered on the merits of its business case and the conditions which the Constituent Authorities consider appropriate from time to time.

24.3 A New Member Application will only be approved by the Constituent Authorities at their absolute discretion and, subject to regulation 8 of the Investment Regulations, there shall be no obligation under the terms of this Agreement for a New Member Application to be accepted.

25 CONFIDENTIALITY

25.1 For the purposes of this Agreement, **Confidential Information** means, any information which has been certified as exempt information in accordance with Section 100I of the Local Government Act 1972 and all confidential information (however recorded or preserved) disclosed by a Constituent Authority or its representatives or advisers to another Constituent Authority and his representatives or advisers (except where by law the information cannot be retained as confidential) concerning:

(a) any information relating to the prospective business, technical processes, computer software or intellectual property rights of the Pooling Collaboration;

(b) all documents, papers and property that may have been made or prepared by, or at the request of, any Constituent Authority and which are marked as being exempt information or confidential and which come into any Constituent Authority's possession or under its control in the course of the Pooling Collaboration; and

(c) compilations of two or more items of such information and all information that has been, or may be, derived or obtained from any such information which, at any time, comes into any Constituent Authority's possession or under its control in the course of the Pooling Collaboration and which the Pooling Collaboration regards or could reasonably be expected to regard as confidential, whether or not such information is, in itself, confidential, marked as "confidential" or reduced to tangible form.

25.2 Save as provided otherwise in this agreement either expressly or by implication, each Constituent Authority undertakes that it shall not, at any time, disclose to any person any Confidential Information of the other Constituent Authorities and shall use its reasonable endeavours to keep all Confidential Information of the other Constituent

Authorities confidential (whether it is marked as such or not) except as permitted by clause 25.3.

25.3 Each Constituent Authority may disclose the other Constituent Authority's Confidential Information:

(a) to its representatives or advisers who need to know such information for the purposes of carrying out the Constituent Authority's obligations under or in connection with this Agreement. Each Constituent Authority shall ensure that its representatives or advisers to whom it discloses the other Constituent Authority's Confidential Information comply with this clause.

(b) as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority including an ombudsman.

26 PENSIONS

26.1 The Constituent Authorities are scheduled employers in the LGPS. The employees employed by the Host Council in the Pooling Collaboration will be active members of the LGPS from and including the Commencement Date or later date of commencement of employment subject to the Local Government Pension Scheme Regulations 2013.

27 FREEDOM OF INFORMATION

27.1 Each Constituent Authority acknowledges that the other Constituent Authorities and the Joint Governance Committee are subject to the requirements of the Freedom of Information Act 2000 ("**FoIA**") and each Constituent Authority shall where reasonable assist and co-operate with the other Constituent Authorities [(at their own expense)] to enable the other Constituent Authorities to comply with these information disclosure obligations.

27.2 Where a Constituent Authority receives a request for information under the FoIA in relation to information which it is holding on behalf of any of the other Constituent Authorities in relation to the Pooling Collaboration, it shall:

(a) transfer the request for information to the other Constituent Authorities as soon as practicable after receipt and in any event within 2 (two) Business Days of receiving a request for information;

(b) provide the other Constituent Authorities with a copy of all information in its possession or power in the form that the Constituent Authorities reasonably require within 10 (ten) Business Days (or such longer period as the Constituent Authorities may specify) of the Constituent Authority requesting that information; and

(c) provide all necessary assistance as reasonably requested by the other Constituent Authorities to enable the Constituent Authority to respond to a request for information within the time for compliance set out in the FoIA.

27.3 Where a Constituent Authority receives a request for information under the FoIA which relates to this Agreement or the Pooling Collaboration it shall;

(a) advise the person making the request that the information is held by another public authority being the Joint Governance Committee and that the request has been passed to that public authority to respond;

(b) transfer the request for information to the Host Council on behalf of the Joint Governance Committee as soon as practicable after receipt and in any event within 2 (two) Business Days of receiving a request for information;

(c) provide the Host Council with a copy of all information in its possession or power in the form that the Host Council reasonably require within 10 (ten) Business Days (or such longer period as the Constituent Authorities may specify) of the Constituent Authority requesting that information; and

(d) provide all necessary assistance as reasonably requested by the Host Council to enable the Host Council to respond to a request for information on behalf of the Joint Governance Committee within the time for compliance set out in the FoIA.

27.4 The Constituent Authorities or the Host Council shall be responsible for determining in their absolute discretion whether any information requested under the FoIA:

(a) is exempt from disclosure under the FoIA;

(b) is to be disclosed in response to a request for information.

27.5 Each Constituent Authority acknowledges that the other Constituent Authorities and the Joint Governance Committee may be obliged under the FoIA to disclose information:

(a) without consulting with the other Constituent Authorities where it has not been practicable to achieve such consultation; or

(b) following consultation with the other Constituent Authorities and having taken their views into account.

28 DATA PROTECTION

28.1 The Constituent Authorities shall comply with the Data Protection Act 1998.

29 DISSOLUTION

29.1 No Constituent Authority shall be capable of dissolving the Pooling Collaboration unilaterally by means of a notice.

29.2 The Pooling Collaboration and this Agreement shall be terminated upon the unanimous agreement of all of the Constituent Authorities.

29.3 Each Constituent Authority shall act in good faith in the wind up of the Pooling Collaboration following the unanimous decision to dissolve as soon as reasonably practicable thereafter, and all costs and expenses shall be borne equally by the Constituent Authorities.

30 ENTIRE AGREEMENT

30.1 This Agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

30.2 Each Constituent Authority acknowledges that, in entering into this Agreement it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this agreement.

30.3 Each Constituent Authority agrees that it shall have no claim for innocent or negligent misrepresentation (or negligent misstatement) based on any statement in this agreement.

30.4 Nothing in this clause shall limit or exclude any liability for fraud.

31 NOTICES

31.1 Any notice, demand or communication in connection with this Agreement will be in writing and may be delivered by hand, post or facsimile addressed to the recipient as set out in Schedule 1 or any other address notified to the other party in writing in accordance with this clause as an address to which notices, invoices and other documents may be sent. The notice, demand or communication will be deemed to have been duly served:

(a) if delivered by hand during business hours, at the time of delivery;

(b) if delivered by post, 48 hours after being posted (excluding Saturdays, Sundays and public holidays);

(c) if delivered by facsimile during business hours, at the time of transmission, provided that a confirming copy is sent by first class post to the other party within 24 hours after transmission; or

(d) if delivered by email or other electronic form of communication during business hours, at the time of transmission provided that a confirming copy is sent by first class post to the other party within 24 hours after transmission.

