

**CYNGOR DINAS CAERDYDD**  
**CITY OF CARDIFF COUNCIL**



**MINUTES**

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**CABINET MEETING: 28 SEPTEMBER 2016**

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Cabinet Members Present:	Councillor Phil Bale (Chair) Councillor Peter Bradbury Councillor Dan De'Ath Councillor Bob Derbyshire Councillor Graham Hinchey Councillor Susan Elsmore Councillor Sarah Merry Councillor Ramesh Patel
Observers:	Councillor David Walker Councillor Judith Woodman
Officers:	Paul Orders, Chief Executive Christine Salter, Section 151 Officer Davina Fiore, Monitoring Officer Claire Deguara, Cabinet Office
Apologies:	Councillor Sue Lent

At the start of the meeting the Leader called for a one minute silence in memory of Councillor Chris Lomax who sadly passed away suddenly on 15 September 2016.

**35 CENTRAL SQUARE AND BUS INTERCHANGE UPDATE**

***Appendices 2, 3, 5 and 6 of this report are exempt from publication because they contain information of the kind described in paragraphs 14 and 21 of parts 4 and 5 of Schedule 12A to the Local Government Act 1972.***

Cabinet were provided with an update in relation to progress of the Central Square and Bus Interchange regeneration scheme. The update included details of the current scheme design, planning design costs and a review of funding options. A future report will be brought to Cabinet to approve the preferred funding approach.

**RESOLVED:** that

1. progress on the Central Square regeneration scheme and the Central Transport Interchange project be noted.

2. the design scheme for the Central Transport Interchange presented in Appendix 1 be noted and it be agreed that they will now form the basis of a planning application to be submitted to the Local Planning Authority.
3. authority be delegated to the Director of Economic Development in consultation with the Leader of the Council, the Cabinet Member for Transport, Planning and Sustainability, the Cabinet Member for Corporate Services and Performance, the Chief Executive, the Section 151 Officer, and the Director of Governance and Legal Services to:
  - (i) Undertake a Detailed Business Case as outlined in paragraphs 33 to 35 of this report to establish the preferred funding approach.
  - (ii) If required, to undertake a procurement process to secure an operator for:
    - (a) The Bus Interchange facility.
    - (b) The Cycle Hub facility.
4. Subject to 3(i) above, agreed that a further report be considered by Cabinet to approve the preferred funding approach.
5. It be agreed to underwrite the second phase of design costs in accordance with Confidential Appendix 3.

### **36 DISPOSAL OF SUFFOLK HOUSE, CANTON**

***At the start of the item Cllr Susan Elsmore declared a personal interest as she lives very near to the property concerned. Cllr Elsmore left the meeting and took no part in decision making.***

Cabinet received a report detailing the proposed disposal of Suffolk House in Canton. Suffolk House is a Council owned property historically used to deliver Looked After Children Services for children aged 14 and over. Due to relocation of the service and the poor condition of the building the property is to be deemed surplus to Council requirements.

**AGREED:** that

1. Suffolk House be declared surplus to Council requirements.
2. Suffolk House be disposed on the open market to achieve best value.
3. authority be delegated to the Director of Economic Development in consultation with the Cabinet Member for Corporate Services and Performance to agree the method of open market disposal and disposal price.

### **37 SUPPLEMENTARY PLANNING GUIDANCE**

Cabinet considered approving the proposed Supplementary Planning Guidance (SPG) on Housing in Multiple Occupation and Waste Collection and Storage Facilities for consideration by Council.

The Housing in Multiple Occupation SPG sets out how the Authority would like future developments managed in order to retain balanced communities and high standard developments.

The Waste SPG outlines the minimum requirements for waste storage, collection and presentation for all new developments (commercial and domestic).

**RESOLVED:** that the Houses in Multiple Occupation and Waste Collection and Storage Facilities Supplementary Planning Guidance be agreed for consideration by Council.

## **MINUTES**

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**CABINET MEETING: 13 OCTOBER 2016**

**VENUE: CARDIFF CENTRAL LIBRARY**

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Cabinet Members Present: Councillor Phil Bale (Chair)  
Councillor Sue Lent  
Councillor Peter Bradbury  
Councillor Dan De'Ath  
Councillor Bob Derbyshire  
Councillor Graham Hinchey  
Councillor Susan Elsmore  
Councillor Sarah Merry  
Councillor Ramesh Patel

Observers: Councillor David Walker  
Councillor Judith Woodman

Officers: Paul Orders, Chief Executive  
Christine Salter, Section 151 Officer  
Davina Fiore, Monitoring Officer  
Claire Deguara, Cabinet Office

### **38 MINUTES OF THE CABINET MEETING HELD ON 15 SEPTEMBER 2016**

**RESOLVED:** that the minutes of the meeting of 15 September 2016 be approved.

### **39 CITY OF CARDIFF COUNCIL STATUTORY IMPROVEMENT REPORT 2015-16**

The Cabinet received the Annual Improvement Report for 2013-14 which provided a retrospective summary evaluation of performance for 2015-16 prior to its consideration at Council.

Feedback from the Policy Review and Performance Scrutiny Committee was received at the meeting and it was noted that the report will be updated to incorporate the feedback received.

**RESOLVED:** that subject to amendment to incorporate feedback from Policy Review and Performance Committee, the City of Cardiff Council Annual Statutory Improvement Report (attached at Appendix 1) be agreed for submission to Council in October 2016.



#### **40 CITY OF CARDIFF COUNCIL ANNUAL COMPLAINTS REPORT 2015-16**

The Annual Complaints report for 2015-16 was received. It was reported that a total of 2,476 complaints were recorded during 2015-16 which represented a 2.3% increase from the previous year. It was noted that there were significant service changes regarding waste presentation which could account for some of the increase in complaints. A total of 1,483 recorded compliments were received.

**RESOLVED:** that the contents of the report be noted.

#### **41 RESPONSE TO THE REPORT OF THE CHILDREN & YOUNG PEOPLE'S SCRUTINY COMMITTEE REPORT ENTITLED "CHILD SEXUAL EXPLOITATION"**

Cabinet received the response to the report published by the Children & Young People Scrutiny Committee entitled "Child Sexual Exploitation" The Committee made 13 recommendations, 12 of which were accepted and had already been incorporated within the implementation plan prior to the preparation of the scrutiny report.

**RESOLVED:** that the response to the Children and Young People's Scrutiny Committee report entitled "Child Sexual Exploitation" attached at Appendix A of the report be agreed.

#### **42 CITY OF CARDIFF COUNCIL LOCAL HOUSING STRATEGY**

Cabinet considered the Cardiff Housing Strategy for 2016-2021. The strategy has been developed at a time of increasing housing need and reduced resources and therefore focuses on prioritising and meeting the housing needs of the most vulnerable.

The Cardiff Housing Strategy 2016-2021 ensures that the Council has current and relevant strategic plans in place to address housing issues across all tenures.

**RESOLVED:** that the Cardiff's Housing Strategy 2016-2021 be approved for consideration by Council.

#### **43 CITY OF CARDIFF COUNCIL TRANSPORT STRATEGY**

Cabinet considered the draft City of Cardiff Council Transport Strategy. The purpose of the strategy document is to capture the essential transport elements of the approved Local Development Plan (LDP) and Local Transport Plan (LTP) and outlines the Council's key transport projects and priorities and how these will contribute to the vision of Cardiff becoming "Europe's Most Liveable Capital City". The document will be used as a tool for communication and engagement with the public and stakeholders.

**RESOLVED:** that

1. It be noted that the draft City of Cardiff Council Transport Strategy captures the essential transport elements of the Council's LDP and LTP - which have

already been approved - and outlines the Council's key transport vision, projects and priorities and how these will contribute to achieving the Council's aspirations for Cardiff to become 'Europe's Most Liveable Capital City'.

2. The draft City of Cardiff Council Transport Strategy be approved for publication to provide the basis for future communication and engagement with the public and transport stakeholders.
3. the Director, City Operations be authorised to issue the questionnaire contained in Appendix 4 to the report in order to seek views of the public and stakeholders regarding the clarity of the document and method of future communications on transport matters and, thereafter, to review and update the City of Cardiff Council Transport Strategy as may be required from time to time.

**CYNGOR DINAS CAERDYDD  
CITY OF CARDIFF COUNCIL**



**CABINET MEETING: 10 NOVEMBER 2016**

**2017-18 BUDGET PROPOSALS FOR CONSULTATION**

**REPORT OF CORPORATE DIRECTOR RESOURCES**

**AGENDA ITEM: 2**

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

**Reason for this Report**

1. To provide an update to the Budget Reduction Requirement for 2017/18 including the reflection of the Provisional Local Government Settlement.
2. To provide details of consultation to be undertaken prior to preparation of the Cabinet's final 2017/18 Budget Proposals for submission to Council for approval. The consultation document "Changes for Cardiff" is attached at Appendix 1 while the budget proposals on which this consultation is based are attached at Appendix 2.

**Background**

3. Cabinet received a Budget Strategy Report in July 2016 in relation to the 2017/18 Budget. That report set out a potential savings requirement of £24.328 million for the financial year 2017/18 and £75 million for the period 2017/18 – 2019/20. This position was a combination of financial pressures and an anticipated 1% annual reduction in the Council's Aggregate External Finance which is the collective term for the Revenue Support Grant (RSG) and redistributed Non-Domestic Rates (NDR) that the Council receives from Welsh Government (WG.) This is set out in the table below.

<b>MTFP at July 2016</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>Total £000</b>
Financial Pressures	20,065	19,296	23,317	<b>62,678</b>
AEF Reductions at 1%	4,263	4,220	4,136	<b>12,619</b>
<b>TOTAL BUDGET GAP</b>	<b>24,328</b>	<b>23,516</b>	<b>27,453</b>	<b>75,297</b>

## **Provisional Local Government Settlement**

4. The Welsh Government's Provisional Local Government Settlement was announced on the 19 October 2016. The settlement set out a cash increase in Aggregate External Finance (AEF) for Cardiff of 0.3%, which equates to additional cash of £1.437 million. However, after taking into account two differentiating year on year factors referred to in subsequent paragraphs, the true cash increase for Cardiff was £887,000. In terms of AEF per capita, Cardiff ranks 20th out of the 22 Welsh Authorities and with an AEF per capita of £1,177, is almost 11% below the Welsh average of £1,318.
5. Cardiff's 0.3% increase was the eighth highest in Wales and compares to a Welsh average increase of 0.1%. Across Wales, distribution varied from a 0.5% reduction for five authorities to a 0.9% increase for Gwynedd. In order to ensure that no Local Authority received a decrease of more than 0.5%, four authorities were the recipients of top-up funding totalling £2.3 million. This funding was additional to the settlement and was not redistributive in impact.
6. The settlement includes two new responsibilities that must be borne totalling £444,000 for Cardiff. As these must be funded from within the overall funding envelope, they are the first of the differentiating year on year items previously referred to as reducing the additional cash available within the settlement. The two responsibilities relate to the increase in residential care capital limits (from £24,000 to £30,000) in 2017/18 and the full disregard of War Disablement Pension in Financial Assessments.
7. Four specific grants have transferred into the AEF funding. Three of these, Deprivation of Liberty Standards, Blue Badge and Food Hygiene Rating Scheme are relatively minor in amount and collectively the transfer equates to £22,000 for Cardiff. The fourth and at £319,000 the most significant in monetary terms, is the Delivering Transformation (in Social Services) Grant. There are no adverse redistributive funding shortfalls for Cardiff as a result of the transfer of these grants into AEF.
8. There was one transfer out of the settlement which relates to Education Workforce Council Teachers Registration Fees. Whilst £106,000 has been transferred out of the settlement for Cardiff in this respect, based on current Council policy, the commitment to which the transfer relates is ongoing. This is therefore the second of the differentiating year on year items previously referred to as reducing the additional cash available for Cardiff.
9. The settlement contained a partial All Wales listing of specific grants for 2017/18. There have been a number of grant consolidations with 14 grants consolidated into new grants. Notable increases included Pupil Deprivation Grant with a 7.4% increase at an All Wales level, indicated within the WG budget to be in support of Early Years. Notable reductions included a 6.7% reduction in Single Revenue Grant which funds environmental services such as waste collection. Applying this level of reduction to Cardiff's current allocation results in a £468,000 funding shortfall next year. In the days leading up to the settlement, public announcements were made in respect of the discontinuation

of Communities First Funding and Schools Challenge Cymru Funding, although details are yet to be confirmed.

10. The specific grants listing provided as part of the Provisional Settlement was incomplete with information on eleven grants yet to be confirmed. In addition, the written statement accompanying the settlement indicated that WG Ministers are considering whether “further flexibility might be offered in relation to certain grant funding for 2017-18 and beyond.” Conclusions are expected at final settlement, which is due on the 21 December.
11. The Provisional Settlement also contained information in respect of capital funding. The position for Cardiff was an increase in general capital funding (GCF) of 0.3% which equates to £41,000 in cash terms. For Cardiff, GCF for 2017/18 will be £13.531 million, which comprises £5.119 million cash grant and £8.412 million unsupported borrowing.
12. Other points of note in relation to the settlement are that there is no specific protection for schools’ budgets. The settlement was stated to include an additional £25 million at an All Wales level for Social Services, which is within Local Authorities’ AEF figures. Formula changes in relation to sparsity which have an adverse impact on distribution for Cardiff, have been phased over two years.
13. The Provisional Settlement is for one year only, with no indicative figures beyond 2017/18. This absence of multi-year settlement figures is extremely problematic from a financial planning perspective although there have been indications that some information may be available in the new year, following review of the implications of the Autumn Statement.
14. To summarise, the revenue settlement implies a £1.437 million cash increase next year. However, after allowing for new responsibilities and transferred funding in relation to which commitments still remain, the true position for planning purposes is £887,000.

## **Financial Overview**

15. The budget reduction requirement is a dynamic figure and regular review is an important part of financial resilience. The Council undertakes systematic refresh of figures in line with a set timetable and reactive refresh occurs in response to new developments and emerging financial pressures.
16. The outcome of the updates is that the budget reduction requirement for 2017/18 is currently estimated at £25.1 million (£76 million over the next 3 years) and this is the position upon which the budget consultation is based. This position will remain fluid and has the potential to fluctuate further prior to the presentation of Cabinet’s final budget proposals in early 2017, for example to reflect the final Local Government settlement which will not be received until December, to reflect the 2017/18 council tax base and Cabinet’s consideration of consultation responses.

17. Updates to the Budget Reduction Requirement since July 2016 are summarised in the table below and are described in more detail in subsequent paragraphs.

Component of Gap		Change £000
<b>July Budget Reduction Requirement</b>		<b>24,328</b>
Financial Pressures	Additional Financial Pressures	2,465
	New Responsibilities (within settlement)	444
	Social Services Realignments	2,900
	Write out of unachievable savings	1,073
	Other	(475)
Funding	Provisional Settlement at +0.3%	(5,613)
<b>Net Change</b>		<b>794</b>
<b>Updated Budget Reduction Requirement</b>		<b>25,122</b>

18. The changes to financial pressures are set out in further detail below:-

- **Additional Financial Pressures** - the Medium Term Financial Plan (MTFP) within the Budget Strategy Report included a provisional sum of £3 million in 2017/18 to cover emerging financial pressures. The budget position upon which this consultation is based, reflects financial pressures of £5.465 million. Significant contributory factors to the higher figure include further anticipated demand-led pressures and exceptional cost increases in relation to Social Services. In recognition of the particular challenges facing the service, the increased figure also includes sums to improve capacity to reshape and improve preventative measures in this area. The significant reduction to Single Revenue Grant indicated within the Provisional Settlement is also reflected as an additional pressure. This grant funds environmental services such as waste collection. There will be no reduction in responsibilities funded by the grant, resulting in a funding shortfall for the Council to bear.
- **New Responsibilities** - this change relates to two additional responsibilities placed on Authorities within the Provisional Settlement. As described earlier in this report, these are the increase in residential care capital limits (from £24,000 to £30,000) in 2017/18 and the full disregard of War Disablement Pension in Financial Assessments.
- **Social Services Realignments** - the Social Services realignment reflects the impact of the demographic and cost pressures being experienced in the current financial year which cannot be contained within the existing base budget. This includes the impact of a substantial increase in the number of looked after children in Children's Services and significant demographic and cost pressures in Adult Services particularly in relation to domiciliary and nursing care. The realignment also includes an amount to reflect the full year effect of these pressures in 2017/18.

- **Write out of unachievable savings** - as part of financial resilience considerations and to ensure a robust base from which to deliver the 2017/18 savings, £1.073 million has been included within the budget reduction requirement to write out savings from previous years which are no longer technically achievable.
- **Other** – this reflects systematic updates to reflect most recent cost base, price inflation and demographic data.

19. The position on the funding component of the gap is set out below:-

- The funding component of the budget gap has been afforded greater clarity by the Provisional Local Government Settlement which is covered in detail at the outset of this report.
- The £5.6 million change indicated in the above table reflects the improvement from the Council's planning assumption of a 1% reduction and the 0.3% increase confirmed by Provisional Settlement.
- The 1% funding reduction had been assumed in the absence of any indicative funding figures from WG. It took into account modelling by the Welsh Local Government Association (WLGA) which considered the possibility of differing levels of protection for the rest of the Welsh Public Sector and the associated impact this could have on AEF. Cardiff's assumption of 1% was based on medium protection, allowing an additional margin for formula changes that were due within the settlement for 2017/18 and that were anticipated to have an adverse impact for Cardiff.
- The absence of indicative funding figures for years beyond 2017/18 has already been noted. Planning assumptions in relation to funding for 2018/19 and beyond will need to be reviewed as part of detailed refresh and roll forward one year (to 2020/21) of the MTFP for the February 2017 Budget Report. It is hoped that WG may produce some indicative figures in the New Year, following review of the Autumn Statement.

## Issues

20. Before 11 March 2017, Cabinet Members have a collective duty to place before the Council proposals, which, if approved, will result in the adoption of a balanced budget for 2017/18. In the current context, those proposals must include a strategy which delivers a Budget Reduction Requirement currently identified at £25.1m. The strategy includes a combination of budget cuts, caps to schools' growth, increases in council tax and use of reserves.