31.2 Where notice is served by hand, facsimile or email outside business hours, it will be deemed to have been served on the next business day.

32 CONTRACTS (THIRD PARTY RIGHTS)

32.1 The Constituent Authorities as parties to this Agreement do not wish that any of its terms will be enforceable by virtue of the Contract (Rights of Third Parties) Act 1999 by any person not a party to this Agreement.

33 SEVERANCE

33.1 If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision of part-provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.

33.2 If one Constituent Authority gives notice to the other Constituent Authorities of the possibility that any provision or part-provision of this Agreement is invalid, illegal or unenforceable, the Constituent Authorities shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended result of the original provision.

34 AMENDMENTS

34.1 No amendment to this Agreement shall be binding unless it is in writing and signed by a duly authorised representative of each of the Constituent Authorities and expressed to be for the purpose of such amendment.

35 GOVERNING LAW AND JURISDICTION

35.1 This agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales as it applies in Wales.

35.2 Each party irrevocably agrees that the courts of England and Wales have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this agreement, its subject matter or formation.

36 ALTERNATIVE DISPUTE RESOLUTION

36.1 The Constituent Authorities agree:

(a) to pursue a positive approach towards dispute resolution with an objective of reaching a consensus without formal dispute resolution and/or legal proceedings and maintaining a strong working relationship between the Constituent Authorities;

(b) that any dispute between the Constituent Authorities in relation to matters covered by this Agreement will be referred to in the first instance to the Chief Executives of the Constituent Authorities who may, at their sole discretion, delegate the dispute to the appropriate senior officer within 10 Business Days of written notice of the dispute;

(c) that if the Chief Executives or their delegatees are not able to resolve the dispute within 5 Business Days of meeting or there is disagreement over a Member matter, then any Member may refer the matter to a mediation facilitated by the [Welsh Local Government Association] or to a suitably qualified and independent person, as recommended by the Chief Executives and the Constituent Authorities agree;

(d) that where any dispute is agreed to be of a legal or technical nature the parties to the dispute may (but not must) jointly take the opinion of an appropriate expert including opinion of senior legal counsel where appropriate. Such expert opinion must be instructed through the OWG and be instructed within [ ] days of referral to Chief Executives under sub-clause (b) following which the opinion should be delivered within a further [ ] days. that, if after exhausting other methods of dispute resolution, one of the Constituent Authorities commences legal proceedings then this will be subject to the exclusive jurisdiction of the Courts of England and Wales.

All costs are borne equally between the Constituent Authorities which are party to the dispute unless agreed otherwise by the Joint Governance Committee or ordered by the Courts.

[Please consider what happens where a dispute is not merely contractual but a s151 or monitoring officer considers an action to be ultra vires or maladministration. Do you have a view on this aspect?]

[This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.]

Schedule 1

Contact Details

Carmarthenshire County Council
[Contact Name and Details]

City & County of Swansea Council
[Contact Name and Details]

City of Cardiff Council
[Contact Name and Details]

Flintshire County Council
[Contact Name and Details]

Gwynedd Council
[Contact Name and Details]

Powys County Council
[Contact Name and Details]

Rhondda Cynon Taff County Borough
[Contact Name and Details]

Torfaen County Borough Council
[Contact Name and Details]

Schedule 2

Matters Reserved to the Constituent Authorities

1 Appointment, termination or replacement of the Operator following the making of a recommendation by the Joint Governance Committee.

2 Approval of additional expenditure not included within the Business Plan which exceeds [30] % of the approved budget in the Business Plan in any one Financial Year.

3 Formulation, approval or revisions of each respective Constituent Authority's investment strategy for the purposes of regulation 7 of the Investment Regulations.

4 Admitting a new administering authority within the LGPS to the Investment Pool as a Constituent Authority.

5 Amendment of this Agreement.

6 Termination of this Agreement.

7 Material change to the nature of the Operator Contract.

8. Approval of the initial strategic objectives to allow preparation of the first Business Plan (which objectives shall reflect the objectives set out in the procurement of the Operator).

9 Approval of any evaluation or scoring criteria for any procurement of a replacement Operator.

10 Approval of Business Plan which shall include approval of the ongoing strategic objectives of the Investment Pool.

11. Determination of the timing of the transition of the assets held by the LGPS fund for which they are an administering authority into the Pooling Collaboration and the funds or sub-funds operated by the Operator.

Schedule 3

Joint Governance Committee Matters

Subject to the terms of the Agreement, the Joint Governance Committee shall undertake those matters which are not Matters Reserved to the Constituent Authorities which shall include (without prejudice to the generality of the foregoing):

1 Making a recommendation on the appointment, replacement or termination of the Operator to the Constituent Authorities.

2 Appointing and replacing service providers, advisers to the Joint Governance Committee(other than the Operator).

3 Approving the creation of new pooled vehicles for the Operator.

4 Approving the creation of new sub-funds provided by the Operator.

5 Approving the termination of sub-funds provided by the Operator.

6 Preparing a plan relating to the overall transition of assets in accordance with each Constituent Authority's asset transition plan.

7 Approving changes to the Operator Contract which are not material changes to the nature of the Operator Contract.

8 Dealing with the necessary general ongoing management of the Pooling Collaboration.

9 Delegation of tasks to the OWG, including the preparation of reports and draft documents and the undertaking of consultations.

10 Liaison with Pension Boards as appropriate in line with CIPFA Guidance, guidance issued by the Pensions Regulator and other applicable legislation or regulatory guidance.

11. Determining the best means of alternative investment structures for assets where a sub-fund is not being provided by the Operator.

Notwithstanding the above, for the avoidance of doubt, the Joint Governance Committee may not delegate its responsibilities.

Schedule 4

Joint Governance Committee - Terms of Reference

The Joint Governance Committee responsibilities are:

- Making recommendations to the Constituent Authorities on the termination of the Operator Contract before the conclusion of the fixed term contract, where the performance of the Operator is considered unacceptable;
- Ensuring that there are an appropriate range of sub-funds available in order to allow the Constituent Authorities to meet their strategic investment aims. Following representation from any, some or all of the Constituent Authorities, the Joint Governance Committee may direct the Operator to set up a sub-fund in a particular asset class. The Joint Governance Committee must be mindful at all times of the need to balance the requirement to provide a particular sub-fund with the benefits of holding aggregated assets;
- Monitoring the performance of the Operator against the agreed set of key performance indicators;
- Reporting on the performance of the Investment Pool, its costs and other activities, but not limited to, the Constituent Authorities, government, the Scheme Advisory Board and the general public;
- From time to time, to review the appropriateness of the existing structures, including the number and make-up of sub-funds and to make recommendations to the Constituent Authorities as to the respective merits of procuring Operator services by means of a third party or through ownership by the Constituent Authorities of the Operator;
- Liaising with the Operator, in such areas as the Operator seeks the preferences and views of the Joint Governance Committee, on the appointment of suppliers, for example manager preferences or the appointment of depositories;
- Liaising with the Constituent Authorities on the appropriate range of sub-funds to be provided in the Investment Pool;
- From time to time reviewing policies in respect of ethical, social and governance matters and voting rights and where appropriate make recommendations to the Constituent Authorities as to any changes deemed necessary;
- Applying any processes or policies that are assigned to it within this Agreement;

- Recommend a high level plan for initial transition of assets to the pool and further asset transitions in the event, for example, of new sub-funds being created or manager changes within sub-funds;
- Ensuring that the OWG acts within its remit as set out in clause 4 and Schedule 8 of this Agreement;
- Recommending the approval or otherwise of accounts to the Constituent Authorities; Monitoring the implementation and effectiveness of the policies listed in Schedule [5] and initiating reviews of these where required;
- Delivery and ongoing monitoring against the Pooling Collaboration objectives, Business Plan and budgets;
- Approving responses from the Pooling Collaboration in relation to consultations or other matters considered appropriate;
- Seeking advice from professional and authorised and regulated advisers where necessary;
- Agreeing the Business Plan to be put forward to the Constituent Authorities for approval;
- Report to the Constituent Authorities quarterly (and at any other time when the Joint Governance Committee considers it to be necessary) on the matters within their remit including but not limited to the performance of the Operator, the structure of the funds and the ongoing monitoring of the Business Plan;
- Agreeing criteria for the evaluation of bids or tenders for any procurement (other than the first appointment of the Operator) to be put forward for the approval of the Constituent Authorities.

Schedule 5

Policies and Procedures

- Training and Competence
- Complaints
- Breaches and Errors
- Conflicts of Interests
- Business Continuity Planning
- DSAR/FOI
- Contract Management, Co-ordination and Liaison with the Operator

Schedule 6

Joint Governance Committee Procedure

1 MEMBERSHIP

1.1 The membership of the Joint Governance Committee shall consist of one elected member or their deputy per Constituent Authority.

1.2 No substitutes other than deputies shall be allowed.

1.3 The Joint Governance Committee shall not include any non-voting or co-opted members.

2 MEETINGS

2.1 Meeting shall be held a minimum of four times per Financial year. The anticipated schedule of meetings and the locations in which they will be held will be agreed in advance of the commencement of the next Financial Year no later than the final meeting of the current Financial Year.

2.2 A meeting may be held at such time and place as the Chair of the Joint Governance Committee thinks fit provided that at least two meetings per annum shall be held in rotating locations between the Constituent Authorities to facilitate public access. The Constituent Authorities shall make available suitable accommodation for the holding of such meetings in public including the provision of Welsh Language translation, video-conferencing and webcasting services as appropriate.

2.3 All agendas, reports and minutes in relation to the Joint Committee shall be in both Welsh and English, and simultaneous translation of proceedings will be available throughout all meetings of the Joint Committee.

2.4 The Joint Governance Committee may decide to allow remote participation in meetings via video-conference or any similar medium. Any Member attending by video-conference shall be held to be in attendance at the meeting for the purposes of this Schedule.

2.5 A meeting of the Joint Governance Committee may be called by a proper officer of the Host Council on the request of the Chair. Members must declare any conflict of interest in respect of any business being conducted at the meeting which would likely to be regarded to prejudice the exercise of a person's function as a participant in the meeting.

2.6 The Chair is responsible for the running of meetings. The Chair shall invite Members expressing a desire to speak in turn. All discussion and debate shall be held through the

Chair and the Chair may draw a discussion to a vote at any time where they consider that every Member has been given a fair opportunity to speak.

2.7 Minutes will be kept of all meetings. The Chair will sign the minutes of the proceedings at the next suitable meeting.

2.8 Notice of meetings

(a) A notice of meeting specifying the place, date and time of the meeting and containing a statement of the matters to be discussed at the meeting, shall be served on all of the Members of the Joint Governance Committee by the appropriate governance officer of the Host Council;

(b) Notice of each meeting, copies of the agenda and any reports to be presented at the meeting, shall be given to all Constituent Authorities by the Host Council no later than [14] clear days before the date of the meeting. The Constituent Authorities shall ensure that a minimum of five clear days' notice of all meetings is given in accordance with their normal procedures for notification of Council meetings and all papers made available at all of the Constituent Authorities head offices for inspection for those five days unless certified as confidential in which case agendas and any non-certified items are made available only.

(c) If a meeting is required to be held with less than 5 days' notice, the Chair must agree it is required urgently, approve the shortened notice period and allow as much notice as possible to be given. Notice should be given in the same manner, and the documents should be made available to all of the Constituent Authorities for as many days as practicable before the meeting.

2.9 Exclusion of the public and press

(a) Where any item to be discussed forms exempt information the Chair shall move that the public and press are excluded from the meeting for the duration of the discussion and voting on that item. Motions to exclude the press and public do not require to be seconded and shall be determined by simple majority vote of the Members present.

(b) Where the press and public are excluded under (a) above the Chair may invite any person to remain in the meeting where they consider it to be necessary or appropriate to do so and any members of the OWG present shall be presumed to be invited to remain unless the Chair specifies otherwise.