## Financial Planning Assumptions

21. The July 2016 Budget Strategy Report set a number of planning assumptions as part of the solution to the budget reduction requirement. These were :-
  - A 3.7% Council Tax Increase
  - A 30% cap on schools' financial pressures (with the exception of pupil number growth)
  - £1.5 million use of Reserves
22. These planning assumptions remain in place at the start of this consultation period and will be further considered as Cabinet continues its work to recommend its 2017/18 final budget proposals to Council next year. The cap on school's growth is retained at 30% although the quantum has increased as a result of updates to the financial pressures figure upon which it is based.
23. In respect of council tax increases, the previous planning assumption of 3.7% has been retained. This assumption reflects the 2016/17 council tax base and generates net additional income of £4.4 million, after taking into account the associated increase in the Council Tax Reduction Scheme budget. The Council Tax base for 2017/18 will be considered by Cabinet in December 2016. The associated change will need to be factored into the Budget Reduction Requirement at that stage, along with any knock-on impacts which will feed through into final settlement.
24. Schools' pressures of £6.4 million have been identified in respect of 2017/18 and these have been capped by 30% which equates to £1.9 million. For Cardiff, pupil number growth is projected to result in increased costs of £2.6 million for 2017/18 and the Budget Strategy is predicated upon this sum being fully pass-ported to schools. Effectively, under current budget strategy assumptions, Schools Budgets will receive £2.6 million pupil number growth and £4.5 million (capped) growth for 2017/18; a total of £7.170 million.
25. At 31 March 2016, the Council's General Reserve stood at £15.2 million and Earmarked Reserves (for General Fund Services) stood at £38.2 million. The use of reserves as general budget funding should be treated with caution for a number of reasons. Firstly, their finite nature means their use to fill a budget gap in one year creates an immediate hole in the finances of the following year. Secondly, earmarked reserves are an important part of the Council's financial resilience, especially in prolonged periods of financial challenge. Finally, earmarked reserves are set aside for a specific purpose which would be compromised if they are routinely used at significant levels for general budget funding.
26. The level of reserves in Welsh Local Government has been subject to much scrutiny over recent years. Whilst prudent, the level of reserves in Cardiff could be considered to be just at an adequate level for an authority of its size. Recent figures produced by WG show that expressed in percentage terms Cardiff has the lowest level of both general and useable earmarked reserves across Wales. The Budget Strategy assumption of a £1.5 million use of reserves strikes an



appropriate balance between on the one hand, using available cash balances to support services and on the other, protecting the Authority's financial resilience and future financial position. Following review, a full listing of the Council's reserves will be appended to the Councils 2017/18 Budget Report.

## Overall Position

27. The Budget Reduction requirement of £25.122 million will need to be met from a combination of budget savings proposals and the planning assumptions detailed above. The 2017/18 Budget Report will contain for Council's approval, Cabinet's overall proposal in respect of the Budget. This will be informed by consultation with the Council's stakeholders. As part of that consideration, all present planning assumptions will be reviewed to ensure that they are still valid following the receipt of the final settlement and the latest position on specific grants.
28. The table below summarises the 2017/18 Budget for Consultation. The detail behind the savings figures is contained in Appendix 2.

### 2017/18 Budget as per consultation proposals

<b>Budget Savings Proposals</b>	<b>£000</b>
Directorate Savings Proposals	13,331
Addressable Spend Saving Proposals*	3,910
<b>Total Savings Proposals</b>	<b>17,241</b>
<b>Budget Strategy Assumptions</b>	
Council Tax Increase 3.7%	4,451
Schools – non-pupil number growth capped by 30%	1,930
Use of Reserves	1,500
<b>Total Budget Strategy Assumptions</b>	<b>7,881</b>
<b>Savings Proposals and Budget Strategy Assumptions</b>	<b>25,122</b>

\*The term addressable spend is used to refer to components of the Council's budget from which it is more difficult for individual directorates to propose savings. This is for a number of reasons, such as budgets that are delegated to schools and have previously been the subject of WG protection, and those that are externally set, are a part of corporate financial planning and resilience, or are necessary to service debt.

29. The information set out in Appendix 2 represents the 2017/18 savings proposals for consultation and contains the following information:-
  - The directorate proposing the savings e.g. City Operations, Social Services
  - The theme of the saving as referenced in the Ask Cardiff survey over the summer
  - The title of the saving and an explanation of the proposal
  - The budget in relation to which the saving has been identified

- An indication of the nature of the saving - e.g. whether it would result in a reduction in employee costs, a reduction in spend or an increase in income
  - An initial risk analysis in respect of both the residual risk and the risk of the achievability of the saving
  - An initial Equalities Impact Assessment in relation to the saving proposed
  - The Cabinet Portfolio that the proposed saving falls within
  - Identification of whether city-wide consultation will take place as part of the Changes for Cardiff consultation or whether service specific consultation is required or whether consultation has occurred previously
30. The consultation on the 2017/18 budget savings proposals will take the following forms:-
- **City-wide public consultation** on issues of general interest as set out in the “Changes for Cardiff” consultation document at Appendix 1.
  - **Service specific consultation** with identified service users / group of organisations
  - **General Council Consultation** – this relates to internal changes within the Council including back office efficiencies, staff changes, process improvements and broader changes around income generation and other service implications.
31. In addition, some savings proposals were included in prior year consultations:-
- **City wide consultation that took place in a previous year** - because the proposal is in its second or third year for example the Youth Service proposal
  - **Service specific consultation that took place in a previous year** – because the proposal is in its second or third year
32. Appendix 2 sets out the form of consultation for each proposal. This information is summarised below:-

<b>2017/18 Savings Proposed</b>	<b>£000</b>
Savings proposals to be included in the city-wide consultation	659
Savings proposals requiring service specific consultation / communication	2,284
Other general savings proposals	10,765
Savings proposals consulted on city-wide as part of previous budgets	974
Savings proposals where service specific consultation / communication took place in a previous year	2,559
<b>Total 2017/18 Savings Proposed</b>	<b>17,241</b>

33. The Council's Corporate Plan sets out its vision to be Europe's most liveable capital city, its co-operative values, and its four key priorities of promoting economic growth, supporting the vulnerable, developing education and skills, and working together to transform services. Whilst recognising that the financial challenges facing the Council remain significant, wherever possible, budget proposals have been developed to maintain support for the delivery of these key priorities. In this respect, the draft budget upon which consultation is based contains net investment in Schools of £7.2 million along with net investment in Social Services of £9.5 million. Whilst the need to make savings is an inevitability in the current climate, wherever possible, savings proposals aim to adopt a more commercial approach through review of alternative delivery models, maximisation of income streams and working with partners. In addition, through the proposals, the Council continues to review and challenge internal processes, maximising use of technology and securing value on our contracts, demonstrating clear links between savings themes and the Council's Organisational Development Programme (ODP).
34. The Council's organisational values Open, Fair and Together are central to the approach to budget setting which means that the Council will be open in communicating and explaining budget proposals. Proposals will be based on fairness and properly evaluated for their impact. As noted above, there is also a focus on ensuring that we work together with people and organisations, both internally and externally, to deliver services more effectively and efficiently.
35. As well as considering the impact of the budget proposals on current priorities and values, the Council is alert to the need to set a budget that is based on the Sustainable Development Principle. In applying this principle, the Council is mindful of the five ways of working set out in the Future Generations (Wales) Act; long term, prevention, integration, collaboration and involvement. As already noted, openness and involvement are core Council values and this consultation is an important part of engagement in the budget process. Whilst the significant and prolonged period of financial challenge that the Council has faced over recent years means that difficult decisions are inevitable, budget proposals aim to future-proof services for Cardiff wherever possible by, for example, seeking alternative delivery as opposed to closure, by seeking to become more commercial, through working with others and with communities and through seeking to implement preventative measures. In developing detailed plans for 2017/18 proposals and beyond, the Council will continue to embed this approach within the financial planning process and the February 2017 Budget Report will contain further detail in this respect.

### **Consultation and Engagement**

36. As a Co-operative Council, the Council has made a commitment to engage with the citizens and communities of Cardiff about the difficult decisions required. Extreme budgetary pressure is a key driver of the difficult choices facing the Council and therefore budget consultation is an important opportunity to understand what is important to our stakeholders and to encourage their involvement in shaping Council services. The Council has consulted upon the

difficult decisions made in recent years' budgets with significant responses received to these consultations.

37. Consultation on the 2017/18 budget commenced earlier this year, through the inclusion of general budget themes within the Ask Cardiff survey. Over 4,000 local residents completed the survey with 82% recognising that difficult budget choices are required. In addition:-
- Three quarters of respondents agreed that the City of Cardiff Council should increase commercial activities and look to carry out work for external clients to generate income
  - More than two thirds were in support of investment in IT to increase opportunities for self-service.
  - More than half would support the Council in charging the public more for some services if it meant that they could be maintained or improved.
  - 78% were in favour of the Council continuing its policy of better utilising Council buildings with a focus on quality service provision and community led activities.
38. Building on the introductory themes within the Ask Cardiff Survey, the consultation in respect of 2017/18 budget proposals will launch on 10 November 2016. There will be an online document and hard copies will be distributed to hubs, libraries and leisure centres. A series of events will take place during the consultation period, focussing on existing areas of high footfall, to enable people to give their views on the consultation, complete the questionnaire, share their ideas for ways in which the Council can work differently and express an interest in volunteering. The consultation will run until Sunday 11 December 2016. Following this, the results of the consultation will be analysed and considered by Cabinet when finalising their 2017/18 Budget Proposals for consideration by Council. The consultation document is attached at Appendix 1.
39. Further opportunities for engagement, including with the Audit Committee and the Schools Budget Forum will also take place during the coming months. These opportunities for stakeholders to engage and provide comments will also help inform the budget process. In addition, the need to engage effectively with the Council's own staff, both directly and through their trade unions will remain a high priority throughout the budget setting process. Scrutiny Committee will undertake their own review of the consultation proposals during January and February 2017, prior to finalisation of the Cabinet's budget proposal.

### **Employee Consultation**

40. The scale of the financial challenge faced by the Council remains considerable. As almost half of the Council's gross expenditure is on employee costs, the continuing need to reduce costs will impact on employee budgets and the shape of the workforce. The Council will do all that it can to protect jobs in these financially challenging times.

41. A timetable for consultation and communication with Trade Unions and employees potentially impacted by the budget proposals is in place. During this period of consultation, there will be arrangements made for employees to comment on the proposals which may affect them. Once decisions are made on the final budget by Council, employees impacted by those final decisions will be supported. At that point, eligible employees will be given the opportunity to take voluntary redundancy or to access the redeployment process which provides employees with a period of twelve weeks to look for alternative employment.
42. Through the Council's Trade Union Budget Consultation forum, Trade Unions have been consulted in advance of more public consultation on directorate budget proposals and the likely impact on employees, 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. It remains likely that there will be redundancies within the Council's workforce during the financial year commencing 1 April 2017 notwithstanding every effort being made to avoid them.
43. The budget proposals, in some areas, include proposals to reduce the number of employees. Where the number of employees likely to be made redundant exceed certain thresholds the law specifically sets out a minimum length of time and minimum content for the consultation with the Trade Unions including ways of avoiding, reducing or mitigating the consequences of the numbers of employees being made redundant. As the Head of Paid Service, the Chief Executive is responsible for all staffing matters and has the authority to implement all necessary consultation in relation to proposed redundancies (statutory or otherwise), consider responses to consultation, and make staffing decisions flowing therefrom.
44. Whilst the exact number of proposed redundancies is not known at this stage, these are likely to be in excess of 20. This will mean that following Cabinet on 10 November 2016 and in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992, a Section 188 Notice will be formally issued to the Trade Unions related to the budget and potential redundancies. The proposed redundancies and the issue of the Section 188 notice is related to the overall reduction in staff numbers required.
45. This will mean that from 10 November 2016, formal consultation with employees and trade unions will commence seeking views and comments about ways of avoiding, reducing and mitigating the consequences of the numbers of staff being made redundant e.g. by redeployment.

### **Reason for Recommendations**

46. To issue the 2017/18 Budget Savings Proposals for consultation. In addition, to note that the consultation will commence on 10 November 2016 and run until 11 December 2016.

## **Financial Implications**

47. The financial implications set out in the July Budget Strategy Report in respect of context, risk and affordability remain relevant to this report and to the overall budget setting process. The Council must by statute set a balanced budget and the Section 151 Officer will as part of the Budget Report comment upon the robustness of the budget process undertaken.
48. Cardiff's Budget Reduction Requirement for 2017/18 is currently calculated at £25.1 million. A public consultation of the savings proposals identified in respect of this gap will commence on the 10 November 2016. The responses in respect of all consultation and engagement will be reported back to Cabinet for consideration as part of the 2017/18 Budget Report. This builds on the general consultation on budget themes that was included within the Ask Cardiff survey earlier this year. The savings inherent in the consultation position are grouped into themes as summarised below and identified in further detail at Appendix 2.

<b>Theme of 2017/18 Savings Proposed</b>	<b>£000</b>
Partners and Others	1,784
Income / Commercialisation	2,995
Internally Facing / Commissioning & Procurement (C&P)	7,563
Grants & Subsidies	660
Technology	590
Second / Third Year of Proposals	3,649
<b>Total 2017/18 Savings Proposed</b>	<b>17,241</b>

49. The Council has experienced a prolonged period of funding reductions combined with demographic pressure in demand led services. Savings of £105 million have been identified over the past three years with a further budget gap of circa £76 million to address over the next three years. In this challenging environment, it is critical that savings proposals are robust and that significant changes to business processes do not impact on the control environment in a negative manner. Due diligence work will continue in parallel to the budget consultation process and directorates will continue their detailed planning in respect of their proposals.

## **Legal Implications**

50. Specific legal obligations relating to the setting of the budget and consultation are set out within the body of this report.
51. The obligation to consult can arise in some cases from express statutory provisions and in other cases from common law. In all cases the consultation

must be undertaken in such a way as to be meaningful and genuine. The results of the consultation must feed into the process for consideration and finalisation of budget decisions.

52. The Council has public sector duties under the Equalities Act 2010 which require it, in exercising its functions, to have due regard to the need to (1) eliminate unlawful discrimination (2) advance equality of opportunity and (3) foster good relations between persons with and without protected characteristics. For example, protected characteristics include race, sex, gender, age, religion.
53. In order to be sure that the Council complies with its public sector equality duties it is essential that Equality Impact Assessments are undertaken where appropriate in relation to specific budget proposals, that these are informed by the results of the consultation, that any impacts are recorded, mitigation of the impact is considered, and any impact is taken into account in the decision making on the budget.

### **HR Implications**

54. At this stage, there are no direct HR implications arising from this report. However subsequent decisions taken by Cabinet and Council related to these Budget proposals are likely to carry significant implications for employees.
55. Whilst the Council will do all it can to protect jobs in these challenging times, the budgetary situation is such that it will become increasingly difficult to avoid redundancies. The detail of the proposals will need to be fully considered in terms of HR risks and plans put in place to mitigate these risks wherever possible. Continuing dialogue with Trade Unions and employees will be critical. The full range of employee support mechanisms will need to be made available to those ultimately impacted. A timetable for consultation and communication with Trade Unions and employees potentially impacted by the budget proposals is in place. Arrangements will be made for employees to comment on the proposals which may affect them. Once decisions are made on the final budget, those impacted by those final decisions will be supported. This will include Voluntary redundancy for those eligible or support for redeployment which provides employees with a period of twelve weeks to look for alternative employment.
56. The Trade Unions have been initially consulted on directorate budget proposals and the likely impact on employees. Under legislation, proposals to make redundancies must involve reasonable consultation with the affected employees and their trade unions. Whilst every effort will be made to reduce the number or avoid redundancies, it is likely that there will be employee redundancies in the next financial year.
57. As the number of employees likely to be made redundant will exceed specified legal thresholds, there are specific Trade Union consultation requirements which the Council is required to meet including ideas about avoiding, reducing and mitigating the consequences of the numbers of staff being made redundant. Following Cabinet on 10 November, a Section 188 Notice will be

formally issued to the Trade Unions related to the budget and potential redundancies.

## **RECOMMENDATIONS**

The Cabinet is recommended to:

1. Agree that the budget savings proposals as attached at Appendix 2 are the Cabinet's Budget Savings Proposals for Consultation.
2. Note that the formal budget consultation will commence on the 10 November 2016 and run until 11 December 2016. The results of the consultation process will then be considered by Cabinet as part of preparing their final 2017/18 budget proposal.
3. Note that the Chief Executive as Head of Paid Service will be issuing all necessary statutory and non-statutory employment consultations in respect of the staffing implications of the proposals.

**CHRISTINE SALTER**  
**Corporate Director**  
**4 November 2016**

*The following appendices are attached:*

Appendix 1 – “Changes for Cardiff” Consultation document

Appendix 2 – Cabinet's 2017/18 Budget Savings Proposals for Consultation

*The following background papers have been taken into account:*

Budget Strategy Report 2017/18 and the Medium Term – 14 July 2016

Controllable Budgetary Analysis Sheets 2016/17

Equality Impact Assessments (EIAs) of Cardiff Council's 2017/18 Budget Savings Proposals

WG Provisional Financial Settlement



# CHANGES FOR CARDIFF

Consultation on the City of Cardiff Council's

## 2017/18

Budget Proposals



Consultation opens: 10th November 2016

Consultation closes: 11th December 2016



@CardiffCouncil  
#cdfbudget  
@CardiffDebate



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[budget@cardiff.gov.uk](mailto:budget@cardiff.gov.uk)

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make the  
**difference**





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## HAVE YOUR SAY!

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 been found over the last 10 years.

The Council is legally required to set a balanced budget. To make the savings that need to be made and to protect the quality of our public services significant changes have been made, and will continue to be made, to the way we do things.

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 we also want you to tell us what you think are the most important issues for Cardiff.

The consultation on these proposals will start on **10th November 2016 and run until midnight on Sunday 11th December 2016. The final budget will be set at the meeting of Full Council on 23rd February 2017.**

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.

This document is available online at [www.cardiff.gov.uk/budget](http://www.cardiff.gov.uk/budget) and hard copies will be available at libraries and Hubs. Additionally you can request a copy by emailing [budget@cardiff.gov.uk](mailto:budget@cardiff.gov.uk) or telephoning 029 2087 3854. For a full version of these proposals, please read the Council's Cabinet Report of 10 November 2016 at [www.cardiff.gov.uk/budget](http://www.cardiff.gov.uk/budget).

Completed surveys can be dropped off at Libraries and Hubs or returned in the FREEPOST envelope provided or posted free of charge to FREEPOST CF3474, Atlantic Wharf, CF10 5GZ.

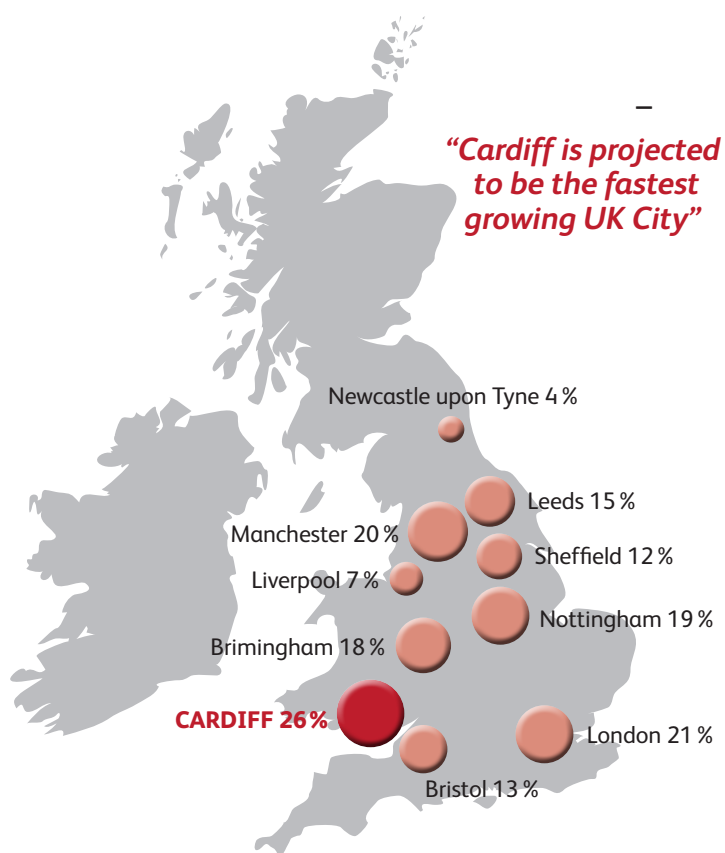


## GROWTH

Between 2013 and 2034 there is going to be a projected **growth in Cardiff's population of 26%**, some 91,500 people making Cardiff the **fastest growing city in the UK**. This is good news for Cardiff – successful cities are cities in which people want to live, work and study. It will also bring challenges, putting additional pressure on our city infrastructures and public services.