(c) Any person may be excluded from a meeting or required to leave a meeting where in the opinion of the Chair they are causing a disturbance to the running of the meeting and have not desisted from doing following a request; or where

any person is so disruptive that their conduct if allowed to remain would prevent the meeting from proceeding in a fair and acceptable manner.

2.10 The Joint Governance Committee may, through the Chair, invite any person to speak at a meeting.

2.11 Officers of the OWG presenting reports to the Joint Governance Committee may be asked questions following such presentation.

2.12 Section 151 officers and Monitoring Officers of any Constituent Authority are entitled to attend all meetings including any part of any meeting which is closed to the public and press.

3 QUORUM

3.1 The quorum shall be five Members.

3.2 Where a quorum is not present within 15 minutes of the start of the meeting and the Chair has not been notified that one or more Members have been delayed but will be attending, the meeting shall not be held and the Host Council will be ask to schedule and give notice of a replacement meeting.

3.3 Where, during any meeting there is no quorum present, then the meeting will adjourn immediately. If the Chair has been unable to ascertain within 15 minutes that the quorum can be restored the remaining business will be considered at another time and date fixed by the Chair.

4 CHAIR AND VICE CHAIR.

4.1 The Chair and Vice-Chair shall be Members and shall be appointed by vote for a term of 12 calendar months.

4.2 In the absence of the Chair, the Vice-chair shall be entitled to exercise all of the functions of the Chair.

4.3 The decision of the Chair of the meeting on all points of procedure and order and the Chair's interpretation of any rule in this schedule shall be final and no debate may ensue thereon. The Chair shall be entitled to take the advice of a governance officer in interpreting any rule or objection on procedure.

4.4 The Chair may be assisted during meetings by governance officer on procedural matters and such administrative officers as the Chair considers appropriate. Such governance and secretarial officers shall be entitled to remain in the meeting where the public and press are excluded.

5 AGENDA

5.1 An agenda shall be produced in advance for each meeting by the Host Council following consultation with the Chair.

5.2 The agenda for each meeting shall contain as the first substantive item the approval of the minutes of the previous meeting. The Chair will move that the minutes of the previous meeting be signed as a correct record. The only part of the minutes that can be discussed is their accuracy.

5.3 The OWG and the Constituent Authorities may ask the Chair to include any matter on the agenda which they consider should be discussed by the Joint Governance Committee.

5.4 The decision on whether to allow discussion on any other matter not on the agenda of a meeting at that meeting shall be made by the Chair.

6 MOTIONS

6.1 Any Member may propose a motion. All motions must be seconded. Motions which are opposed shall be put to a vote in accordance with the voting provisions of this schedule.

6.2 A Member may raise a point of order at any time. The Chair will hear them immediately. A point of order may only relate to an alleged breach of the provisions of this Schedule, or the law or other competent authority. The Member must indicate the provision or law or regulation and the way in which he/she considers it has been broken. The ruling of the Chair on the matter will be final. The Chair may take advice on the point of order from the appropriate officer.

7 VOTING

7.1 The Chair shall seek consensus wherever possible however where a vote is required the provisions of this section shall apply.

7.2 Each Member present will have one vote and voting will be by means of a show of hands. In the event of a tied vote, the Chair shall have a casting vote.

7.3 All decisions will be determined by simple majority.

7.4 In the event that a vote is taken, the voting positions and any abstentions of members will be recorded in the minutes.

8 SUB-COMMITTEES AND WORKING GROUPS

8.1 The Joint Governance Committee shall form such sub-committees and working groups as it considers expedient to performing its function. The Joint Governance Committee

shall at the time of forming sub-committees or working groups set out the remit of the sub-committees or working groups, what the sub-committees or working groups are required to deliver and the timescale for that delivery.

8.2 Sub-committees and working groups shall be entailed to request the input and support of the OWG in the same manner as the Joint Governance Committee.

8.3 Each sub-committee and working group shall appoint a chair for that sub-committee or working group, who is to be one of the Members of the sub-committee or working group.

8.4 Working groups may invite any person who is not a Member to join the group in order to assist in carrying out its function.

8.5 The Chairs of sub-committees and working groups shall report to Joint Governance Committee at each meeting of that committee on the process of the matters within their remit.

8.6 Sub-committees and working groups may be disbanded at any time on the vote of the Joint Governance Committee.

Schedule 7

TUPE

1 DEFINITIONS

1.1 The following definitions shall apply in this Schedule:

Data Protection Legislation means the Data Protection Act 1998, the Data Protection Directive (95/46/EC), the Regulation of Investigatory Powers Act 2000, the Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000, the Electronic Communications Data Protection Directive (2002/58/EC), the Privacy and Electronic Communications (EC Directive) Regulations 2003 and all applicable laws and regulations relating to the processing of personal data and privacy, including where applicable the guidance and codes of practice issued by the Information Commissioner.

Expected Transferring Employees means those Host Council Personnel who are reasonably expected by the Host Council to be a Transferring Employee.

Future Host Council means any relevant Constituent Authority who provides services which are identical or substantially similar to any of the Host Council Services (directly or indirectly) following the termination or expiry of this Agreement or the termination of the provision of any of the Host Council Services by the Host Council.

Host Council Personnel means the individuals employed or engaged by the Host Council or any other person in the provision of the Host Council Services under this Agreement from time to time.

Host Council Services means the services to be provided by the Host Council under this Agreement as more particularly described at clause 7.

Redundancy Costs means any notice pay (including payment in lieu of notice), holiday pay and statutory and/or contractual redundancy payments.

Sub-Contractor means any person to whom the provision of any of the Host Council Services may be sub-contracted by the Host Council.

Subsequent Transfer Date means the date on which responsibility for the provision of the Host Council Services, or any part of the Host Council Services, transfers from the Host Council to the Future Host Council.

Transferring Employee means an individual whose contract of employment has effect from and after the Subsequent Transfer Date, by virtue of the operation of TUPE, as if originally made between such person and the Future Host Council.

2 NO TRANSFER ON COMMENCEMENT

2.1 The Constituent Authorities agree that the neither the commencement of this Agreement nor the implementation of any of the arrangements contemplated within it shall give rise to a "relevant transfer" within the meaning of TUPE on or around the Commencement Date.

3 EMPLOYEE INFORMATION ON TERMINATION

3.1 Subject to the Data Protection Legislation, during the period of twelve months preceding the expiry of this Agreement, or at any time after the Host Council has given notice to withdraw from the Pooling Collaboration or at any time after the Host Council has actually ceased to provide any of the Host Council Services:

(a) the Host Council shall within 28 days of the reasonable request by any Future Host Council disclose to that Future Host Council details of the number, age and terms and conditions of employment, in relation to any Host Council Personnel assigned to the provision of the Host Council Services or any relevant part of the Host Council Services;

(b) the Host Council shall not and, if relevant, shall procure that any Sub-Contractor shall not, save in the ordinary course of business, materially vary the terms and conditions of employment or engagement of any Host Council Personnel or redeploy, replace or dismiss any Host Council Personnel, or employ or engage any additional individual in the provision of the Host Council Services, without the prior written consent of the Future Host Council (such consent not to be unreasonably withheld or delayed).

4 EMOLUMENTS

All wages, salaries, bonus and commission payments, contributions to pension schemes, entitlement to holiday pay and any other emoluments (whether monetary or otherwise), tax and national insurance contributions relating to the Transferring Employees shall be paid or borne by the Host Council (or Sub-Contractor) in relation to the period before the Subsequent Transfer Date (and the Host Council shall procure such payment by any Sub-Contractor) and by the relevant Future Host Council thereafter (and the Constituent Authorities shall procure such payment by any Future Host Council), and all necessary apportionments shall be made.

5 COMPLIANCE AND INDEMNITIES

5.1 The Host Council shall and/or, if relevant, shall procure that any Sub-Contractor shall:

(a) comply with its or their obligations to inform and consult the Expected Transferring Employees pursuant to Regulation 13 of TUPE;

(b) use reasonable endeavours to agree with the Future Service Provider, and deliver to the Expected Transferring Employees prior to the Subsequent Transfer Date, a suitable joint statement regarding the proposed transfer of their employment to the Future Host Council on the Subsequent Transfer Date; and

(c) give employees of the Future Host Council such access to the Expected Transferring Employees prior to the Subsequent Transfer Date as the Future Host Council may reasonably require for the purposes of consultation or of effecting an efficient transfer of the Host Council Services and Transferring Employees with effect from the Subsequent Transfer Date.

5.2 The Host Council shall indemnify and keep indemnified the Future Host Council against all and any costs, expenses, liabilities, damages and losses arising out of or in connection with any claim, demand, action or proceeding which is made or brought against the Future Host Council in relation to:

(a) the employment or termination of employment of any Transferring Employee during the period before the Subsequent Transfer Date; or

(b) the Host Council's failure or alleged failure to comply with its obligations under Regulation 13 of TUPE, save to the extent that any such failure or alleged failure is as a result of or in consequence of a failure by the Future Host Council to comply with its obligations under Regulation 13(4) of TUPE.

5.3 If a claim or allegation is made by any person who is not a Transferring Employee (a "**Non-Disclosed Transferring Employee**") that his contract of employment has or should have effect as if originally made between himself and the Future Host Council by virtue of the operation or alleged operation of TUPE:

(a) the Future Host Council shall notify the Host Council in writing as soon as reasonably practicable of any such claim or allegation and the Future Host Council shall then allow the Host Council (or any relevant Sub-Contractor) a period of 10 working days to consult with any such Non-Disclosed Transferring Employee concerning his claim or allegation;

(b) the Future Host Council shall give to the Host Council (or any relevant Sub-Contractor) such co-operation or assistance as the Host Council (or relevant Sub-Contractor) may reasonably require;

(c) if, following the period of 10 working days referred to in paragraph 4.3(a) above, any Non-Disclosed Transferring Employee continues to assert that his contract of employment has or should have effect as if originally made between himself and Future Host Council, the Future Host Council may, within a further period of

20 working days (or such other period as may be agreed in writing between the Host Council and Future Host Council), serve notice to terminate the employment or alleged employment of such Non-Disclosed Transferring Employee with immediate effect; and

(d) subject to the Future Host Council's compliance with this paragraph 5.3, the Host Council shall indemnify and keep indemnified the Future Host Council against all and any costs, expenses, liabilities, damages and losses arising out of or in connection with any claim, demand, action or proceeding which is made or brought by any such Non-Disclosed Transferring Employee in relation to any sums paid or payable to such Non-Disclosed Transferring Employee up to the date of the termination of such Non-Disclosed Transferring Employee's employment or alleged employment, and in relation to such termination.

5.4 The Future Host Council shall indemnify and keep indemnified the Host Council (for itself and any Sub-Contractor) against all and any costs, expenses, liabilities, damages and losses arising out of or in connection with any claim, demand, action or proceeding which is made or brought:

(a) by any Transferring Employee in relation to any act or omission of the Future Host Council on or after the Subsequent Transfer Date and/or in relation to any events or circumstances relating to the employment or termination of employment of any Transferring Employee occurring or arising on or after the Subsequent Transfer Date;

(b) in relation to any failure or alleged failure of the Future Host Council to comply with their obligations under Regulation 13 of TUPE; or

(c) in relation to any substantial change made of proposed by the Future Host Council in the working conditions of any of the Transferring Employees, or any individual who would have been a Transferring Employee but whose employment terminated prior to the Subsequent Transfer Date, where that change is to the detriment of such Transferring Employee(s) or such individual(s).

6 REDUNDANCY COSTS

6.1 The Constituent Authorities shall indemnify and keep indemnified on a joint and several basis the Host Council (for itself and any Sub-Contractor) against all and any Redundancy Costs arising out of or in connection with any claim, demand, action or proceeding which is made or brought against the Host Council (or Sub-Contractor) arising out of or in connection with the termination or alleged termination of employment of any Host Council Personnel by reason of redundancy within 6 months of the

Subsequent Transfer Date, where the employment such Host Council Personnel does not transfer to a Future Host Council (under TUPE or otherwise) on the cessation of the provision of any or all of the Host Council Services, provided that the Host Council shall, or shall procure that any Sub-Contractor shall, use reasonable endeavours to:

(a) mitigate the amount of any such Redundancy Costs;

(b) search for and, if available, offer alternative employment within the Host Council's or the Constituent Authorities' (or, as the case may be, the Sub-Contractor's) organisation to any Host Council Personnel at risk of redundancy and shall give that Host Council Personnel a reasonable opportunity to accept any such offer of alternative employment before terminating that Host Council Personnel's employment; and

(c) comply with any applicable statutory obligations.