For example, the expected 25 % increase in school age children will place greater pressure on our schools. Similarly older people – particularly those over 85 years old whose numbers are expected to double in the next 10 years – are more likely to need health and social care services to help them live independent lives.

### Population Growth within selected UK cities (2014-34)



## 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?*

☐ Yes ☐ No ☐ Not sure

*Please tell us why.....*

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

☐ Yes ☐ No ☐ Not sure

*If you have answered 'No' to this question please explain why.....*

## HOW ARE WE RESPONDING TO THESE CHALLENGES?

- **Better Education and Skills for All** - We are continuing to invest in our schools. Our £164m investment programme includes £25m for the new Eastern High School, which is due to open in September 2017, and a new High School in the west of the city. New schools have been already been opened in Canton and Pontprennau, and new primary schools are planned at Gabalfa, Howardian, Ysgol Glan Ceubal, Ysgol Glan Morfa and Ysgol Hamadryad. Performance has also been turned around in the city's schools, with the number of pupils achieving at least 5 A-star to C grades in their GCSEs including Maths and English rising by 13 % since 2012.
- **Supporting Vulnerable People** - We have focussed on improving performance in Social Services, and in the last year the Council was the most improved Council for Social Services in Wales. To deliver services in our communities we have put in place a 'hub strategy' which brings local services under one roof, making them easier to access and cheaper to run. New hubs have opened in Butetown, Rumney, Grangetown, Fairwater and in Ely and Caerau as well as a super-hub in Central Library and most recently the new £6m STAR Hub in Splott.
- **Creating More and Better Paid Jobs** - We are working with partners in the private sector to transform Central Square. £1bn of private investment will deliver 1 million square feet of office space, anchored by the new BBC Wales HQ alongside a brand new bus station for the city. Through working with partners in the city-region, and with Welsh and UK Government a £1.2bn City Deal for the Cardiff Capital Region and the Cardiff Metro has been secured. We have also put a new Tourism Strategy in place and continued to bring major international events to Cardiff, like the Champions League Final 2017.
- **Working Together to Transform our Services** - The City of Cardiff Council was the third most improved Council in Wales last year with the single biggest improvement in social services and despite the budget cuts, public satisfaction with life in Cardiff and with the quality of public services has stayed high.

OPEN

FAIR

TOGETHER

## OUR VALUES

Central to how we are addressing the budget shortfall are our organisational values in the relation to our budget proposals this means that:

- We will be **open** in communicating and explaining all of our budget proposals.
- The proposals will be based on **fairness** by ensuring that the vulnerable are least affected.
- The proposals have considered how we can best work **together** in partnerships - with people and organisations - to deliver services more effectively and efficiently.

We will continue to listen to and work with residents and community groups to design new ways of doing things and give local people more opportunities to get actively involved in how decisions are taken and how our public services are delivered.

## OUR BUDGET PROPOSALS FOR 2017/18

Our consultation on the budget proposals will take 3 forms:

- **City-wide Public consultation** on proposals which affect all citizens (the contents of this document)
- **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.

## BUDGET CONSULTATION QUESTIONNAIRE – HAVE YOUR SAY!

Over 4,000 local residents completed our recent Ask Cardiff Survey with **82% of you telling us that you recognise that difficult budget choices are required.**

DO YOU RECOGNISE THAT A BUDGET GAP WITHIN THE CITY OF CARDIFF COUNCIL OF A POTENTIAL £25M FOR 2017/18 AND £76M FOR THE NEXT 3 YEARS MEANS THAT DIFFICULT BUDGET CHOICES ARE REQUIRED?

YES

82%

NO

9%

NOT  
SURE

9%

This consultation asks for your opinion on a wide range of proposals that the City of Cardiff Council has put in place to help achieve these savings. We have split the questions up under the following headings:

- Being More Commercial
- Making Better Use of Our Buildings
- Involving and Empowering our Communities
- Going Digital
- Providing Care and Support Services Locally
- Increasing Fees and Charges

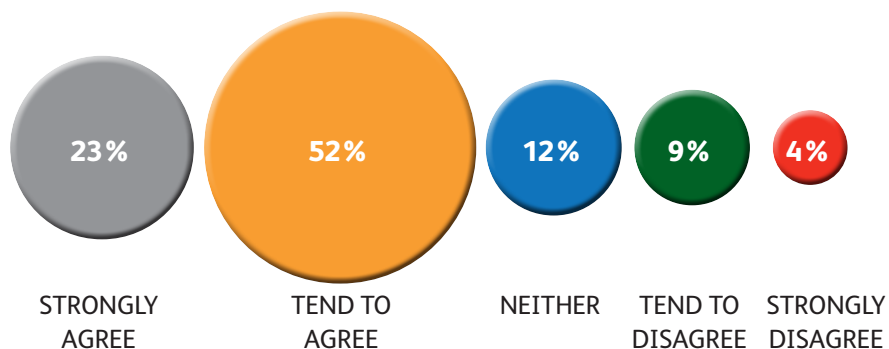
## BEING MORE COMMERCIAL

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.

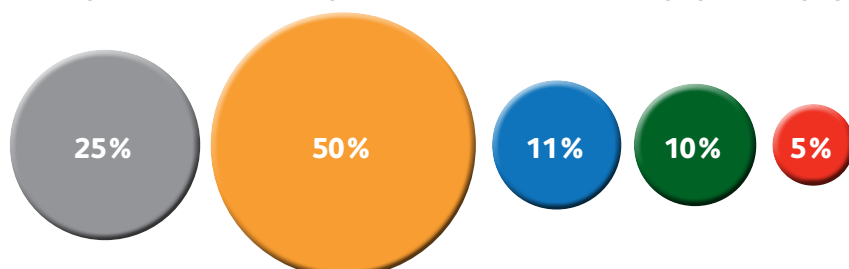
In response to the recent Ask Cardiff Survey **three quarters of you agreed that the City of Cardiff Council should increase commercial activities and that we should also look to carry out work for external clients to generate income.**

### TO WHAT EXTENT DO YOU AGREE OR DISAGREE WITH THE COUNCIL UNDERTAKING THE FOLLOWING:

Increased commercial activities including trading, advertising and sponsorship



Carrying out additional work for external clients to generate income





**Sponsorship** - The City of Cardiff Council offers advertising and sponsorship opportunities on certain roundabouts and lampposts across the city.

*Do you support us in improving existing relationships to maximise revenue from this source?*

☐

Yes

☐

No - specify:

☐

Not sure

**Parks** - As part of previous budget consultation more than half (52%) of you told us that you support the Council in increasing its commercial activities in relation to 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?*

☐

Yes

☐

No

☐

Not sure

*Is this something that you would be interested in in the future?*

☐

Yes

☐

No

☐

Not sure

*Do you support the expansion of this service to increase revenue and offset the budget shortfall?*

☐

Yes

☐

No

☐

Not sure

*We also plan to trade our technical tree management services including inspections, surveys and works. Is this something that you support?*

☐

Yes

☐

No

☐

Not sure

## MAKING BETTER USE OF OUR BUILDINGS

78 % of you recently told us that you are in favour of the Council continuing its policy of better utilising Council buildings with a focus on quality service provision and community activities.

**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?**

☐

Yes

☐

No

☐

Not sure

**How useful do you find Hubs?**

☐

Very useful

☐

Fairly useful

☐

Not very useful

☐

Not useful at all

☐

Not applicable

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.

**Is there anything else you would like to see provided in Hubs?**

☐

Exercise classes

☐

Adult learning courses

☐

Reading groups

☐

Art classes

☐

Lunch clubs

☐

Credit Union

☐

Citizens Advice Bureau

☐

Into Work Services

☐

Coffee Mornings

☐

Ancestry sessions

☐

Quizzes

☐

Reminiscence Sessions to support those affected by Dementia

☐

Other – please specify

**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?*

	Yes	No	Don't Know
<i>Adult learning classes</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<i>Into Work Sessions and Activities</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<i>Digital Inclusion sessions</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<i>Luncheon clubs</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<i>Meeting spaces for community groups</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<i>Private Celebrations/hire</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<i>Use of sporting facilities</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<i>Other – please specify</i>	<input type="text"/>		

## 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?**

☐ Yes

☐ No

**If yes, please tell us how many hours (approximately) you volunteer a month?**

**Please indicate whether you currently volunteer or would be interested in volunteering in the following roles (please tick all that apply)**

	Already	Interested		Already	Interested
Becoming a school governor	<input type="radio"/>	<input type="radio"/>	Befriending	<input type="radio"/>	<input type="radio"/>
Supporting lunch clubs	<input type="radio"/>	<input type="radio"/>	Libraries	<input type="radio"/>	<input type="radio"/>
Household maintenance	<input type="radio"/>	<input type="radio"/>	Gardening	<input type="radio"/>	<input type="radio"/>
Supporting digital inclusion	<input type="radio"/>	<input type="radio"/>	Litter picks	<input type="radio"/>	<input type="radio"/>
Pet care/dog walking	<input type="radio"/>	<input type="radio"/>	Park maintenance	<input type="radio"/>	<input type="radio"/>
Assisting with Meals on Wheels	<input type="radio"/>	<input type="radio"/>	Fundraising	<input type="radio"/>	<input type="radio"/>
Employment support/CV assistance				<input type="radio"/>	<input type="radio"/>
Supporting vulnerable people shopping				<input type="radio"/>	<input type="radio"/>
Driving elderly/vulnerable people to appointments				<input type="radio"/>	<input type="radio"/>
Working with children and young people / after school clubs/play and youth opportunities				<input type="radio"/>	<input type="radio"/>

Other – please specify

**Would you be more likely to volunteer if you knew that you were helping someone in your own local community?**

☐ Yes

☐ No

☐ Don't know

**If you would be happy to be contacted about potential volunteer opportunities, please tick this box ☐ and provide contact details:**

**Name**

**Email**

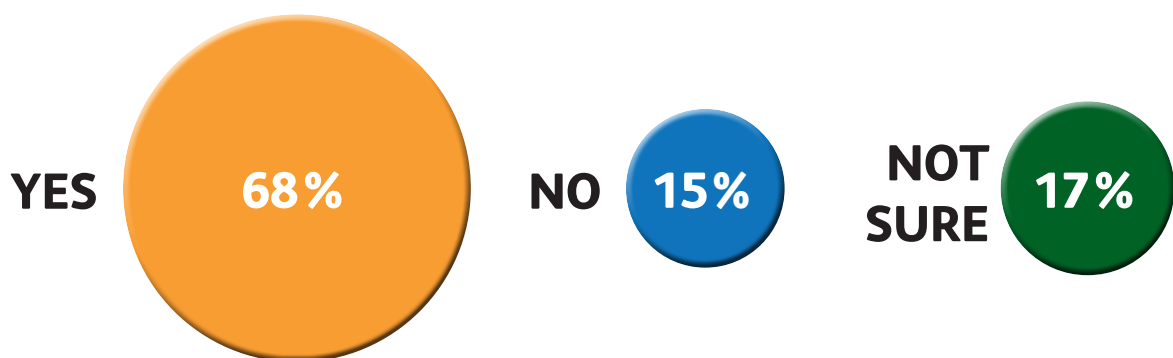
**Telephone**

**Postcode**

## GOING DIGITAL

More than two thirds (68 %) of you recently told us that you “support investment in IT (Information Technology) to increase opportunities for ‘Self-service’”. The City of Cardiff Council is 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.

### DO YOU SUPPORT INVESTMENT IN INFORMATION TECHNOLOGY TO INCREASE OPPORTUNITIES FOR “SELF-SERVICE”?



**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?**

☐ Yes ☐ No ☐ Not sure

**If you have responded 'No' please explain why**

**Do you have a relative or loved one with any of the following? (Please tick all that apply)**

☐ Dementia ☐ Mobility impairment ☐ Sensory impairment  
☐ Mental health ☐ Learning disability

**Would you be interested in any of the following services?**

	Yes	No	Not Sure	N/A
A Telecare system in the home	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The installation of Telecare in your home with an additional mobile response service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
An early stage dementia mobile monitoring device, such as a specialist watch	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Registration Services** - We are currently planning to design 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?** ☐ Yes ☐ No ☐ Not sure

**If 'No' please explain why**

## 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?***

☐ Yes ☐ No ☐ Not Sure

***If 'No' please explain why***

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?***

☐ Yes ☐ No ☐ Not Sure

***Do you agree that the Council should support individuals in accessing community facilities to enable them to live independently and achieve their personal outcomes?***

☐ Yes ☐ No ☐ Not Sure

***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 at the first point of contact enabling people to retain their independence for as long as is possible?***

☐ Yes ☐ No ☐ Not Sure

The way that we work within neighbourhoods is also being reviewed. We want to refresh the existing approach by supporting local residents and stakeholders 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?***

☐ Yes ☐ No ☐ Don't Know

***Would you like to be involved in 'social action' initiatives to help tackle issues in your local community?***

☐ Yes ☐ No ☐ Don't Know

***How would you like to be involved? (Tick all that apply)***

☐ Attending meetings

☐ Online

☐ Through local events

☐ Through local events

☐ Through existing networks or community groups (please specify)

☐ Other – Please specify

***When would be the best time to have an event/meeting?***

Weekday ☐ Daytime ☐ Evening ☐ Mix

Weekend ☐ Daytime ☐ Evening ☐ Mix

Mix ☐ Daytime ☐ Evening ☐ Mix



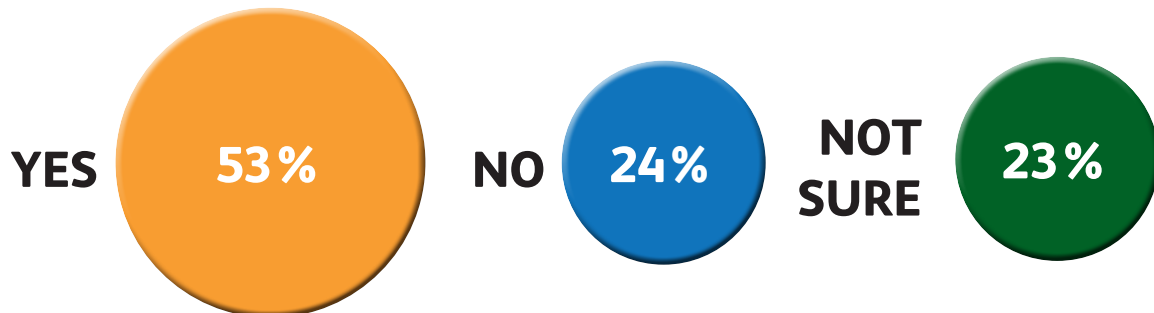




## INCREASING FEES AND CHARGES

Reductions in funding and increased demand for our services mean that difficult choices, including increased fees and charges, remain options for consideration. More than half (53 %) of you recently told us that you would support the Council in charging the public more for some services if it meant that they could be maintained or improved.

**WOULD YOU SUPPORT THE COUNCIL IN CHARGING THE PUBLIC MORE FOR SOME OF THESE SERVICES IF IT MEANT THAT THEY COULD BE CONTINUED?**



**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?*

- ☐ Very satisfied     
 ☐ Fairly satisfied     
 ☐ Neither satisfied nor dissatisfied  
☐ Fairly dissatisfied     
 ☐ Very dissatisfied     
 ☐ Not sure

*Do you support the proposal to increase the cost of registration ceremonies by 4-5%?*

- ☐ Yes     
 ☐ No     
 ☐ Don't Know

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?***

☐ Yes ☐ No ☐ Don't Know

***How satisfied do you feel about the Cemetery and Cremation service?***

☐ Very satisfied ☐ Fairly satisfied ☐ Neither satisfied nor dissatisfied  
☐ Fairly dissatisfied ☐ Very dissatisfied ☐ Not sure

***Do you support the proposal to increase the cost?***

☐ Yes ☐ No ☐ Don't Know

***Do you have any further comments regarding the City of Cardiff's Bereavement Service?***

**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

*Does your household use the School Meals Service?*

☐ Yes ☐ No ☐ N/A

*Do you support the proposal to increase the cost of school meals by 10p each day?*

☐ Yes ☐ No ☐ N/A

*Do you have any further comments regarding the School Meals Service?*

## ADDITIONAL COMMENTS

Please provide any additional comments that you wish to make on the budget proposals below:

## ABOUT YOU

Any data supplied by you on this form will be processed in accordance with The Data Protection Act requirements and in supplying it you consent to the City of Cardiff Council processing the data for the purpose for which it is supplied. All personal information provided will be treated in the strictest confidence and will only be used by the City of Cardiff Council or disclosed to others for a purpose permitted by law.

*To enable us to identify the views of residents on a neighbourhood basis, please*

*provide us with your postcode. **CF***

*Please tick from the list below which best describes you:*

☐ Member of the general public

☐ City of Cardiff Council Employee

☐ Individual business person

☐ Representing a group of businesses

(specify)

☐ Member of a third sector organisation

(specify)

☐ Member of a strategic partner organisation

(specify)

☐ Member of a community group or forum

(specify)

☐ A City of Cardiff Councillor

☐ Cardiff Partnership

☐ Other

(specify)

**What gender do you identify as?**

☐ Male

☐ Female

☐ Other

☐ Prefer not to say

Please state the term you prefer

**What was your age on your last birthday?**

- ☐ Under 16    ☐ 16-24    ☐ 25-34    ☐ 35-44  
☐ 45-54    ☐ 55-64    ☐ 65-74    ☐ 75+

**Which of the following best describes what you are doing at present? Please tick one box only**

- ☐ Working full time (more than 30 hours per week)  
☐ Working part time (less than 30 hours per week)  
☐ Unemployed (Registered Job Seeker)  
☐ Unemployed (Unregistered but seeking work)  
☐ Working on a zero hours contract    ☐ Wholly retired from work  
☐ On a government training scheme    ☐ In full time education  
☐ Permanently sick or disabled person    ☐ Looking after home  
☐ Caring for a child or adult    ☐ Other - specify

**Do you identify as a disabled person?**

- ☐ Yes    ☐ No    ☐ Prefer not to say

**Please tick any of the following that apply to you:**

- ☐ Deaf / Deafened/ Hard of hearing    ☐ Mental health difficulties  
☐ Learning impairment / difficulties    ☐ Mobility impairment  
☐ Long-standing illness or health condition (e.g. cancer, HIV, diabetes, or asthma)  
☐ Visual impairment    ☐ Wheelchair user  
☐ Prefer not to say    ☐ Other - specify

**How would you describe your sexual orientation?**

- ☐ Bisexual      ☐ Gay Man      ☐ Gay Woman      ☐ Lesbian  
☐ Heterosexual/straight      ☐ Other      ☐ Prefer not to say

**What is your ethnic group?****WHITE**

- ☐ Welsh      ☐ English      ☐ Scottish      ☐ Northern Irish      ☐ British  
☐ Irish      ☐ Gypsy or Irish Traveller      ☐ Other (specify)

**ASIAN / ASIAN BRITISH**

- ☐ Indian      ☐ Pakistani      ☐ Bangladeshi      ☐ Chinese  
☐ Other (specify)

**MIXED / MULTIPLE ETHNIC GROUPS**

- ☐ White and Black Caribbean      ☐ White and Black African  
☐ White & Asian      ☐ Other (specify)

**BLACK / AFRICAN / CARIBBEAN / BLACK BRITISH**

- ☐ African      ☐ Caribbean  
☐ Black British      ☐ Other (specify)

**OTHER**

- ☐ Arab      ☐ Prefer not to say  
☐ Any other ethnic group (specify)

# THANK YOU FOR YOUR TIME

Consultation opens:

**10th November 2016**

Consultation closes:

**11th December 2016**



Completed surveys can be dropped off at Libraries and Hubs or returned in the FREEPOST envelope provided or posted free of charge to FREEPOST CF3474, Atlantic Wharf, CF10 5GZ.



**2017/18 Savings Proposals - Overview**

<b>Summary of Directorate Savings</b>	<b>£000</b>
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	5,064
<b>Total Directorate Savings</b>	<b>13,331</b>

<b>Summary of Addressable Spend Savings</b>	<b>£000</b>
School Transport	380
Energy and Street Lighting	180
Externally Set	175
Corporate / Financial Resilience	2,985
Schools' Organisation Plan	100
Property Rental Income	90
<b>Total Addressable Spend Savings</b>	<b>3,910</b>

<b>Total Savings</b>	<b>17,241</b>
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DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18

				Budget		Saving							Cabinet Portfolio	Consultation Category
No.	Directorate	Theme	Proposal	X Ref	£000	Employee Costs	Other Spend	Income	2017/18 Total	Residual	Achievability	EIA		
CONSULT 1	City Operations	Partners and Others	<b>New Operating model for Leisure Centres</b> Following completion of procurement exercise and transfer of the operation of Cardiff Council's Leisure Centres to new operator.	L-P	771	0	414	0	414	Red-Amber	Red-Amber	Red-Amber	Community Development, Co-operatives & Social Enterprise	City Wide - Prior Year
CONSULT 2	City Operations		<b>Regulatory Collaboration</b> 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	133	47	0	0	47	Amber-Green	Amber-Green	Green	Skills, Safety, Engagement & Democracy	General
CONSULT 3	City Operations	Income / Commercialisation	<b>Commercialisation - improved charging and income generation projects</b> Increased fees and charges across city operations and improved collaboration with our advertising partner.	A-AK	(48,800)	0	0	187	187	Green	Amber-Green	Green	Transport, Planning & Sustainability	General
CONSULT 4	City Operations		<b>Transportation Policy - Improved Recharging</b> 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	Green	Green	Green	Transport, Planning & Sustainability	General
CONSULT 5	City Operations		<b>Planning Fee Income</b> Working with existing resources to maximise additional planning fee income from an anticipated increase in volume of Planning Applications.	AJ	(2,240)	0	0	100	100	Amber-Green	Amber-Green	Green	Transport, Planning & Sustainability	General
CONSULT 6	City Operations		<b>Parks - Plant Production Nursery (Retail / Wholesale Sales)</b> 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	Amber-Green	Amber-Green	Green	Environment	City Wide
CONSULT 7	City Operations		<b>Parks - Tree Management</b> 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	Amber-Green	Amber-Green	Green	Environment	City Wide
CONSULT 8	City Operations		<b>Registration, Births, Deaths &amp; Marriages</b> Generate additional income through a combination of volume and price increases.	R	(3,368)	0	0	10	10	Amber-Green	Amber-Green	Amber-Green	Environment	City Wide
CONSULT 9	City Operations	Internally Facing / C&P	<b>Realignment of Public Transport Income Budget</b> To reflect the 2016/17 monitoring position.	X	(12,327)	0	0	130	130	Green	Green	Green	Transport, Planning & Sustainability	General
CONSULT 10	City Operations		<b>Contract Rationalisation &amp; Improved Business Process Efficiencies (Electrical and Structure &amp; Tunnels)</b> Full Year effect of savings generated in 2016/17 following implementation of new contracts.	AE	456	0	67	0	67	Green	Green	Green	Transport, Planning & Sustainability	General
CONSULT 11	City Operations		<b>Maintenance Operations - Develop Asset Management System &amp; Shared Depots</b> Allows scheduling of work to reduce travel time and associated cost.	AF	1,972	0	20	0	20	Amber-Green	Amber-Green	Amber-Green	Transport, Planning & Sustainability	General
CONSULT 12	City Operations		<b>Review the Delivery of Maintenance Work Currently Undertaken by External Companies in Areas Including Housing and Parks</b> Work to improve performance in order to enable additional work to be undertaken internally, bringing external contracts back in-house for Infrastructure & Maintenance.	AF	(841)	0	50	0	50	Green	Green	Green	Transport, Planning & Sustainability	General
CONSULT 13	City Operations		<b>Directorate Transport - Vehicle Reduction/Rationalisation</b> Working with Central Transport Services to release under utilised vehicles & plant.	AF	653	0	25	0	25	Amber-Green	Amber-Green	Green	Transport, Planning & Sustainability	General
CONSULT 14	City Operations		<b>Street Lighting Recharging</b> 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	Amber-Green	Green	Green	Transport, Planning & Sustainability	General
CONSULT 15	City Operations		<b>Parks - Outdoor Sports</b> Reflects savings made through reduction in supplies and services expenditure in 2016/17.	J	198	0	25	0	25	Amber-Green	Amber-Green	Amber-Green	Environment	General

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18

				Budget		Saving							Cabinet Portfolio	Consultation Category
No.	Directorate	Theme	Proposal	X Ref	£000	Employee Costs	Other Spend	Income	2017/18 Total	Residual	Achievability	EIA		
CONSULT 16	City Operations	Internally Facing / C&P	<b>Improve Driver Training &amp; Awareness within Cleansing</b> Resulting in a reduction in accident and damage claims.	D	1,322	0	22	0	22	Amber-Green	Amber-Green	Green	Environment	General
CONSULT 17	City Operations	Grants / Subsidies	<b>Parks - Royal Horticultural Show - Removal of Council Subsidy</b> Council subsidy removed due to the ability of the event to be sustainable without financial support from the Council.	I	(437)	0	0	25	25	Amber-Green	Amber-Green	Green	Environment	General
City Operations Total						47	623	519	1,189					
CONSULT 18	Communities, Housing & Customer Services	Partners and Others	<b>New Approach to Locality and Neighbourhood Service Delivery</b> 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 we use our main budgets in a fully joined up way. To achieve this, we will change existing neighbourhood partnership arrangements to better consult local communities by identifying their priorities and utilise existing local networks which include Neighbourhood Police Teams, Community Hubs, Communities First 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	Amber-Green	Amber-Green	Amber-Green	Community Development, Co-operatives & Social Enterprise	Service Specific
CONSULT 19	Communities, Housing & Customer Services		<b>Llanover Hall - Sub lease</b> 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. 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 due to a common customer demographic.	V	231	0	55	0	55	Green	Red-Amber	Amber-Green	Skills, Safety, Engagement & Democracy	Service Specific
CONSULT 20	Communities, Housing & Customer Services	Income / Commercialisation	<b>Additional income in relation to Adult Community Learning</b> This is the staged achievement of the council Adult Community Learning service to a nil subsidy position. The Welsh Government grant to fully support the Learning of Work programme (as is currently the case) and only self-financing courses to be delivered by the Learning for Life programme (including the introduction of 1 day courses) to ensure all recreational courses are cost-neutral.	V	(1,302)	0	0	49	49	Green	Amber-Green	Amber-Green	Skills, Safety, Engagement & Democracy	General
CONSULT 21	Communities, Housing & Customer Services		<b>Commercialisation</b> 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	(419)	0	0	46	46	Green	Amber-Green	Green	Community Development, Co-operatives & Social Enterprise	General
CONSULT 22	Communities, Housing & Customer Services		<b>Recharging of utilities at Rover Way &amp; Shirenewton</b> 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	Amber-Green	Red-Amber	Amber-Green	Health, Housing & Wellbeing	Service Specific
CONSULT 23	Communities, Housing & Customer Services	Internally Facing / C&P	<b>Into Work Services - grant funded delivery</b> Universal Credit, Face to Face Services and grant funding and the alignment of the Adult Community Learning (ACL) Grant will be used to deliver the outcomes of the Into Work Services.	U	312	0	193	0	193	Red-Amber	Green	Amber-Green	Skills, Safety, Engagement & Democracy	General
CONSULT 24	Communities, Housing & Customer Services		<b>Disabled Facilities Fee Income</b> 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	Amber-Green	Amber-Green	Green	Health, Housing & Wellbeing	General

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18

				Budget		Saving								
				X Ref	£000	Employee Costs	Other Spend	Income	2017/18 Total				Cabinet Portfolio	Consultation Category
No.	Directorate	Theme	Proposal			£000	£000	£000	£000	Residual	Achievability	EIA		
CONSULT 25	Communities, Housing & Customer Services	Grants / Subsidies	<b>Grants Review</b> A review of the current grants process including externally funded programmes to identify areas where delivery can be joined up. In addition, a review of grants to realign costs and/or realise efficiencies.	K	1,438	0	176	0	176	Green	Amber-Green	Red-Amber	Health, Housing & Wellbeing	Service Specific
CONSULT 26	Communities, Housing & Customer Services	Technology	<b>More effective library stock management</b> 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	Red-Amber	Red-Amber	Amber-Green	Community Development, Co-operatives & Social Enterprise	General
Communities, Housing & Customer Services Total						120	754	209	1,083					
CONSULT 27	Corporate Management	Grants / Subsidies	<b>Reduction in the amount available to support events and market the City</b> Reducing the amount available to support events, market the City and take advantage of opportunities presenting themselves during 2017/18. However, instead 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	Green	Amber-Green	Green	Economic Development & Partnerships	General
Corporate Management Total						0	84	0	84					
CONSULT 28	Economic Development	Second / Third Yr	<b>St. David's Hall</b> Review of Costs, Income and Service Delivery	S	1,861	215	0	0	215	Amber-Green	Amber-Green	Red-Amber	Community Development, Co-operatives & Social Enterprise	General
CONSULT 29	Economic Development		<b>New Theatre</b> Review of Costs, Income and Service Delivery	T	1,442	201	0	0	201	Amber-Green	Amber-Green	Red-Amber	Community Development, Co-operatives & Social Enterprise	General
CONSULT 30	Economic Development	Income / Commercialisation	<b>Increase in Income - Economic Development</b> Generate additional income through advertising sites within the city infrastructure.	F	(72)	0	0	178	178	Green	Green	Green	Economic Development & Partnerships	General
CONSULT 31	Economic Development		<b>Increase in Income - Tourism</b> Generate additional income through tourism related commissions and progression of the marketing plan.	X	(429)	0	0	56	56	Green	Green	Green	Economic Development & Partnerships	General
CONSULT 32	Economic Development		<b>Increase in Income - Culture, Venues and Events Management</b> Generate additional income across the portfolio of cultural venues through increasing footfall, reflecting current income streams and planned new attractions.	W	(6,305)	0	0	473	473	Red-Amber	Red-Amber	Green	Community Development, Co-operatives & Social Enterprise	General
CONSULT 33	Economic Development		<b>Increase in Income - Strategic Estates</b> Increase income from the investment portfolio and operational estate	M	0	0	0	105	105	Red-Amber	Amber-Green	Green	Corporate Services & Performance	General
CONSULT 34	Economic Development		<b>Commercial Trade - Expanding markets</b> Continuing to grow our 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	Red-Amber	Amber-Green	Green	Environment	Service Specific
CONSULT 35	Economic Development		<b>Pest Control - Expanding Market Share</b> Exploring opportunities for expanding markets. Growing our market share through exploring opportunities for working with the private sector and other public bodies.	AS	0	0	0	20	20	Red-Amber	Amber-Green	Amber-Green	Environment	Service Specific
CONSULT 36	Economic Development		<b>Commercialisation - improved charging and income generation Security Services</b> Will be delivered through improved security services and income via internal and external bodies	AA-AL	(13,486)	0	0	44	44	Green	Red-Amber	Green	Environment	General
CONSULT 37	Economic Development		<b>Income generation from Building Cleaning services</b> To be delivered through a new commercial marketing and service delivery plan.	AO-AV	0	0	0	20	20	Green	Red-Amber	Green	Corporate Services & Performance	General
CONSULT 38	Economic Development		<b>Central Transport Services income generation</b> 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	Green	Red-Amber	Green	Corporate Services & Performance	General
CONSULT 39	Economic Development		<b>Review cost base on external contracts for Building Services</b> Review opportunities to deliver in house at lower cost.	AO-AV	0	0	50	0	50	Green	Red-Amber	Green	Corporate Services & Performance	General

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18				Budget		Saving								
						Employee Costs	Other Spend	Income	2017/18 Total					
No.	Directorate	Theme	Proposal	X Ref	£000	£000	£000	£000	£000	Residual	Achievability	EIA	Cabinet Portfolio	Consultation Category
CONSULT 40	Economic Development	Internally Facing / C&P	<b>Treatment &amp; Disposal - Increase in productivity</b> Improving maintenance and schedules to remove down time and loss of productive time	AH	2,292	20	50	0	70	Red-Amber	Amber-Green	Green	Environment	General
CONSULT 41	Economic Development		<b>Domestic - Round Performance Management</b> 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	Red-Amber	Amber-Green	Green	Environment	General
CONSULT 42	Economic Development		<b>Third Party Treatment</b> Additional income generated from treatment transfer facilities.	AC	(4,165)	0	0	50	50	Red-Amber	Amber-Green	Green	Environment	General
CONSULT 43	Economic Development		<b>Domestic - Improve Attendance at Work</b> Reduce dependency on agency across the re-cycling and waste service team	AC	5,815	50	0	0	50	Red-Amber	Amber-Green	Green	Environment	General
CONSULT 44	Economic Development		<b>Reducing Vehicle Costs in Commercial Services Fleet</b> 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	Red-Amber	Red-Amber	Green	Environment	General
CONSULT 45	Economic Development		<b>Efficiency Improvements to changes within Waste Services</b> 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	Red-Amber	Red-Amber	Green	Environment	General
CONSULT 46	Economic Development	Technology	<b>Materials Recycling Facility Auto sorter for plastics or plastics and paper (Treatment &amp; Disposal)</b> Invest to save to further automate areas of re-cycling processing plant and increasing capacity for further trading.	AH	(2,359)	0	0	138	138	Red-Amber	Green	Green	Environment	General
Economic Development Total						685	126	1,359	2,170					
CONSULT 47	Education	Partners and Others	<b>Reconfiguration of the Health and Safety support service provided to schools</b> The Council is currently exploring, with a neighbouring authority, whether it could offer a traded Health and Safety support solution to schools without requiring any subsidy to be held by the Council. If this collaboration is not realised the Council will push forward with the creation of its own traded Health & Safety service with schools.	AE	196	82	0	100	182	Amber-Green	Amber-Green	Red-Amber	Education	Service Specific
CONSULT 48	Education	Income / Commercialisation	<b>Increase in price of School Meals</b> 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	Amber-Green	Amber-Green	Green	Education	City Wide
CONSULT 49	Education		<b>Rationalisation of costing base for Traded Services</b> Over the past four financial years the Education Directorate has moved, through the medium term financial plan of the Council to a net nil financial subsidy position for it's three traded services; Music Services, Storey Arms and in 2017/18 the School Meals Service. However in moving to that position there has not been a proper realignment of the central support costs that should be attributable to those services. The saving made for the Education Directorate will be achieved through the realignment of those costs against these three trading services thus releasing budget elsewhere within the Directorate.	x	(6,419)	0	0	500	500	Amber-Green	Amber-Green	Green	Education	General
CONSULT 50	Education	Internally Facing / C&P	<b>Rationalisation of staff and costs centrally retained to provide services of a specialised nature</b> 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	Amber-Green	Amber-Green	Green	Education	Service Specific

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18				Budget		Saving								
						Employee Costs	Other Spend	Income	2017/18 Total					
No.	Directorate	Theme	Proposal	X Ref	£000	£000	£000	£000	£000	Residual	Achievability	EIA	Cabinet Portfolio	Consultation Category
CONSULT 51	Education	Internally Facing / C&P	<b>Rationalisation of the costs of the Pupil Referral Unit</b> 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	200	0	0	200	Amber-Green	Red	Green	Education	General
CONSULT 52	Education		<b>Rationalisation of centrally held budgets for school related issues</b> 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	Green	Amber-Green	Green	Education	General
CONSULT 53	Education		<b>Reduction in Central budget for the Education Welfare Team</b> In recent years much work has been done between schools and the Central Team to improve the attendance service, which has resulted in a significant improvement in pupil attendance across the city. The Central EWS Team has become involved in individual cases which have to be escalated sometimes through the legal process. This budget saving will be achieved through a reduction in the staffing capacity within the service.	H	849	100	0	0	100	Amber-Green	Amber-Green	Green	Education	General
CONSULT 54	Education		<b>Central Staffing Costs</b> Education Directorate - Central staffing and management 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	Red-Amber	Amber-Green	Amber-Green	Education	General
CONSULT 55	Education	Grants / Subsidies	<b>Reduction in contribution towards the Central South Consortium</b> 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	Amber-Green	Amber-Green	Green	Education	General
CONSULT 56	Education	Second / Third Yr	<b>Youth Service Budget</b> 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	250	0	0	250	Amber-Green	Red-Amber	Red-Amber	Education	City Wide - Prior Year
Education Total						807	480	1,084	2,371					
CONSULT 57	Governance & Legal Services	Income / Commercialisation	<b>Achieve efficiency savings by centralising external legal spend from across the Council</b>	B	(899)	0	0	55	55	Red-Amber	Red-Amber	Green	Skills, Safety, Engagement & Democracy	General
CONSULT 58	Governance & Legal Services	Internally Facing / C&P	<b>Review of overheads across the service</b>	A-J	3,493	0	47	0	47	Red-Amber	Red-Amber	Green	Skills, Safety, Engagement & Democracy	General
Governance & Legal Services Total						0	47	55	102					



DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18

				Budget		Saving							Cabinet Portfolio	Consultation Category
No.	Directorate	Theme	Proposal	X Ref	£000	Employee Costs	Other Spend	Income	2017/18 Total	Residual	Achievability	EIA		
CONSULT 59	Resources	Income / Commercialisation	<b>Income Generation - Enterprise Architecture</b> Utilising the Enterprise Architecture function to generate income from either delivered internal savings or external services provided to other public sector bodies.	I	(16)	0	0	120	120	Amber-Green	Amber-Green	Green	Corporate Services & Performance	General
CONSULT 60	Resources		<b>Income generation - Cardiff Academy</b> 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 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	96	96	Red-Amber	Red-Amber	Green	Corporate Services & Performance	General
CONSULT 61	Resources		<b>Commissioning &amp; Procurement Local Authority Trading Company</b> A proposed 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	Amber-Green	Amber-Green	Green	Corporate Services & Performance	General
CONSULT 62	Resources	Internally Facing / C&P	<b>Further reduction in posts in Accountancy following review of responsibilities</b>	C	3,092	90	0	0	90	Amber-Green	Amber-Green	Green	Corporate Services & Performance	General
CONSULT 63	Resources		<b>Reviewing Business Process Efficiencies in Internal Audit</b>	D	1,078	15	0	0	15	Green	Amber-Green	Green	Corporate Services & Performance	General
CONSULT 64	Resources		<b>Information Governance - Increasing Income from Services Provided</b>	B	(13)	0	0	10	10	Amber-Green	Amber-Green	Green	Corporate Services & Performance	General
CONSULT 65	Resources		<b>Reduction in external telephony spend</b> 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	Red-Amber	Amber-Green	Green	Corporate Services & Performance	General
CONSULT 66	Resources		<b>Reduction in Staffing Budget</b> Reduction of one post in ICT.	Q	4,257	35	0	0	35	Amber-Green	Amber-Green	Green	Corporate Services & Performance	General
CONSULT 67	Resources		<b>Reduction in external ICT spend</b> Reduction in ICT spend through a reduction in ICT funded licences, and reduction or removal of support contracts.	R	2,398	0	204	0	204	Red-Amber	Red-Amber	Green	Corporate Services & Performance	General
CONSULT 68	Resources		<b>Review of staff structure in Organisational Development</b> The proposal will be 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 mobile working within the team will increase productivity and will help to minimise the impact of post reductions. 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	Green	Green	Green	Corporate Services & Performance	General
CONSULT 69	Resources		<b>Human Resources Business Efficiencies</b> Deletion of up to 4 FTE posts via existing vacancies and temporary contracts. 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	102	0	0	102	Red-Amber	Red-Amber	Green	Corporate Services & Performance	General
CONSULT 70	Resources		<b>Reduction in Cabinet Office</b> Staffing reduction in the Cabinet Office and Policy Team.	T	544	27	0	0	27	Green	Green	Green	Economic Development & Partnerships	General
CONSULT 71	Resources		<b>Emergency Management</b> Streamlining ICT and other office resource, enhance remote working practices and target income generation from public & private sector bodies.	X	(20)	0	2	3	5	Green	Red-Amber	Green	Corporate Services & Performance	General

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18				Budget		Saving								
						Employee Costs	Other Spend	Income	2017/18 Total					
No.	Directorate	Theme	Proposal	X Ref	£000	£000	£000	£000	£000	Residual	Achievability	EIA	Cabinet Portfolio	Consultation Category
CONSULT 72	Resources	Grants / Subsidies	<b>Alternative Model for Funding Potential Key Events</b> 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	Amber-Green	Amber-Green	Red-Amber	Skills, Safety, Engagement & Democracy	City Wide
CONSULT 73	Resources	Technology	<b>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.</b>	E	3,408	154	0	0	154	Green	Red-Amber	Amber-Green	Corporate Services & Performance	General
CONSULT 74	Resources		<b>Business Support Restructure which will reflect process and technological changes such as flexitime, post room and business support.</b>	A	1,828	90	3	5	98	Amber-Green	Red-Amber	Green	Corporate Services & Performance	General
Resources Total						685	279	304	1,268					
CONSULT 75	Social Services	Partners and Others	<b>Reinforce process for Continuing Healthcare (CHC) funding where primary health needs have been identified</b> 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 we will actively pursue potential CHC funding for older people with particular emphasis on those in the community who have identified primary health needs. In 2018/19 both Children's and Adult Services will collectively review and reinforce the local authority process for triggering assessment for continuing Health Care funding to ensure that the identified needs of individuals are being supported by the appropriate organisation.	T	27,492	0	350	0	350	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing	Service Specific
CONSULT 76	Social Services		<b>Review of Social Work Resource in Hospitals</b> 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 and to establish the impact of alternative models.	O	32,779	90	0	0	90	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing	Service Specific
CONSULT 77	Social Services		<b>Review level of continuing health care funding for children's placements</b> Review with health partners, relative contributions to children's residential placements.	H	17,609	0	150	0	150	Red-Amber	Red-Amber	Red-Amber	Early Years, Children & Families	Service Specific
CONSULT 78	Social Services		<b>Reduce Therapy Costs in Children's Services</b> 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	Red-Amber	Red-Amber	Red	Early Years, Children & Families	Service Specific
CONSULT 79	Social Services		<b>Joint commissioning of residential and nursing home beds with Health to create efficiencies</b> Joint commissioning of residential and nursing home beds with Health to create efficiencies through a new procurement model.	O	30,592	0	130	0	130	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing	Service Specific
CONSULT 80	Social Services	Internally Facing / C&P	<b>Remodelling of Children's Services</b> 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. There are currently redeployment / VS implications for this proposal. 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	Red-Amber	Red-Amber	Red	Early Years, Children & Families	General
CONSULT 81	Social Services		<b>Review Emergency Accommodation Service for Learning Disability</b> Review Emergency Accommodation Service for services users with Learning Disabilities and consider remodelling the social care crisis service to merge with the reprovision of Respite provision.	T	30,589	0	290	0	290	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing	General



DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18				Budget		Saving								
						Employee Costs	Other Spend	Income	2017/18 Total					
No.	Directorate	Theme	Proposal	X Ref	£000	£000	£000	£000	£000	Residual	Achievability	EIA	Cabinet Portfolio	Consultation Category
CONSULT 82	Social Services	Internally Facing / C&P	<b>Incentivise and work with external providers to improve efficiencies and reduce costs</b> Incentivise and work with external providers to improve efficiencies and reduce costs - utilise 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	120	0	120	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing	City Wide
CONSULT 83	Social Services		<b>Retender Mental Health (MH) Supported Living Service</b> Retender MH Supported Living Service - to review the specification and retender existing service in order to improve efficiencies and value for money.	W	6,824	0	150	0	150	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing	General
CONSULT 84	Social Services		<b>Retender/reconfigure external provider contract with University Health Board (UHB) for specialised day care</b> 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 provider to deliver care in the most effective and efficient manner.	T	30,589	0	170	0	170	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing	Service Specific
CONSULT 85	Social Services		<b>Review domiciliary model of delivery</b> 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	60,225	0	125	0	125	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing	General
CONSULT 86	Social Services		<b>Reduce and prevent reliance on statutory services utilising Information Advice and Assistance assessment and review</b> 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 recognises 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	60,225	0	250	0	250	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing	General
CONSULT 87	Social Services		<b>Re-modelling of skill mix within Adults Social Work Teams</b> 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	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing	Service Specific
CONSULT 88	Social Services		<b>Review the level of Learning Disability (LD) college placements</b> 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	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing	Service Specific
CONSULT 89	Social Services		<b>Recommission of Children's Respite/Short breaks service</b> 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	Red-Amber	Red-Amber	Red	Early Years, Children & Families	Service Specific
CONSULT 90	Social Services	Grants / Subsidies	<b>Review level of third sector expenditure</b> Review all third sector day spend and consistently apply a percentage reduction to all third sector day opportunities 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	Red-Amber	Red-Amber	Red-Amber	Health, Housing & Wellbeing	Service Specific - Prior Year

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2017/18				Budget		Saving							Cabinet Portfolio	Consultation Category
						Employee Costs	Other Spend	Income	2017/18 Total					
No.	Directorate	Theme	Proposal	X Ref	£000	£000	£000	£000	£000	Residual	Achievability	EIA		
CONSULT 91	Social Services	Second / Third Yr	<b>Locality based service delivery</b> 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	Red-Amber	Red-Amber	Amber-Green	Health, Housing & Wellbeing	City Wide - Prior Year
CONSULT 92	Social Services		<b>Adolescent Resource Centre (ARC)</b> 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	Red-Amber	Red-Amber	Red-Amber	Early Years, Children & Families	Service Specific - Prior Year
CONSULT 93	Social Services		<b>Safer Families Initiative</b> 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 pilot 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	Amber-Green	Amber-Green	Red-Amber	Early Years, Children & Families	Service Specific - Prior Year
CONSULT 94	Social Services		<b>Reduction in the Number of Children Placed in Out Of Area Placements</b> Second year impact of 2016/17 savings proposal - Review of children currently placed in out of area placements. Aim to step down children who are currently in residential care into alternative care settings, including enhanced fostering. Combine with other preventative initiatives aimed at reducing the number of looked after children in external placements.	H	17,609	0	1331	0	1,331	Red-Amber	Red-Amber	Amber-Green	Early Years, Children & Families	Service Specific - Prior Year
CONSULT 95	Social Services		<b>Early Help Strategy</b> Second year impact of 2016/17 savings proposal - introduction of 'Early Help Strategy' to promote and facilitate early interventions to tackle problems emerging for children, young people and their families. Steering Group developed with partners to establish and develop a multi-agency approach, promoting early support, better outcomes and more cost effective delivery of services. The aim is to reduce demand for external placements over a three year period.	H	17,609	0	488	0	488	Red-Amber	Red-Amber	Red-Amber	Early Years, Children & Families	Service Specific - Prior Year
Social Services Total						340	4,724	0	5,064					
Council Directorate Total						2,684	7,117	3,530	13,331					

## ADDRESSABLE SPEND BUDGET SAVINGS PROPOSAL SUMMARY 2017/18

ADDRESSABLE SPEND BUDGET SAVINGS PROPOSAL SUMMARY 2017/18					Budget	Saving							Cabinet Portfolio	Consultation Category
No.	A/S Category	Theme	Proposal	£000		Employee Costs	Other Spend	Income	2017/18 Total	Residual	Achievability	EIA		
CONSULT 96	Schools Transport	Second / Third Yr	<b>School Transport - Phased Increase in Bus Passes</b> Continuation of the phased increase in cost of bus passes to ensure match actual costs of provision	(82)	0	0	5	5	Green	Green	Amber-Green	Education	Service Specific	
CONSULT 97	Schools Transport		<b>School Transport -Additional Learning Needs Route Optimisation and Retendering of Routes/Mergers</b> 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	Green	Amber-Green	Amber-Green	Education	General	
CONSULT 98	Schools Transport	Partners and Others	<b>Additional Learning Needs - Review of Transport for Pupils Within 2/3 Miles (Primary/Secondary)</b> 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 of the individual child's needs based on Additional Learning Needs transport policy.	6,066	0	38	0	38	Red	Red-Amber	Amber-Green	Education	Service Specific	
CONSULT 99	Schools Transport		<b>School Transport - Replace Taxis/Buses with Bus Passes (Cardiff IFF cards) for Pupil Referral Units - Phased Approach</b> Pilot scheme to run at Greenhill School initially and if successful transfer to other PRU areas.	6,066	0	48	0	48	Red	Red	Green	Education	Service Specific	
CONSULT 100	Schools Transport		<b>Introduce Travel Support Allowance - Pilot Scheme</b> Replace taxi/bus provision with an advanced payment to parents. Parents are then responsible for pupils' transport to school. This will be provided on a termly basis.	2,173	0	100	0	100	Amber-Green	Amber-Green	Green	Education	Service Specific	
CONSULT 101	Energy	Second / Third Yr	<b>Street Lighting - Conversion to LED</b> Replace main route lighting with LED to reduce long term energy expenditure. Start date Mid November 2016.	2,173	0	60	0	60	Red-Amber	Amber-Green	Green	Transport, Planning & Sustainability	City Wide - Prior Year	
CONSULT 102	Energy		<b>Traffic Signals/Bollard - Conversion to LED</b> Replace traffic signals and bollard lighting with LED to reduce long term energy expenditure. Start date January 2017.	213	0	20	0	20	Green	Green	Green	Transport, Planning & Sustainability	General	
CONSULT 103	Energy	Internally Facing / C&P	<b>Energy - Change in Energy Procurement Strategy</b> 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	Green	Red-Amber	Green	Environment	General	
CONSULT 104	Energy		<b>Energy - Energy Efficiencies Within Council Buildings</b> 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	Amber-Green	Amber-Green	Green	Environment	General	
CONSULT 105	Energy		<b>Renewable Energy Generation</b> 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	10	0	10	Green	Amber-Green	Green	Environment	General	
CONSULT 106	Energy		<b>Energy - Reduction in bills across the estate through improved management and behaviour change (Carbon Reduction Strategy)</b> 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	Amber-Green	Amber-Green	Green	Environment	General	
CONSULT 107	Externally Set	Grants / Subsidies	<b>Precepts and Levies</b> Target 1% reduction	17,787	0	175	0	175	Amber-Green	Red-Amber	Green	Corporate Services & Performance	General	

ADDRESSABLE SPEND BUDGET SAVINGS PROPOSAL SUMMARY 2017/18

ADDRESSABLE SPEND BUDGET SAVINGS PROPOSAL SUMMARY 2017/18					Budget	Saving							
						Employee Costs	Other Spend	Income	2017/18 Total				
No.	A/S Category	Theme	Proposal	£000	£000	£000	£000	£000	Residual	Achievability	EIA	Cabinet Portfolio	Consultation Category
CONSULT 108	Corporate / Financial Resilience	Internally Facing / C&P	Insurance In line with recent claims experience	5,018	0	135	0	135	Amber-Green	Amber-Green	Green	Corporate Services & Performance	General
CONSULT 109	Corporate / Financial Resilience		Reduction in voluntary severance budget based on latest financial modelling information	5,804	1400	0	0	1,400	Green	Green	Green	Corporate Services & Performance	General
CONSULT 110	Corporate / Financial Resilience		Reduction in pension strain budget based on latest financial modelling information	2,500	1450	0	0	1,450	Green	Green	Green	Corporate Services & Performance	General
CONSULT 111	Schools Organisational Plan	Internally Facing / C&P	School Organisational Plan based on latest financial modelling information	7,193	0	100	0	100	Amber-Green	Amber-Green	Amber-Green	Education	General
CONSULT 112	Property	Internally Facing / C&P	Increase in Rental Income - Strategic Estates	(3,615)	0	0	90	90	Red-Amber	Amber-Green	Green	Corporate Services & Performance	General
Council Addressable Spend Total						2,850	965	95	3,910				
Council Total						5,534	8,082	3,625	17,241				

**CYNGOR DINAS CAERDYDD  
CITY OF CARDIFF COUNCIL**



**CABINET MEETING: 10 NOVEMBER 2016**

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**TREASURY MANAGEMENT MID-YEAR REPORT 2016-17**

**REPORT OF CORPORATE DIRECTOR RESOURCES**

**AGENDA ITEM: 3**

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

*Annexes A&B to Appendix 1 to this report are not for publication as they contain exempt information of the description in Paragraphs 14 and 21 of Schedule 12A of the Local Government Act 1972.*

**Reason for this Report**

1. To inform members of the Council's treasury management activities since 1 April 2016 and the position as at 30 September 2016.

**Background**

2. The Council's treasury management activities are governed by legislation and a Code of Practice developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) updated in 2011.

**Issues**

3. In the budget report of February 2010, Council adopted CIPFA's Treasury Management Code by formal acceptance of the Four Clauses of Treasury Management and Treasury Management Policy Statement as Council policy.
4. In accordance with these policies, this report provides members with a mid year update of Treasury Management activities as at 30 September 2016. 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.
5. The mid-year monitoring report and supporting Annexes are attached as Appendix 1 and is to be referred to Council on the 24 November 2016 after consideration by the Cabinet.

## **Reasons for Recommendations**

6. Council policy requires the Treasury Management Mid Year Report 2016-17 update to be submitted to Council.

## **Legal Implications**

7. No direct legal implications arise from this report.

## **Financial Implications**

8. The Council's treasury management activities are undertaken in accordance with the policies adopted by Council and under professional codes of conduct established by CIPFA, the Welsh Government and the Corporate Director Resources as part of Treasury Management Practices. This report is part of a suite of reports that members receive on the Council's treasury management activities during the course of a year. Whilst there are no direct financial implications arising from this report, the risks involved with treasury management are continuously reviewed in conjunction with the Council's treasury management advisors.

## **RECOMMENDATION**

Cabinet is recommended to agree that Council be recommended to note the Treasury Management Mid Year Report 2016-17 (Appendix 1)

**CHRISTINE SALTER**  
**Corporate Director**  
**4 November 2016**

*The following Appendix is attached:-*

Appendix 1: Treasury Management Mid Year Report 2016-17  
Confidential Annexe A – Investments at 30 September 2016  
Confidential Annexe B – Investment Charts at 30 September 2016  
Annexe C – Maturity Analysis of borrowing as at 30 September 2016  
Annexe D – Glossary of Treasury Management terms



## Appendix 1

Annexes A&B to this Appendix are not for publication as they contain exempt information of the description in Paragraphs 14 and 21 of Schedule 12A of the Local Government Act 1972.

### Treasury Management Mid-Year Report 2016-17

The City of Cardiff Council



## **Introduction**

- 1.1 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.
- 1.2 The Council carries out its treasury management activities in accordance with a code developed for public services in 2011 by the Chartered Institute of Public Finance and Accountancy (CIPFA) as well as Council approved policies and clauses adopted by Council in February 2010.
- 1.3 In accordance with these policies, this report provides members with a mid year update of Treasury Management activities as at 30 September 2016 and covers:-
  - the economic background to treasury activities
  - investments
  - borrowing
  - debt rescheduling
  - compliance with treasury limits and prudential indicators
  - strategy update for remainder of year.
- 1.4 Annexe D includes a glossary which defines key terms used in this report. During 2016/17, Audit Committee has received periodic updates on the position and performance of Treasury Management and the issues included in the report below. In addition Council received in September 2016 the Annual Report on the Outturn for Treasury Management for 2015/16.

## **Economic Background**

- 2.1 The referendum vote for Brexit in June resulted in an initial shock fall in economic indicators. Though it is generally accepted that the economy will now avoid flat lining, weak growth in the EU, China and emerging markets is also likely to result in weak UK growth. In response, the Bank of England reduced bank rate from 0.50% to 0.25% in August 2016. Exchange rate volatility is expected to increase inflation in the short term with a forecast of 2.4% in 2018.
- 2.2 The following table gives the Council's treasury management advisors, latest forecast of bank rate and Public Works Loan Board (PWLb) borrowing rates: The view is that there could be further reductions in the short term, without any increases until June 2018. However, this position will be kept under review as potential inflationary pressures increase.



	Sep-16	Mar-17	Mar-18	Mar-19
Bank Rate	0.25%	0.10%	0.10%	0.25%
5yr PWLB rate	1.01%	1.00%	1.10%	1.20%
10yr PWLB rate	1.52%	1.50%	1.60%	1.70%
25yr PWLB rate	2.27%	2.30%	2.40%	2.50%
50yr PWLB rate	2.10%	2.10%	2.20%	2.30%

- 2.3 It can be seen from the table that the cost of borrowing is significantly in excess of the rates that are available from investments. PWLB borrowing rates are based on Gilt yields which have seen a significant reduction due to economic uncertainty and a bond buying programme increasing demand for safe have assets. Whilst geo-political events can have short term impacts on rates, the overall long term forecast is for PWLB rates to rise slowly.