Schedule 8 - Officers Working Group Remit

The remit of the OWG shall include:

(a) proposing to the Joint Governance Committee and procuring external support requirements (including legal, governance, tax and other financial support) relevant to the Pooling Collaboration;

(b) proposals to the Joint Governance Committee on governance arrangements including how the Operator should be held to account by reference to the Operator Contract;

(c) proposals to the Joint Governance Committee on the most appropriate means of accessing different asset types, the structure of the Investment Pool including the number and make-up of sub-funds and where appropriate use of any external or national investment vehicles;

(d) proposing high level transition plans for the transfer of assets to pool;

(e) challenging and contributing to the development of the Pooling Collaboration to enable the Pooling Collaboration and the Joint Governance Committee to achieve its objectives;

(f) making recommendations to the Joint Governance Committee on the appointment, replacement or termination of the Operator including recommendations on whether to use a third party supplier or an owned entity;

(g) monitoring and reviewing the performance of the Operator in meeting its objectives, service levels and key performance indicators and reporting to the Joint Governance Committee within the quarterly reports and on other occasions as required;

(h) receiving reports on performance of the assets and reporting to the Joint Governance Committee;

(i) external reporting on the pool and its performance no less than quarterly;

(j) liaison with other pools as required;

(k) consider and make recommendations to the Joint Governance Committee in relation to the Business Plan, prepare a draft Business Plan for consideration by the Joint Governance Committee, consulting upon the approved draft and reporting on the outcomes of such consultation including proposing any revisions to the draft to the Joint Governance Committee;

(l) develop and keep under review the programme of training to be delivered to Members ensuring that it complies with all relevant regulations and applicable guidance, which programme of training shall have regard to the training undertaken in Members' roles on their respective Constituent Authority pension committees and shall seek to avoid duplication of training;

(m) seek advice from professional advisors that are authorised and regulated by competent authorities;

(n) managing the procurement process for the procurement of any replacement Operator including proposing criteria for the evaluation of bids or tenders

(o) such other matters as the Joint Governance Committee shall request or delegate to the OWG.

[*Execution clauses to be inserted*]

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CITY & COUNTY OF CARDIFF
DINAS A SIR CAERDYDD

CARDIFF
CAERDYDD

COUNCIL: **23 February 2017**

REPORT OF DIRECTOR GOVERNANCE & LEGAL SERVICES

APPOINTMENT OF LOCAL AUTHORITY GOVERNORS TO SCHOOL GOVERNING BODIES

Reason for this Report

1. To appoint Local Authority School Governors.

Background

2. Section 19 of the Education Act 2002 creates the general ability for the Local Authority to appoint governors to the Governing Bodies of maintained schools, with further detail contained in the Government of Maintained Schools (Wales) Regulations 2005. When Local Authority school governor vacancies arise, either by appointees reaching the end of their term of office or resigning, it is the statutory duty of the Council to fill the vacancies as soon as possible.

3. The Local Authority Governors Panel to oversee this process was constituted at the Annual Council in May 2015 and held its first termly meeting in September 2015.

Issues

4. The Local Authority Governors Panel met on 15 February 2017 to consider new applications to current vacancies up to 31 March 2017. The recommendations of the Panel are contained in Appendix 1 to this report.

Reasons for Recommendations

5. To ensure that the Council fulfils its statutory functions in respect of the appointment of local authority governors for maintained schools.

<u>Legal Implications</u>

6. As noted in paragraph 2 of the report, the Council is required, pursuant to the Education Act 2002, section 19 and regulations made there under, to appoint local authority governors to the Governing Bodies of maintained schools, in accordance with those statutory provisions.

7. Appointments to outside bodies are a local choice function, which is reserved under the Council's Constitution to full Council. Accordingly, the appointment of local authority governors to Governing Bodies, as recommended in this report, requires the approval of full Council.

Financial Implications

8. There are no financial implications arising from this report.

Recommendation

That Council consider the recommendations of the Local Authority Governor Panel of 15 February 2017 and approve the appointments of Local Authority Governors to the School Governing Bodies as set out in Appendix 1.

Davina Fiore
Director Governance & Legal Services
16 February 2017

The following Appendix is attached:

Appendix 1	List of Local Authority School Governor vacancies and recommendations for appointment by the Local Authority Governor Panel for the period 25 November 2016 to 31 March 2017

The following Background Documents have been taken into account: N/A

LA Governor Vacancies - Recommendations from LA Governor Panel
15 February 2017 Appendix 1

i. All appointments in the list are recommended by the LA Governor Appointments Panel and will have satisfied the required application process.

ii. All terms of office unless otherwise stated are for 4 years.

Existing LA Governor Vacancies

School	Ward	Start of Vacancy	Re-appointment requested	Applications received	LA Governor Panel Recommendation Yes/No
Baden Powell Primary School 2 x vacancies	Splott	17/09/2016 17/09/2016			
Danescourt Primary School 2 x vacancies	Danescourt	01/09/2016 01/09/2016			
Ely and Caerau Children's Centre	Ely	14/07/2016			
Grangetown Nursery School	Grangetown	02/09/2016			
Grangetown Primary School	Grangetown	16/09/2016			
Herbert Thompson Primary School	Ely	20/01/2017			
Hywel Dda Primary School	Ely	03/11/2016			
Marlborough Primary School	Cyncoed	11/01/2017			
Oakfield Primary School	Trowbridge	04/03/2015			
Pencaerau Primary School	Caerau	01/09/2010			
Pentrebane Primary School	Fairwater	27/06/2016			
Peter Lea Primary School	Fairwater	27/06/2016			
Pontprennau Primary School	Pontprennau	29/11/2016			
Rhiwbeina Primary School	Rhiwbina	18/10/2016			

School	Ward	Start of Vacancy	Re-appointment requested	Applications received	LA Governor Panel Recommendation Yes/No
Riverbank Special School 2 x vacancies	Caerau	13/06/2016 29/06/2016		Mr David French Mrs Pam Bannister	**Yes** **Yes**
St John Lloyd RC Primary School	Trowbridge	30/01/2013			
St Patrick's RC Primary School	Grangetown	16/09/2016			
The Hollies School (Pentwyn)	Pentwyn	26/09/2016			
Trelai Primary School	Caerau	13/09/2016			
Willlows High School	Splott	15/09/2016			
Windsor Clive Primary School	Ely	23/03/2016			
Woodlands High School	Caerau	29/09/2016			
Ysgol Gymraeg Bro Eirwg	Llanrumney	01/02/2017			
Ysgol Glan Ceubal	Llandaff North	01/10/2016			
Ysgol Gymraeg Coed-Y-Gof	Fairwater	22/10/2015			
Ysgol Gymraeg Melin Gruffydd X 2 vacancies	Whitchurch	04/10/2015 21/11/2015		Miss Maegan Davies-John	**Yes**
Ysgol Gymraeg Nant Caerau	Caerau	28/06/2016			
Ysgol Pen y Groes	Pentwyn	28/09/2016			
Ysgol Pencae	Llandaff	01/09/2016			
Ysgol Gymraeg Treganna	Canton	01/02/2017			

CITY & COUNTY OF CARDIFF
DINAS A SIR CAERDYDD

COUNCIL **23 FEBRAUARY 2017**

REPORT OF DIRECTOR GOVERNANCE AND LEGAL SERVICES

POLITICAL BALANCE AND ALLOCATION OF COMMITTEE SEATS

Reason for this Report.

1. To inform Council of a change in the political balance of the Council.

2. To confirm the current composition and membership of Committees made in accordance with party group wishes.

Background

3. The Council at its Annual Meeting on 28 May 2016 established its committees and allocated seats to party groups in accordance with the relevant provisions of the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990 as amended.

4. The legislation requires the Council to allocate committee seats to political groups in proportion, as far as is reasonably practicable, to the size of those groups on the Council. Once the Council has determined the allocation of seats, it is obliged to make appointments so as to give effect to the wishes of the political group to which the seat has been allocated.

Issues

5. The political balance of the Council has changed following the notification received from Councillor Manzoor Ahmed that with effect from 8 February 2017 he has become a member of the Liberal Democrat Group. In addition, a vacancy has occurred in the office of Councillor following the death of Councillor Morgan on 20 January 2017. In accordance with statutory requirement a notice of the vacancy of Councillor has been published but the vacancy will remain unfilled until 4 May 2017.

6. The political balance of the Council as at 9 February 2017is as follows:

Groups	Number of Councillors	Proportionality
Labour	39	52%
Liberal Democrat	16	21.33%

Groups	Number of Councillors	Proportionality
Conservative	9	12%
Plaid Cymru	5	6.67%
Ungrouped	3	4%
Vacant seats	3	4%

9. The current composition of Committee and allocation of seats is attached as Appendix A. Under the rules on political balance and distribution of seats, the Council approved an alternative arrangement at its meeting on 26 January 2017.

Legal Implications

7. The legal implications are set out in the body of this report.

Financial Implications

8. There are there are no additional financial implications arising from this report that have not been included within the Council's budget for 2015/16.

RECOMMENDATIONS

The Council is recommended to

(1) note the change in the political composition of the Council as set out in the report;

(2) note the composition of Committees and the allocation of seats;

(3) receive and approve any nominations to vacancies in accordance with party group wishes. Any nominations received will appear on the Amendment Sheet.

DAVINA FIORE
Director Governance and Legal Services and Monitoring Officer
16 February 2017

Background Papers
Notification under Local Government and Housing Act 1989 Local Government (Committee and Political Groups) Regulation 1990 – from Councillor Manzoor Ahmed dated 8/02/2016

APPENDIX 1

Composition of Committees and Membership as at 9 February 2017

Ordinary Committees

Planning Committee (12 Members)

Labour (7)	Councillors Ali Ahmed, Gordon, Hunt, **Michael (Chr)** Murphy and Thorne (Dep Chair) (1 vacancy)
Liberal Democrat (3)	Councillors Manzoor Ahmed and Burfoot (1 vacancy)
Conservative (2)	Councillor Hudson and Robson

Licensing Committee (12 Members)

Labour (8)*	Councillors Goddard, Murphy (Dep Chr), **Parry (Chr)** and Simmons (4 vacancies)
Liberal Democrat (3)	Councillors Boyle, Kelloway and Lloyd
Conservative (1)	Councillor Hudson

Public Protection Committee (12 Members)

Labour (8)*	Councillors Goddard, Murphy (Dep Chr), **Parry (Chr)** and Simmons (4 vacancies)
Liberal Democrat (3)	Councillors Boyle, Kelloway and Lloyd
Conservative (1)	Councillor Hudson

Audit Committee (12 - 8 Council Members & 4 Independent Members)

Labour (5)	Councillors McGarry, Mitchell, Murphy, Weaver (1 vacancy)
Liberal Democrats (2)	Councillor Howells and Kelloway
Conservative (1)	Councillor Walker
Independent Members (4)	**Ian Arundale (Chr),** Gavin McArthur, David Price and David Hugh Thomas (Dep Chr).

Constitution Committee (12 Members)

Labour (8)	Councillors Dilwar Ali, **De'Ath (Chr),** Goodway, Gordon, Hinchey, Knight, Magill and Patel.
Liberal Democrat (3)	Councillors Aubrey, Bridges and Woodman
Conservative (1)	Councillor Walker

Corporate Parenting Advisory Committee (9 Members *excluding any members of the Children and Young People's Scrutiny Committee*)

Labour (6) 3 Cabinet Members, to include the Deputy Leader (as Chair of the Committee), Cabinet Member for Children's Services and the Cabinet Member for Education; 3 other Labour Members	Councillors De'Ath, Evans, Goddard, **Lent (Chr)** and Merry. (1 vacancy)
Liberal Democrats (2)	2 vacancies
Conservative (1)*	*
Independent *(1)	*Councillor Sanders

Council Appeals Committee (9 Members)

Labour (6)	Councillors Hinchey, Lent, Murphy, Benjamin Thomas and Huw Thomas (1 vacancy).
Liberal Democrat (2)	Councillors Bridges and Woodman
Conservative (1)	Councillor Cowan