## Investment

- 3.1 The management of the Council's cash flows may involve temporary lending of surplus funds to low risk counterparties or temporary borrowing pending receipt of income.
- 3.2 The Council's investment priorities remain the security and then liquidity of its investments. The Council also aims to achieve the optimum return on its investments appropriate to these priorities.
- 3.3 The Council invests with financial institutions in accordance with criteria approved in the Treasury Strategy. The categories, names, periods and size limits on this list can be extended, varied or restricted at any time by the Corporate Director Resources under delegated powers. Based primarily on Fitch credit criteria and a number of other factors which the Council takes into account, lending to these institutions is subject to time and size limits and credit worthiness continues to be carefully monitored.
- 3.4 Given that bank rates are historically low, and the damping effect on interest rates that the Government's Funding for Lending Scheme rates of investment return also remain low.
- 3.5 At the 30 September 2016, investments stood at £88.9 million. These temporary funds fluctuate daily and arise for a number of reasons, including the timing differences between the receipt of grant and other income and the utilisation of these funds on salaries and other operating costs. It includes the level of reserves, provisions, and other balances. It is also affected by the timing of borrowing and capital expenditure transactions. **Annexe A** shows with whom these investments were held as at 30 September 2016. These are all deemed recoverable.

3.6 A selection of performance indicators and benchmarking charts, is included in **Annexe B** as follows:-

- **Counterparty exposure** displays actual investment against the maximum permitted directly with an organisation. This demonstrates that we are not exceeding any exposure limits.
- **Remaining maturity profile of investments.** This shows the duration of investments is spread and taking advantage of slightly higher rates for longer term investment up to one year where reasonable to do so.
- **Investments by institution.** This expresses the investments held with different institutions as a percentage of the total and shows diversification is sought where possible.
- **Geographic spread of investments** as determined by the country of origin of relevant organisations. All countries are rated AA and above as per our approved criteria and are licensed to take UK deposits. Investments are in Sterling only.
- **Investments by Financial Sector.** The majority of investments continue to be with banks.

3.7 Whilst a difficult figure to forecast due to the uncertainty of the markets, cash flows and the number of variables that impact on the figure, the forecast level of interest receivable from treasury investments for 2016/17 is £490,000 as included in our current projections for capital financing in the Month 6 Budget Monitoring Report for the Council. The return achieved since the start of the year is 0.68% compared to the benchmark 7 day London Interbank Bid Rate (LIBID) of 0.28% and 3 month LIBID 0.38%.

3.8 The Council currently uses the Debt Management and Deposit Facility (DMADF) as a last resort if no alternative investment opportunities are available. The maximum rates available from the facility are 0.15%.

## **Borrowing**

4.1 Long term borrowing is undertaken to finance the Council's Capital Programme and the main sources of borrowing currently are the PWLB and the Money Markets. The Council does not separate General Fund and Housing Revenue Account borrowing as all borrowing is the liability of the Council.

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

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

4.3 The level of CFR is dependant on a range of factors including progress in implementing the Capital Programme during the year so estimates can change.

4.4 At 30 September 2016, the Council had £674.1 million of external borrowing predominantly made up of fixed interest rate borrowing from the PWLB payable on maturity.

31-Mar-16			30-Sep-16	
£m	Rate (%)		£m	Rate (%)
612.8		Public Works Loan Board (PWLB)	620.8	
52.0		Market	52.0	
0.5		Welsh Government	0.5	
0.8		Other	0.8	
<b>666.1</b>	<b>4.84</b>	<b>Total External Debt</b>	<b>674.1</b>	<b>4.81</b>

#### New borrowing undertaken during the year to date

4.5 Two new loans have been undertaken from the PWLB totalling £10 Million at an average rate of 2.53% and an average maturity of forty three years.

#### Maturing Loans in year to date

4.6 Annexe C shows the maturity profile of the Council's borrowing as at 30 September 2016. PWLB loans of £2 million have been repaid in the first half of this year, with a further £3.6 million of PWLB loans and £1 million of Market loans due to be repaid by 31 March 2017. Unless the Council's Lender Option Borrower Option loans (LOBO's) are required to be repaid early, very little debt matures within the next 10 years.

4.7 (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.

4.8 The Council has 6 such loans totalling £51 million and apart from the option to increase rates, these loans are comparable to PWLB and have no other complications such as variation in interest rates or complex terms.

- 4.9 Interest rates on the Council's loans range between 3.81% and 4.35% which are not unreasonable and are below the Council's average rate of interest payable. Details of the loans are shown in the table below.

£m	Potential Repayment Date	Option Frequency	Full Term Maturity
6	21/11/2016	6 months	21/11/2041
6	21/11/2016	6 months	21/11/2041
6	21/11/2016	6 months	23/05/2067
6	01/03/2017	6 months	23/05/2067
5	15/01/2018	5 years	17/01/2078
22	21/11/2020	5 years	23/11/2065

- 4.10 LOBO's to the value of £24 million are subject to the lender potentially requesting a change in the rate of interest payable every six months, which could trigger early repayment. This is deemed unlikely and any risk is a manageable refinancing risk as LOBO's form a relatively low proportion of the Council's overall borrowing at 7.6%.

#### Borrowing Strategy

- 4.11 The borrowing strategy outlined in the February 2016 budget report indicated that:-

*Whilst investment rates remain lower than long term borrowing rates internal borrowing will be used to minimise short-term costs where possible. The forecast level of internal borrowing at 31 March 2016 in relation to the CFR is deemed manageable. However, based on the current forecasts of future capital expenditure plans and high level analysis of the sustainability of internal borrowing from the Council's balance sheet position for future years, external borrowing will be required to be undertaken in the medium term.*

- 4.12 As is shown in above, long term borrowing rates are significantly higher than investment rates which mean that the cost of undertaking new borrowing would have a negative impact on the revenue budget. External borrowing may be deferred in order to minimise short term costs by using temporary cash balances to pay for capital expenditure rather than placing in an investment. This is termed 'internal borrowing'. However deferring borrowing is only a short term measure and could expose the Council to higher borrowing rates and costs in the future. The Council has taken an approach of undertaking external borrowing for an element of any borrowing requirement to mitigate any such risk.
- 4.13 If no further borrowing is undertaken, the value of external loans at 31 March 2017 will be £669.5 million. At the same point, the Council's need to

borrow for capital expenditure purposes, its Capital Financing Requirement (CFR), is currently forecast to be circa £724 million (General Fund £446 million and HRA £278 million). Without any further borrowing this financial year internal borrowing could be £55 million, which is deemed manageable.

- 4.14 It is currently assumed that no further external borrowing will take place during the remainder of this financial year. This has been factored into the Month 6 revenue budget monitoring position with the estimated total interest payable on borrowing for 2016/17 being £32.4 million.

### **Debt Rescheduling**

- 5.1 No debt rescheduling or early repayment of debt has been undertaken to date. The main obstacle remains the level of premium (penalty) that would be chargeable on early repayment by the PWLB. The premium payable on the balance of PWLB loans at 30 September 2016 which are eligible for early repayment (£403 million) is £348 million. This premium is payable primarily because:-

- Interest rates on loans of equivalent maturities compared to those held are currently lower
- A penalty rate or lower early repayment rate was introduced by HM Treasury in November 2007, which increased the cost of premiums and reduced flexibility of Local Authorities to make savings. This remains an obstacle in the ability of local authorities to manage debt more effectively.

- 5.2 Whilst the cost of Premiums can be spread over future years, options for restructuring that have been considered result in an adverse Net Present Value (NPV). Whilst there may have been short terms savings, these were outweighed by potentially longer term costs and not deemed cost effective.

- 5.3 Opportunities for restructuring will continue to be considered in conjunction with our Treasury advisors and reported to Audit Committee periodically as part of standard Treasury Management updates which Cabinet and Council receive.

### **Compliance with treasury limits and prudential indicators**

- 6.1 During the financial year to date, the Council has operated within the treasury limits and prudential indicators set out in the annual Treasury Management Strategy in February 2016.
- 6.2 Following Housing Finance Reform the Council complies with an indebtedness cap in the Housing Revenue Account of £316.5 million. This will need to be monitored closely as part of the Treasury Strategy and HRA Business Planning process.

## **Strategy update for the remainder of 2016/17**

- 7.1 During the remainder of the year, the reduction in Bank of England base rate to 0.25% in August 2016 and impact on interest rates for both investments and borrowing will continue to be reviewed. A strategy of maintaining internal borrowing to maximise short term savings will continue for the next 6 months.
- 7.2 A further update on Treasury Management will be included in the Treasury Management Strategy for 2017/18 as part of the Budget Proposals in February 2017.

## **Annexes**

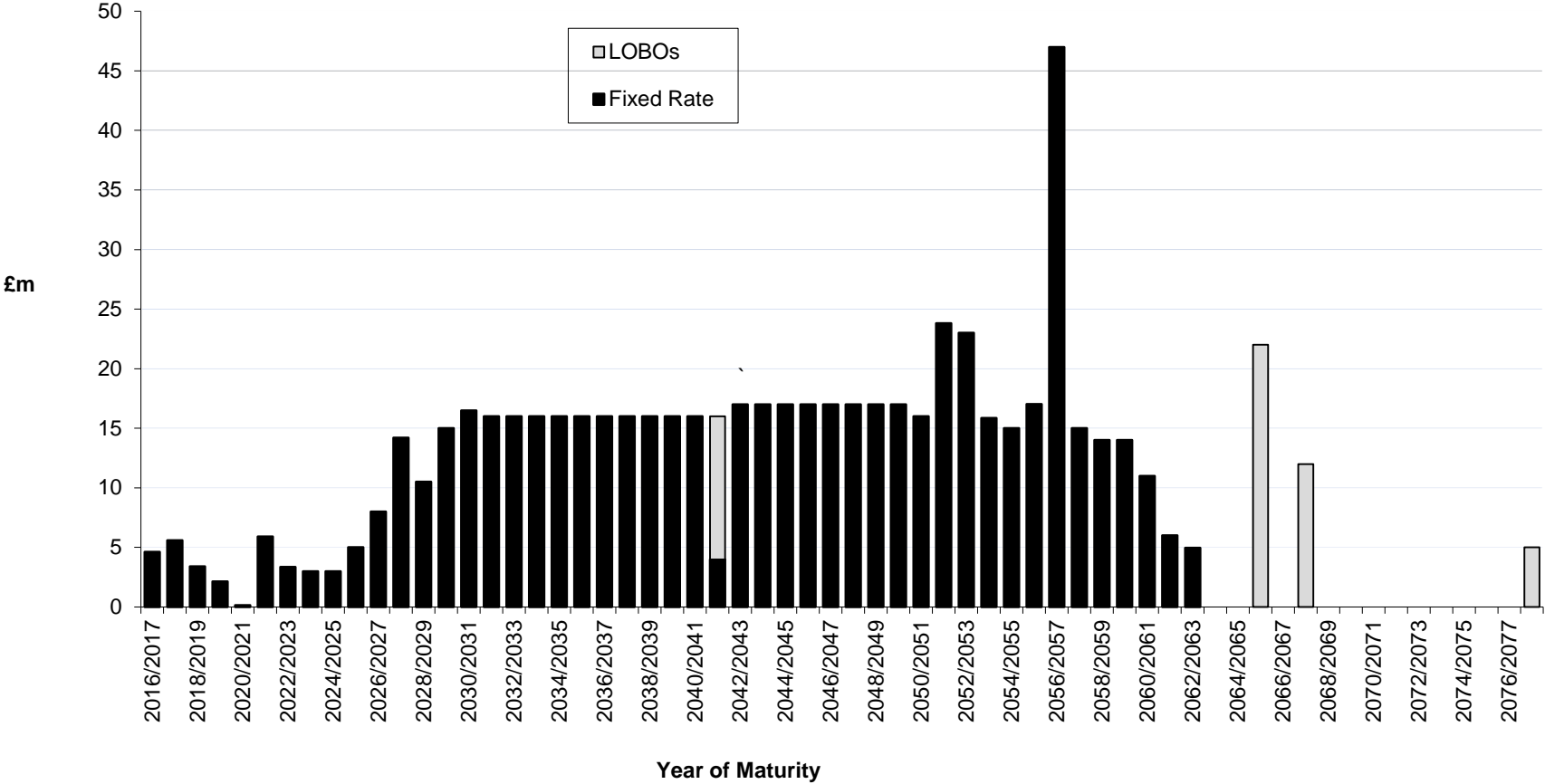
Confidential Annexe A – Investments at 30 September 2016

Confidential Annexe B – Investment Charts at 30 September 2016

Annexe C – Maturity Analysis of Borrowing as at 30 September 2016

Annexe D – Glossary of Treasury Management terms

Maturity Profile of Debt at 30 September 2016



### **Glossary of Terms - Treasury**

#### **Bank Rate**

The rate of interest set by the Bank of England as a benchmark rate for British banks.

#### **Borrowing**

Loans taken out by the authority to pay for capital expenditure or for the prudent management of the Council's financial affairs, which are repayable with interest.

#### **Counterparty**

One of the parties involved in a financial transaction.

#### **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 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, 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.

### **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.

### **Internal Borrowing**

Money borrowed from within the Council, sourced from temporary internal cash balances.

### **Investments**

The purchase of financial assets in order to receive income and/or make capital gain at a future time, however with the prime concern being security of the initial sum invested.

### **Lender Option Borrower Option Loans (LOBOs)**

Loans to the Council where the lender can request a change in the rate of interest payable by the Council at pre-defined dates and intervals. The Council at this point has the option to repay the loan.

### **Liquidity**

The ability of the Council to meet its financial obligations as they fall due.

### **Market Loans**

Borrowing that is sourced from the market i.e. organisations other than the Public Works Loan Board or a Public Body.

### **Minimum Revenue Provision**

This is the amount which must be charged to the authority's revenue account each year and set aside as provision for repaying external loans and meeting other credit liabilities. The prudent amount is determined in accordance with guidance issued by WG. This has the effect of reducing the Capital Financing Requirement (CFR).

### **Money Market Funds**

An investment fund which pools the investments of numerous depositors, spreading those investments over a number of different products and counterparties.

### **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.

### **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.

### **Specified Investments**

A term defined in WG investment regulations, referring to any investments for less than one year, in sterling, and where the principal sum to be repaid at maturity is the same as the principal sum invested. An investment not meeting the above criteria would be termed a Non-specified investment

### **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.

### **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 periodically in line with market rates.

### **Yield**

The annual rate of return paid out on an investment in securities, expressed as a percentage of the current market price of the relevant securities.

By virtue of paragraph(s) 14, 21 of Part(s) 4 and 5 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

Mae'r dudalen hon yn wag yn fwriadol

**CYNGOR DINAS CAERDYDD  
CITY OF CARDIFF COUNCIL**



**CABINET MEETING: 10 NOVEMBER 2016**

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**COMMISSIONING APPROACH FOR FLYING START CHILDCARE PLACES**

**REPORT OF DIRECTOR OF EDUCATION AND LIFELONG LEARNING**

**AGENDA ITEM: 4**

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**PORTFOLIO: EARLY YEARS, CHILDREN AND FAMILIES (COUNCILLOR SUE LENT).**

***Appendix 4 to this report is exempt from publication because it contains information of the kind described in Paragraph 16 of Part 4 of Schedule 12A to the Local Government Act 1972***

**Reason for this Report**

1. This report seeks to;
  - i. Seek authority to Direct Award 13 contracts for Flying Start Childcare places for 3 years with the option to extend for 1 more year. The annual value of the contracts is £717,405 and would commence on 1<sup>st</sup> April 2017 or before if possible.
  - ii. Seek authority to go out to an open tender on 7 contracts for Flying Start Childcare places for 3 years with the option to extend for 1 more year. The annual value of the contracts is £851,760.

**Background**

2. Flying Start is the Welsh Government's flagship early years' programme for families with children under 4 years of age and is targeted in some of the most deprived areas in Wales. It has been in place since 2006/7.
3. Flying Start Lower Super Output Areas (LSOA's) are determined on the basis of information provided by the Department of Work and Pensions and HMRC which shows the highest portion of children living in houses where families are in receipt of income benefits. It is not based on wards and LSOA's can cross more than one ward.
4. The Cardiff programme is the largest in Wales with the number of 0-3 year-old children targeted currently set at 4901. This represents approximately 25% of

the Cardiff 0-3 population. The Council receives an annual grant of £10.2million to deliver a range of Flying Start services to eligible families.

5. The primary focus of the programme is to improve the life chances of very young children through delivery of four core elements:
  - i. Quality part-time childcare for all 2-3 year olds in Flying Start areas (*12.5 hrs a week x 39 weeks*);
  - ii. Enhanced Health Visiting with 1:110 caseloads;
  - iii. Parenting programmes and support;
  - iv. Early language development
6. All eligible families must be able to access the four core elements and all investments must be based on well evaluated methods of working.
7. The report intends to outline the current commissioning arrangements and some of the associated risks and benefits together with the rationale for the future model for commissioning the childcare services within Flying Start.

### **Governance Arrangements**

8. The Council has a statutory duty under Section 26 of the Childcare Act to undertake a Childcare Sufficiency Assessment. The Act gives Local Authorities the duty of securing, so far as is reasonably practicable, provision of childcare in their area sufficient to meet the requirements of parents to enable them to work or undertake education or training leading to work.
9. Provision of childcare places to eligible families is a key requirement of the Welsh Government Flying Start grant terms and conditions. Local authorities are responsible for ensuring sufficiency and quality of places; settings and workforce, including ensuring that staff employed have appropriate levels of training and qualifications (level 3 NVQ/QCF for support workers and level 4 NVQ or the new Level 5 QCF equivalent for leaders).
10. The Welsh Government Flying Start guidance requires Local Authorities to give consideration to all childcare delivery options, including the mixed economy approach of private and voluntary settings as well as local authority delivery. It also requires local Authorities to follow their own procurement procedures if commissioning goods and services for Flying Start, taking all reasonable steps to ensure the best value for money attainable from Flying Start funding through the procurement of goods and services by open competition.
11. The Welsh Government Guidance requires the offer of a childcare placement to be available through either English or Welsh. The present commissioning approach allows the Council to offer Welsh medium provision with designated providers. Currently the Council contracts with the nearest Welsh medium provider to the required catchment area/LSOA.

### **Current Commissioning Model for Childcare Places**

12. The Council currently purchases c1225 part-time childcare places for all eligible 2-3 year olds during the school year, purchased across 34 child care

settings. These are contracted out to 18 providers. Currently 20 settings are out of contract.

13. The expenditure for the contracted childcare places equates to £2.7m per annum. All these child care settings meet the requirements for child care for children aged between 2 – 3 years in the designated Flying Start areas. The anticipated 2016/17 expenditure for the 20 Childcare contracts is £1,569,165.
14. Childcare contracts vary from £10k to £130k per annum per child care setting. Current arrangements are secured through a mix of historic direct awards contracts and expired competitively tendered contracts. Contracted providers include a mixed economy approach of private and voluntary suppliers, as well as some local authority delivery.
15. The contract sums for some individual contracts are in excess of the procurement threshold for Schedule 3 services. Regulation 6(6) however provides, '*a procurement shall not be subdivided with the effect of preventing it from falling within the scope of the regulations, unless justified by objective reasons*'. This paper sets out the objective reasons for using a combined commissioning approach due to the unique characteristics of each child care setting.
16. Flying Start areas covered by contracted childcare providers include the original 8 primary school catchment areas targeted at the commencement of the programme, as well as a significant number of new lower super output areas (LSOA's) targeted through the 2012-15 expansion (see Appendix 3).
17. Places are delivered through providers operating from a variety of buildings located within these areas, close to Flying Start eligible families. Some facilities have been provided by the Council and are co-located on school sites forming part of the school campus; whilst others are either located within community buildings (some of which form part of the Councils' estate) or are privately owned day care provision.
18. All reasonable steps have already been taken to ensure a best value for money approach has been taken with the procurement of goods and services through an initial open tendering process.

### **Proposed Approach to Future Commissioning Model for Childcare Places**

19. Key factors that have been considered include the complexity of the market, the need for a highly localised service as part of the Flying Start Programme, the need for a high quality service and the individual requirements of families.
20. Considerable work has been undertaken to establish those services which could be competitively tendered due to their settings, whether they are fully funded by Flying Start, part Flying Start and Private funded and localities within the community.
21. The proposed commissioning approach therefore is proportional with a mixture of both direct awards and a competitive tender process. This aims to adopt a sensitive approach based on a judgement of the unique



characteristics of each childcare setting and the populations in lower super output areas of the city.

22. Whilst there is a risk of challenge in the proposed commissioning approach this has been mitigated through engagement with the current child care settings and the consideration of the future sustainability of those settings where the percentage of private funding versus Flying Start is greater and therefore to withdraw from these settings would pose a greater risk to the Council in not meeting the requirements of the Grant Terms and Conditions.
23. A review of all of the Child Care settings was undertaken and included a number of factors including but not limited to the funding element, the accommodation setting and the availability of child care within the lower super output areas of the city. As a result it was determined that those settings detailed within Appendix 1. Section 1 of the report would be commissioned through a formal tender process and those detailed within Appendix 1.section 2 would be Direct Awarded.
24. The direct awards seek to minimise the risks of operating without formal contractual arrangements being in place. This will allow for strengthened contract management arrangements, clarity regarding the services to be provided and clarity for all parties. The approach aims to minimise the potential impact of a fragmentation or reduction in the numbers of providers offering a childcare service in Cardiff, particularly in these areas of the City where there is a limited choice of provider.
25. A competitive tender approach seeks to formalise arrangements as above and allows for high quality provision to be secured. The Council wishes to be open and transparent in its approach and will welcome tenders from all interested parties.

## **Issues**

26. Absence of sufficient childcare provision in particular Flying Start areas.
27. Absence of sufficient Welsh medium childcare provision in particular Flying Start areas.
28. Practicalities and importance of supporting families requiring wrap around provision, especially for working parents, or parents who are training, to have the opportunity to purchase additional childcare around their free Flying Start childcare place.
29. Requirement to support children's transition into the Foundation Phase as far as possible.
30. Account for whether premises are owned by the Council and if so, what existing lease agreements and terms of agreement are in place, or whether the premises is owned by the Childcare Provider or if it is privately leased.
31. The proportion of the Provider's business that is private and or that is sustained through Flying Start.

32. Details of other childcare provision available in the area if private clients needed to find an alternative.
33. Likelihood of other suitably registerable facilities in the area should the Council be required to find alternative provision for Flying Start childcare delivery in order to fulfil the childcare entitlement of all children and the consequences of not delivering childcare.
34. The scale of capital investment already made into premises.
35. Whether TUPE would be applicable due to the level of expenditure & client numbers.

## **Objective Reasons for the Proposed Commissioning Approach**

### **Capital Investment**

36. In supporting the requirements set out in the Flying Start guidance, the Welsh Government has made available to Local Authorities significant capital funding, to develop high quality, age appropriate facilities that exceed the CSSIW registration requirements.
37. The Welsh Government capital grant conditions stipulate that the Council is required to notify them in advance if it plans to sell, transfer, lease or otherwise dispose of all or any substantial part of the assets purchased as part of the purposes within ten years from the completion of the purposes; or if it plans to move all or any substantial part of the assets purchased as part of the purposes. The Council may be liable to pay all or part of the capital investment back should a change in supplier mean that the delivery point also changes.
38. Capital grants valuing approx. £10.2m have been used for building development, refurbishment and adaptation. They have also been used for fittings, furnishings and resources.
39. Flying Start childcare settings benefitting from this funding fall into the following categories:
  - i. Those co-located on school sites - Facilities which have been newly developed or refurbished to a high standard to support Flying Start childcare delivery (e.g. First Steps Windsor Clive, First Steps Trelai; Funstart St Mary the Virgin, Happy Days Adamsdown, Llanrumney Little People St Cadocs, Rumney Little People Greenway, Tiny Thompsons Herbert Thompson, St Francis, Flowering Shrubs/Blodau Bychain Bryn Celyn, Twinkle Stars Willows; Tiny Tigers Mount Stuart; Clych Meithrin Trelai Trelai Bowls Pavilion; St John Lloyd; Stacey Road -Caretakers house).
  - ii. Community buildings - Many of these are part of the Councils' strategic estate and have received significant funding towards building improvement so that they are fit for the provision of childcare (e.g. Powerhouse; Western Leisure Centre; Adamsdown Play Centre;

Riverside Play Centre; The Beacon Centre; St Mellons Learning & Enterprise Centre; Shirenewton Gypsy Traveller site;);

- iii. Privately owned buildings - These have also received building improvement funding (e.g. Salvation Army Ely; Woodville Road Playgroup Cathays); (Refer to values in Appendix 1)

- 40. Based on recent financial evidence of the development of new Flying Start Childcare Settings, the capital investment required by a new provider to establish a childcare setting to a quality standard beyond the minimum standards, would be substantial and as a result it would be unlikely that there would be market interest.

### **Cost**

- 41. Flying Start sets the financial levy per child per hour as part of the contractual terms and conditions, to enable sufficient places to be procured from within the available grant.
- 42. The levy set is just above the Cardiff hourly average for childcare and takes account of the Councils commitment to the living wage. Award of contract is therefore based on the providers' knowledge, experience and ability to deliver a quality service over and above the required National Minimum Standards, rather than on cost. There is therefore no financial advantage or disadvantage to the Council if an alternative method of tendering is implemented.

### **Quality**

- 43. All Flying Start childcare settings must be registered by Care and Social Services Inspectorate Wales (CSSIW) and local authorities must inform the Welsh Government where this is not the case or ceases to be so.
- 44. The Welsh Government guidance requires Local Authorities to appoint an Early Years Advisor or Teacher with the function to improve and sustain the quality of Flying Start childcare settings and to support Flying Start childcare staff.
- 45. The Advisory Teacher must have an understanding of the different needs and stages of development of young children, particularly differences between 2 and 3-year-olds and is employed to promote good practice among childcare staff so that the children are adequately prepared to enter the Foundation Phase. The guidance stipulates that the Advisor/Teacher should visit each Flying Start setting at least once a month to provide support and advice to the staff and agree a delivery plan.
- 46. Staff in contracted settings are required to undertake at least five days' Continued Professional Development (CPD) training per year, as designated by the Early Years Advisory Teacher. This training is in addition to any training requirements outlined in the CSSIW National Minimum Standards. Training is tailored to meet the needs of individual staff members and to ensure that all staff have the knowledge, skills, attitudes and understanding required for the job.

47. Whilst the location of each setting differs, all existing staff within contracted childcare settings have received significant and bespoke training as a result of being contracted by the Council, including;
- i. subsidised legal and regulatory training;
  - ii. continuous development opportunities related to service improvement and outcomes for children;
  - iii. specialised leader training
  - iv. equipment and quality resources to support implementation of training received
48. There are currently 230 childcare staff employed over 34 contracted Flying Start childcare settings. Between September 2012 and March 2016, these employees accessed circa 2,294 training places through the Cardiff Childcare Workforce Development and Accredited Centre. These places are fully funded through the Flying Start grant. The cost of these places amounts to £40,150 and is an investment to develop staff to support and improve children's capacity to meet and exceed their developmental milestones.

	Legal & Regulatory Places	Continuous Professional Development Places	Total No. of Bookings	Cost
<b>2015/16</b>	454	240	694	£6,940.00
<b>2014/15</b>	445	310	755	£19,200.00
<b>2013/14</b>	225	198	423	£7,770.00
<b>2012/13</b>	197	225	422	£6,240.00
			2294	£40,150.00

49. The improvement made in standards and provision across settings has been carefully and consistently monitored from the point of contract. The Infant Toddler Environment Rating Scale (ITERs) evidences a year on year improvement in practice by most providers, linked to the quality of support and training offered to staff.

### **Transition Arrangements**

50. Over the duration of the contract period providers have established relationships and practices with their feeder schools to support children's positive and successful transition into the Foundation Phase. The challenges for providers in establishing these relationships and the Advisory team in supporting these, cannot be under estimated, particularly where there are many schools that a single childcare setting feeds children into.

### **Community Cohesion**

51. All of the current contracted providers are well established, both within the facilities from which they operate and also within the Flying Start communities. Many employ individuals from the surrounding neighbourhoods, enabling trusting and valuable relationships to develop with Flying Start families. It is the nature of these relationships that promotes the importance to families of

the take up of the childcare offer and the subsequent regular and consistent attendance of Flying Start 2-3 year olds.

52. There are a small number of contracted providers that offer working Flying Start families privately funded 'wrap-around' or take fee paying non-Flying Start children in addition to those children funded through Flying Start. In this instance there is added value, as the Flying Start practice and approach to child development benefits all children, not just those eligible directly through the programme.

### **CSSIW Requirements**

53. Competitively re-tendering for some/all of the childcare places contracts will require any newly contracted provider, or an existing provider who is successful in contracting for a new setting, to register both the setting and their staff with the CSSIW. This process takes a minimum of 16 weeks, subject to all staff being suitably qualified and having completed all necessary DBS checks. Consideration of the application of TUPE regulations would also be required and if necessary negotiations brokered between existing and new contractors and trade unions about staff transfer, prior to any new service commencing.

### **Implications of Change of Contractor**

54. Childcare places are provided on a termly basis to coincide with school arrangements, therefore the timeline for ending current contracts, establishing new ones and ensuring continuity of service would need to be managed very carefully. Children are eligible to access Flying Start childcare for three terms from the term following their second birthday. Therefore, at any given time, depending on when changes to a provider are made, there would always be children seeking to continue their care in the existing setting for a further two terms. Whenever there is a change in service provider, there will inevitably be an element of disruption together with upset and distress for service users (parents and children).
55. A new contractor would present additional cost implications against the grant;
  - i. with the collection and re distribution of resources from existing contractors;
  - ii. for Council staff in brokering discussions between existing and new providers regarding any TUPE requirements;
  - iii. for Council staff in providing training to newly contracted staff to bring their knowledge in line with other established settings.
56. Undertaking a competitive tendering approach for all Flying Start childcare places could;
  - i. increase the risk of destabilising the workforce;
  - ii. reduce the continuity of care for vulnerable children;

- iii. reduce the local availability of Welsh medium places;
- iv. destabilise the quality of Flying Start childcare for a period of up to three years. New providers will require considerable investment, in order for non-TUPEd staff to attain the same level of knowledge and understanding reached by those currently contracted. On current evidence and experience, completely new providers have taken on average 3 or more years to do this.

### **Local Member consultation**

57. This proposal covers Lower Super Output Areas which cross multiple electoral wards and therefore local member consultation is not appropriate. The proposal does not require the carrying out of consultation under statute or at law or by some reason of promise or undertaking previously given by or on behalf of the Authority. Consultation has taken place with the cabinet member under which portfolio this work falls on 7<sup>th</sup> September 2016.

### **Reason for Recommendations**

58. Currently, 20 out of the 34 Flying Start settings are out of contract and this must be addressed in order to ensure compliance with the Council's Contract Standing orders and to ensure effective contract management arrangements can be put in place.
59. To ensure that the Council has sufficient provision for families wishing to take up the offer, whilst maximising continuity of service and minimising upheaval and disruption.

### **Financial Implications**

60. These contracts are to be funded from WG Flying Start Revenue Grant. Cardiff's grant allocation for 2016/17 financial year is £10.292 million. WG Flying Start Grant funding for 2017/18 and future years has yet to be confirmed and is therefore unknown at this stage.
61. The contract periods to be awarded in this report are for future financial years for which WG Flying Start Revenue grant funding has not been confirmed. There is a risk that should the grant funding levels for future financial years be reduced from current levels that there may not be sufficient funding to meet the Council's financial obligations in respect of these contracts.
62. In the event that this scenario materialises, either an alternative funding source would need to be identified to fund the remainder of the contract periods or the contracts would need to be able to be terminated at the point at which continuation of these contracts becomes financially unsustainable. Provision should be made within the contract agreements for this eventuality.
63. Several of the contracts are currently delivered by providers from sites which have received significant WG Capital Investment in recent years. If alternative providers are contracted to deliver from alternative sites then the Council may be liable under the terms and conditions of WG Flying Start Capital Grant to repay to WG all or part of the investment in facilities no longer used to deliver

Flying Start activities. This would be at the discretion of WG and a significant impact on the Authority's Capital Programme.

### **HR Implications**

64. Cardiff Council is not the employer of staff based at the Flying Start providers but recognises that the Transfer of Undertaking (Protection of Employment) Regulations 2006 (TUPE) may apply in this re-tendering exercise. The employers will need to consider the HR implications depending on the individual contracts; however, the Council remains committed to supporting this. Specific reference should be made to the possibility of staff transfers via TUPE during the procurement exercise, and parties should be encouraged to take independent legal advice.

### **Legal Implications**

65. See appendix 4 of the report. Appendix 4 is exempt from publication pursuant to Paragraph 16 of Part 4 of Schedule 12A to the Local Government Act 1972

## **RECOMMENDATIONS**

The Cabinet is recommended to:

1. Approve the proposed model for commissioning Flying Start childcare places for eligible Flying Start families, as set out in the body of the report and appendix 1 of the report;
2. Delegate authority to the Director of Education and Lifelong Learning in consultation with the Cabinet Member for Corporate Services & Performance, the Cabinet Member for Early Years, Children and Families, the Council's Section 151 Officer and the Director of Law and Governance;
  - a. to deal with all aspects of the procurement of Flying Start Childcare Services as set out in the report, up to and including the award of contracts;
  - b. to deal with all ancillary matters which pertain to the recommissioning proposals set out in this report, including, without limitation, making decision as to any direct award of contracts that may be required until the recommissioning arrangements are in place;
3. Approve the direct award of contracts for the provision of Flying Start Childcare services funded by the Flying Start Programme to each of the 13 existing providers named at Appendix 5, such contracts having a term of 3 years plus an option to extend for up to a further period of 12 months.

**NICK BATCHELAR**  
**Director**  
**4 November 2016**



*The following appendices are attached:*

Appendix 1 Detail of proposed way forward for individual settings  
Appendix 2 Equality Impact Assessment  
Appendix 3 Maps of Flying Start Targeted Areas  
Appendix 4 – Exempt Legal Implications

*The following background papers have been taken into account*

- Welsh Government Flying Start Strategic Guidance
- Welsh Government Financial Management Guidance
- Welsh Government Quality Childcare Annex
- Cardiff Flying Start Infant & Toddler Environmental Rating Scale assessments of contracted providers
- Cardiff Flying Start contracted provider's 'Children's Wellbeing and Involvement' data
- Service Specification

**Detail of Proposed way forward for Individual Settings.****1. Proposed for Competitive Tender**

Due to the nature of these services being fully Flying Start or high % Flying Start funded and within a designated Flying Start building, it is proposed that these services be tendered.

336 places = £851,760.

<b>Contract No.</b>	<b>Name of Setting</b>	<b>Ownership of Operating Premises</b>	<b>Service Type</b>	<b>% Flying Start Funded</b>
7206CCC	First Steps Trelai	LA School & FS accommodation	FS only	100%
7207CCC	First Steps Windsor Clive	LA School & FS accommodation	FS only	100%
7208CCC	Funstart Playgroup	Diocese Church & FS Accommodation	FS only	100%
7210CCC	Happy Days Playgroup Adamsdown	LA School & FS accommodation	FS only	100%
7215CCC	Rumney Little People	LA School	FS & Private	71%
6452CCC	St Francis Parachutes	Diocese Church & FS Accommodation	FS only	100%
7220CCC	Tiny Thompsons Playgroup	LA School & FS accommodation	FS only	100%

The following services are variations on being fully Flying Start funded, a high % of Flying Start funded places or/and within designated Flying Start premises.

## 2. Potential for Direct Award

**2 a. Welsh Medium Provision – There are no other Welsh Medium options in the surrounding area.**

**92 places = £243,360**

Contract No.	Name of Setting	Ownership of Operating Premises	Service Type	% FS/Private
7195CCC	Cylch Meithrin Pili Pala	Private	FS & Private/Foundation Phase Provider	31%
9495CCC	Cylch Meithrin Trelai yr Ail (CM Caerau)	Private	FS & Private	60%
7204CCC	Cylch Meithrin Glan Morfa	LA School	FS & Private	40%
7203CCC	Cylch Meithrin Trelai	Council	FS & Private/Foundation Phase Provider	45%

**2 b. These settings have received a significant level of previous capital investment**

**100 places = £253,500**

<b>Contract No.</b>	<b>Name of Setting</b>	<b>Ownership of Operating Premises</b>	<b>Service Type</b>	<b>% FS/Private</b>
9497CCC	Fledglings Playgroup	Diocese Church	FS & Private	61%
Not available	Woodville Playgroup	Private	FS & Private	20%
9496 CCC	Buttercups Day Nursery	Private	FS & Private	5%
7211CCC	Llanrumney little People	Diocese School & FS Accommodation	FS & Private	76%

**2 c. There are no other options in the surrounding area & places are needed to fulfil Flying Start entitlement**

**75 places = £190,125**

<b>Contract No.</b>	<b>Name of Setting</b>	<b>Ownership of Operating Premises</b>	<b>Service Type</b>	<b>% FS/Private</b>
7191CCC	Pili Pala Day Nursery	Private	FS & Private/Wrap around service	31%
7218CCC	Salvation Army Rainbow Crèche	Private	FS & Private	75%
7217CCC	Rumney Tiny Tots	Private	FS & Private	21%
9958CCC	Fun House	Diocese Church	FS & Private	8%

2 d. This setting is able to provide wrap around provision – parental choice.

12 places = £30,420

Contract No.	Name of Setting	Ownership of Operating Premises	Service Type	% FS/Private
9498CCC	Darling Buds Day Nursery	Private	FS & Private	6%

## CARDIFF COUNCIL

**Equality Impact Assessment  
Corporate Assessment Template**

<b>Policy/Strategy/Project/Procedure/Service/Function Title:</b> Flying Start Childcare Provider Procurement
<b>New/Existing/Updating/Amending:</b> New

<b>Who is responsible for developing and implementing the Policy/Strategy/Project/Procedure/Service/Function?</b>	
Name: Avril Hooper	Job Title: Flying Start Operational Manager
Service Team: Flying Start	Service Area: Education
Assessment Date: 22/7/2016	

**1. What are the objectives of the Policy/Strategy/Project/ Procedure/ Service/Function?**

Flying Start aims to improve outcomes for young children and their families living in specific identified areas of Cardiff which are considered to be 'disadvantaged'. As such the programme offers free high quality part time childcare to 2-3 year olds. This is currently a requirement to contract with providers to deliver the service. This will enable Flying Start to provide the best possible service to those who need it most – as identified by the Welsh Government.