Democratic Services Committee (12 Members)

Labour (7)	Councillors Dilwar Ali, De'Ath, Goddard, Murphy, Benjamin Thomas and Wild (1 vacancy).
Liberal Democrat (3)	Councillors **Boyle (Chr),** Chaundy and Hyde.
Conservative (2)	Councillor Robson. (1 vacancy)

Employment Conditions Committee (8 Members)

Labour (5)	Councillor Bale, Davis, **Hinchey (Chr),** Joyce and Magill.
Liberal Democrat (2)	Councillor David Rees and Woodman.
Conservative (1)	Councillor Walker

Standards & Ethics Committee (3 Council Members, 5 Independent Members and 1 Community Councillor)

Labour (1)	Councillors Phillips
Liberal Democrats (1)	(1 vacancy)
Conservative (1)	Councillor Cowan
Independent Members:	**Richard Tebboth (Chr)** Holly Edward-Davies, Dr James Downe, David Hugh Thomas and Lizz Roe; Community Councillor John Hughes

Local Authority Governor Panel (7 Members - at least 1 Member each Party Group)

Labour (4)	Councillor Hinchey, Hunt, **Merry (Chr)** and Phillips.
Liberal Democrat (1)	Councillor Chaundy
Conservative (1)	Councillor Dianne Rees
Plaid Cymru (1)*	-
Independent *(1)	Councillor Bowden

Pensions Committee (5 Members)

Labour (3)	Councillors Elsmore, Evans and Hinchey **(Chr)**
Liberal Democrat (1)	Councillor Woodman
Conservative (1)	Councillor McKerlich

Scrutiny Committees

Children & Young People Scrutiny Committee (8 Council Members and 4 Co-opted Members)

Labour (5)	Councillors **Richard Cook (Chr)**, Gordon, Joyce, Murphy and Thorne.
Liberal Democrat (2)	Councillors Chaundy and Boyle
Conservative (1)	Councillor Dianne Rees
Co Opted Members	Carol Cobert (Church in Wales Representative) & Mrs P Arlotte (Roman Catholic Representative); Hayley Smith & Karen Dell'Armi (Parent Governor representative) (1 Parent Governor vacancy)

Community & Adult Services Scrutiny Committee (8 Members)

Labour (5)	Councillors Ali Ahmed, Chris Davis, Magill, **McGarry (Chr)** (1 vacancy)
Liberal Democrat (2)*	Councillor Carter
Conservative (1)**	-
Independent (1) *	Councillor Sanders
Independent **(1)	Councillor Ralph Cook

Economy and Culture Scrutiny Committee (8 Members)

Labour (5)	Councillors Dilwar Ali, Keith Jones, Simmons and Stubbs (1 vacancy).
Liberal Democrat (2)	Councillors Howells and Hyde
Conservative (1)	Councillor **McKerlich (Chr)**

Environmental Scrutiny Committee (8 Members)

Labour (4)	Councillors Chris Davis, Keith Jones, **Mitchell (Chr)** and Darren Williams.
Liberal Democrat (2)	Councillors Aubrey and Clark
Conservative (1)	Councillor Hill-John
Plaid Cymru (1)	Councillor Awan

Policy Review & Performance Scrutiny Committee (8 Members)

Labour (5)	Councillors Goddard, Hunt, Murphy and Huw Thomas (1 vacancy)
Liberal Democrat (2)*	Councillor **Howells (Chr)**
Conservative (1)	Councillor Walker
Independent *(1)	Councillor Sanders

Other Committees

Bilingual Cardiff Working Group (9 Members – at least 1 Member each Party group)

Labour (6 – including Cabinet Member with responsibility for Welsh Language)	Councillors Bale, Evans, Goodway, Knight Lent and **Huw Thomas (Chr)**
Liberal Democrat (1)	Councillor Nigel Howells
Conservative (1)	1 vacancy
Plaid (1)	Councillor McEvoy

Works Council (5 Members)

Labour (3)	Councillors Bale, Hinchey and Magill.
Liberal Democrat (1)	Councillor Woodman
Conservative (1)	Councillor Walker

Health & Safety Advisory Group (5 Members)

Labour (3)	Councillors Groves and Hinchey (1 vacancy)
Liberal Democrat (1)	Cllr Woodman
Conservative (1)	1 vacancy

Glamorgan Archives Joint Committee (5 Members)

Labour (2)**	Councillor Huw Thomas (1 vacancy)
Liberal Democrat (1)	1 vacancy
Conservatives (2)**	Councillors Cowan and Robson

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CITY & COUNTY OF CARDIFF
DINAS A SIR CAERDYDD

CARDIFF
CAERDYDD

COUNCIL: 23 FEBRUARY 2017

REPORT OF THE DIRECTOR GOVERNANCE & LEGAL SERVICES

URGENT DECISIONS TAKEN IN RESPECT OF GLYN DREW AND MICHAELSTON FEDERATION – APPOINTMENT OF ADDITIONAL GOVERNOR

Reason for this Report

1. In accordance with the Council's Scrutiny Procedure Rule 13(a), urgent officer decisions taken in respect of Glyn Derw and Michaelston Federation to appoint an additional governor is reported to Council for information.

Issues

2. An Officer Decision – Intervention in Glyn Derw Michaelston Federation was taken on 9 February 2017 by the Director of Education as an urgent decision in accordance with the delegation DEd1 in Section 4F of the Council's Scheme of Delegations.

3. The decision taken is as follows: -

   Appoint an additional governor, Mr Hefin Jones to the governing body of The Glyn Derw Michaelston Federation and nominate Mr Jones to be Chair of the governing body with effect from 10 February 2017 pursuant to the SSOW Act 2013; and terminate the appointment of Mr Dewi Jones as Chair as he is unable to continue with this role due to his appointment as Chair on another Governing Body. .

4. The decision was taken in consultation with the Cabinet Member with portfolio responsibility for Education and Local Ward Members, who were all fully supportive of the decision.

5. The Monitoring Officer and the Chair of the Children and Young People agreed the decision should be taken on an urgent basis.

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.

Davina Fiore
DIRECTOR GOVERNANCE & LEGAL SERVICES
17 February 2016

Background Papers

Officer Decision, 9 February 2017 – Intervention in Glyn Derw Michaelston Federation'