**2. Please provide background information on the Policy/Strategy/Project/Procedure/Service/Function and any research done [e.g. service users data against demographic statistics, similar EIAs done etc.]**

Flying Start is a Welsh Government national programme of family support services, externally funded, aimed at creating positive outcomes for young children in the medium and long term. It is targeted at 0-4 year olds in the most disadvantaged communities and is a prescriptive programme, based on international evidence of what works. Flying Start brings together education, childcare, health and social services and combines the voluntary, private and statutory sectors to offer preventative interventions that influence child outcomes.

The Welsh Government has identified the percentage of Income Benefit Households within all Cardiff Lower Super Output Areas as a measure of 'disadvantage' and as such has a positive impact on families in the targeted areas. Flying Start has consulted with providers and shared information with other Local Authority areas.

### 3 Assess Impact on the Protected Characteristics

#### 3.1 Age

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative/]** on younger/older people?

	Yes	No	N/A
Up to 18 years	X		
18 - 65 years	X		
Over 65 years		X	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

1. The Flying Start Programme is designed to target young children and their families. Undertaking a competitive tendering approach for all Flying Start childcare places could;
  - i. increase the risk of destabilising the workforce;
  - ii. reduce the continuity of care for vulnerable children;
  - iii. reduce the local availability of Welsh medium places;
  - iv. destabilise the quality of Flying Start childcare for a period of up to three years. New providers will require considerable investment, in order for non-TUPEd staff to attain the same level of knowledge and understanding reached by those currently contracted. On current evidence and experience, completely new providers have taken on average 3 or more years to do this.

**What action(s) can you take to address the differential impact?**

A direct award approach to some of the existing providers will ensure that such investment can continue to be built upon, ensuring consistency of service quality and continuity for children accessing the service. It will also negate the need for new investment to be made from scratch, necessary for any new provider at a time when grant allocations are being reviewed and reduced.

#### 3.2 Disability

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on disabled people?

	Yes	No	N/A
Hearing Impairment		X	
Physical Impairment		X	
Visual Impairment		X	
Learning Disability		X	
Long-Standing Illness or Health Condition		X	
Mental Health		X	
Substance Misuse		X	
Other		X	



**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

There is no differential impact on the basis of disability, the programme provides specific support to those with additional needs.

**What action(s) can you take to address the differential impact?**

**None necessary**

### 3.3 Gender Reassignment

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on transgender people?

	Yes	No	N/A
<b>Transgender People</b> (People who are proposing to undergo, are undergoing, or have undergone a process [or part of a process] to reassign their sex by changing physiological or other attributes of sex)		X	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

**What action(s) can you take to address the differential impact?**

### 3.4. Marriage and Civil Partnership

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on marriage and civil partnership?

	Yes	No	N/A
Marriage		X	
Civil Partnership		X	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

**What action(s) can you take to address the differential impact?**

### 3.5 Pregnancy and Maternity

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on pregnancy and maternity?

	Yes	No	N/A
Pregnancy		X	
Maternity		X	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

**What action(s) can you take to address the differential impact?**

### 3.6 Race

Will this Policy/Strategy/Project//Procedure/Service/Function have a **differential impact [positive/negative]** on the following groups?

	Yes	No	N/A
White		X	
Mixed / Multiple Ethnic Groups		X	
Asian / Asian British		X	
Black / African / Caribbean / Black British		X	
Other Ethnic Groups		X	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

**What action(s) can you take to address the differential impact?**

### 3.7 Religion, Belief or Non-Belief

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on people with different religions, beliefs or non-beliefs?

	Yes	No	N/A
Buddhist		X	
Christian		X	
Hindu		X	
Humanist		X	
Jewish		X	
Muslim		X	
Sikh		X	
Other		X	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

There is no differential impact on the basis of religion, belief or non- belief.

**What action(s) can you take to address the differential impact?**

### 3.8 Sex

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on men and/or women?

	Yes	No	N/A
Men		X	
Women		X	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

There is no differential impact on the basis of gender.

**What action(s) can you take to address the differential impact?**

### 3.9 Sexual Orientation

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on the following groups?

	Yes	No	N/A
Bisexual		X	
Gay Men		X	
Gay Women/Lesbians		X	
Heterosexual/Straight		X	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

**What action(s) can you take to address the differential impact?**

### 3.10 Welsh Language

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on Welsh Language?

	Yes	No	N/A
Welsh Language	x		

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

The Project complies with the Welsh Language Standards (No 2) Regulations 2016 and Cardiff Council's Welsh Language Scheme. Health Visitors provide details of benefits of children attending Welsh Medium provision, and there are 6 Welsh medium Flying Start settings in various parts of Cardiff.

### 4. Consultation and Engagement

What arrangements have been made to consult/engage with the various Equalities Groups?

None – the requirement to deliver Flying Start is a Welsh Government initiative aimed at tackling child poverty. There is specific guidance about what services can be offered and how these should be provided to support equality of access and provision.

## 5. Summary of Actions [Listed in the Sections above]

Groups	Actions
Age	
Disability	
Gender Reassignment	
Marriage & Civil Partnership	
Pregnancy & Maternity	
Race	
Religion/Belief	
Sex	
Sexual Orientation	
Welsh Language	
Generic Over-Arching [applicable to all the above groups]	

## 6. Further Action

Any recommendations for action that you plan to take as a result of this Equality Impact Assessment (listed in Summary of Actions) should be included as part of your Service Area's Business Plan to be monitored on a regular basis.

## 7. Authorisation

The Template should be completed by the Lead Officer of the identified Policy/Strategy/Project/Function and approved by the appropriate Manager in each Service Area.

Completed By : Nia Beynon	Date:
Designation: Flying Start Advisory Teacher	22.07.2016
Approved By:	Avril Hooper
Designation:	Operational Manager
Service Area:	Education

7.1 On completion of this Assessment, please ensure that the Form is posted on your Directorate's Page on CIS - *Council Wide/Management Systems/Equality Impact Assessments* - so that there is a record of all assessments undertaken in the Council.

For further information or assistance, please contact the Citizen Focus Team on 029 2087 3059 or email [citizenfocus@cardiff.gov.uk](mailto:citizenfocus@cardiff.gov.uk)



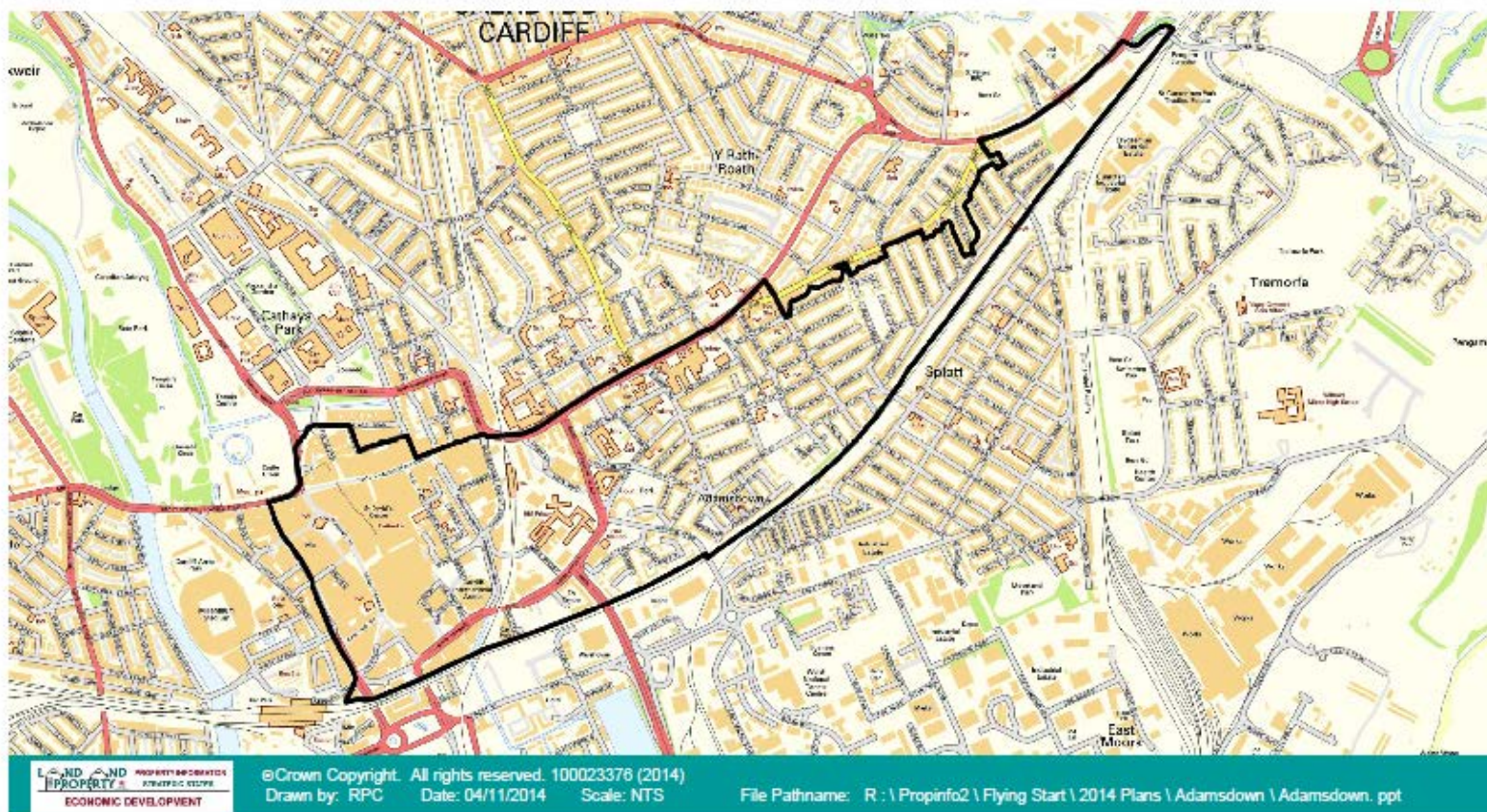
# Flying Start Adamsdown

ADM01, ADM02, ADM03, ADM04, Adamsdown Primary School Catchment



Flying Start eligible area is within the black boundary line.

Residential properties only are eligible. Please check both the street name and the postcode on the reverse, only those listed are eligible.







# Flying Start Butetown

BTN01, BTN02, BTN03, Mount Stuart & St Mary the Virgin Primary School Catchment



Flying Start eligible area is within the black boundary line.

Residential properties only are eligible. Please check both the street name and the postcode on the reverse, only those listed are eligible.



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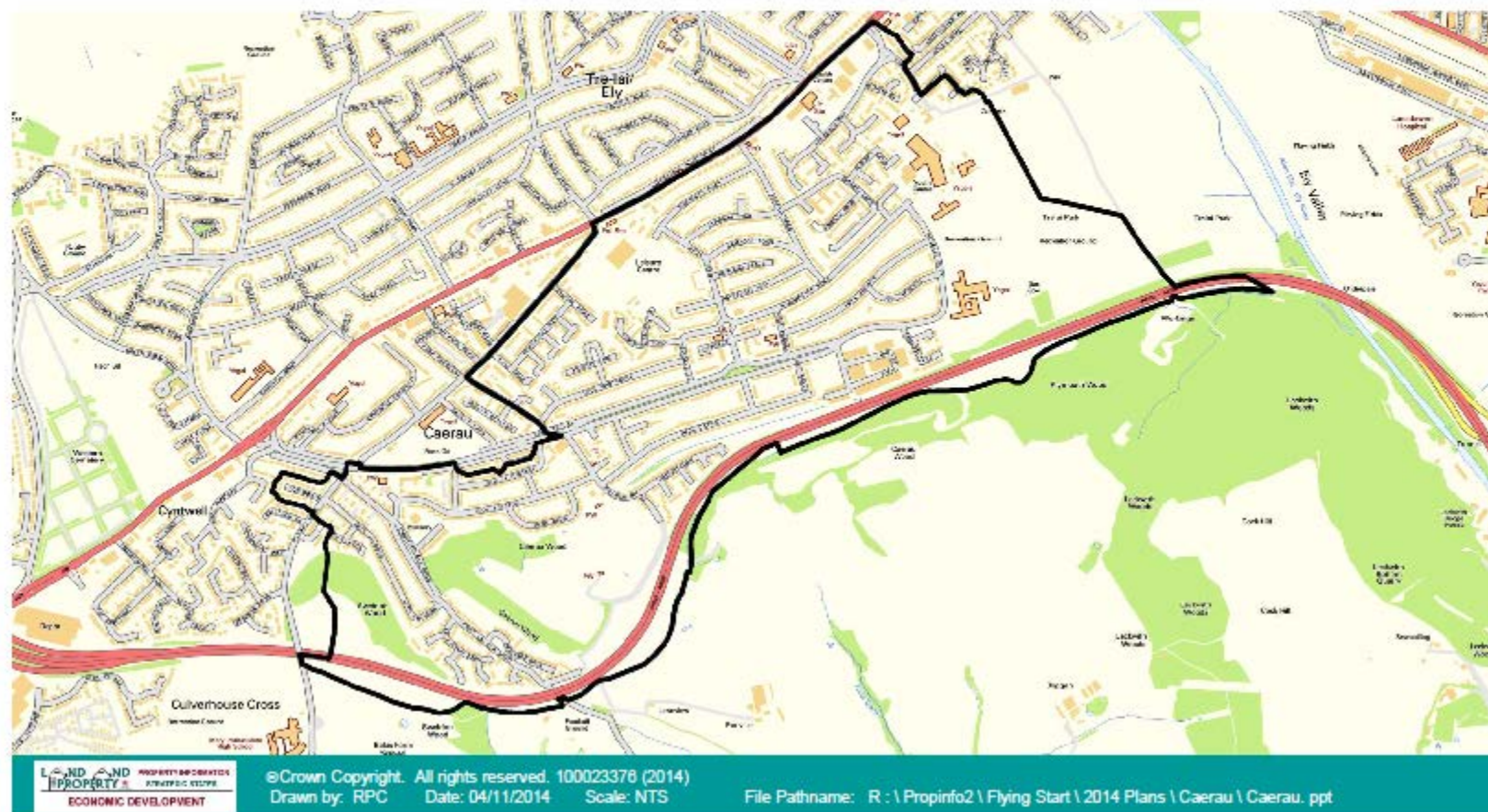
# Flying Start Caerau

CAE02, CAE03, CAE04, CAE06, Trelai Primary School Catchment



Flying Start eligible area is within the black boundary line.

Residential properties only are eligible. Please check both the street name and the postcode on the reverse, only those listed are eligible.







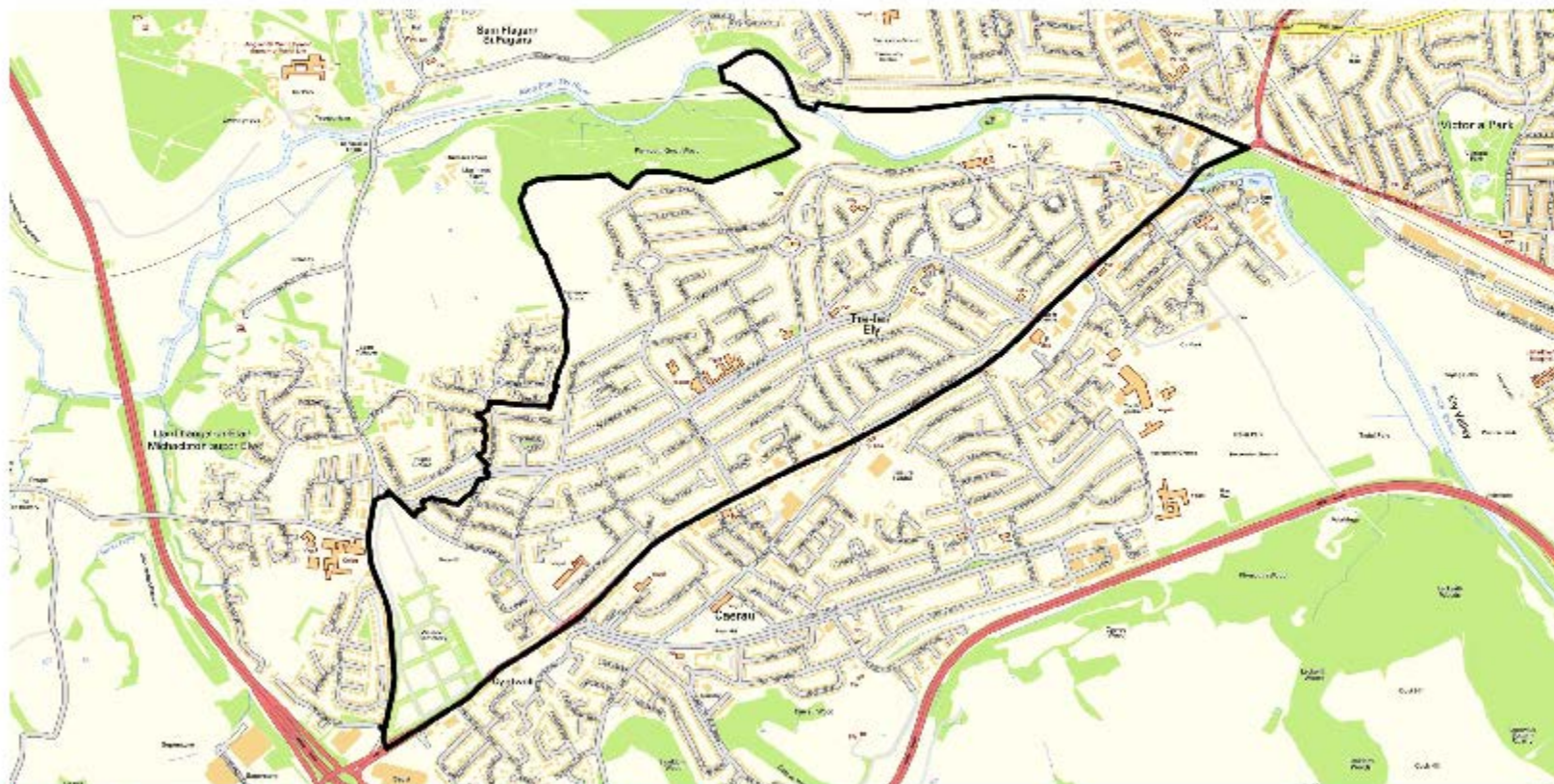
# Flying Start Ely

ELY01, ELY02, ELY03, ELY04, ELY05, ELY06, ELY08, ELY10, Herbert Thompson & Windsor Clive Primary School Catchment



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Residential properties only are eligible. Please check both the street name and the postcode on the reverse, only those listed are eligible.

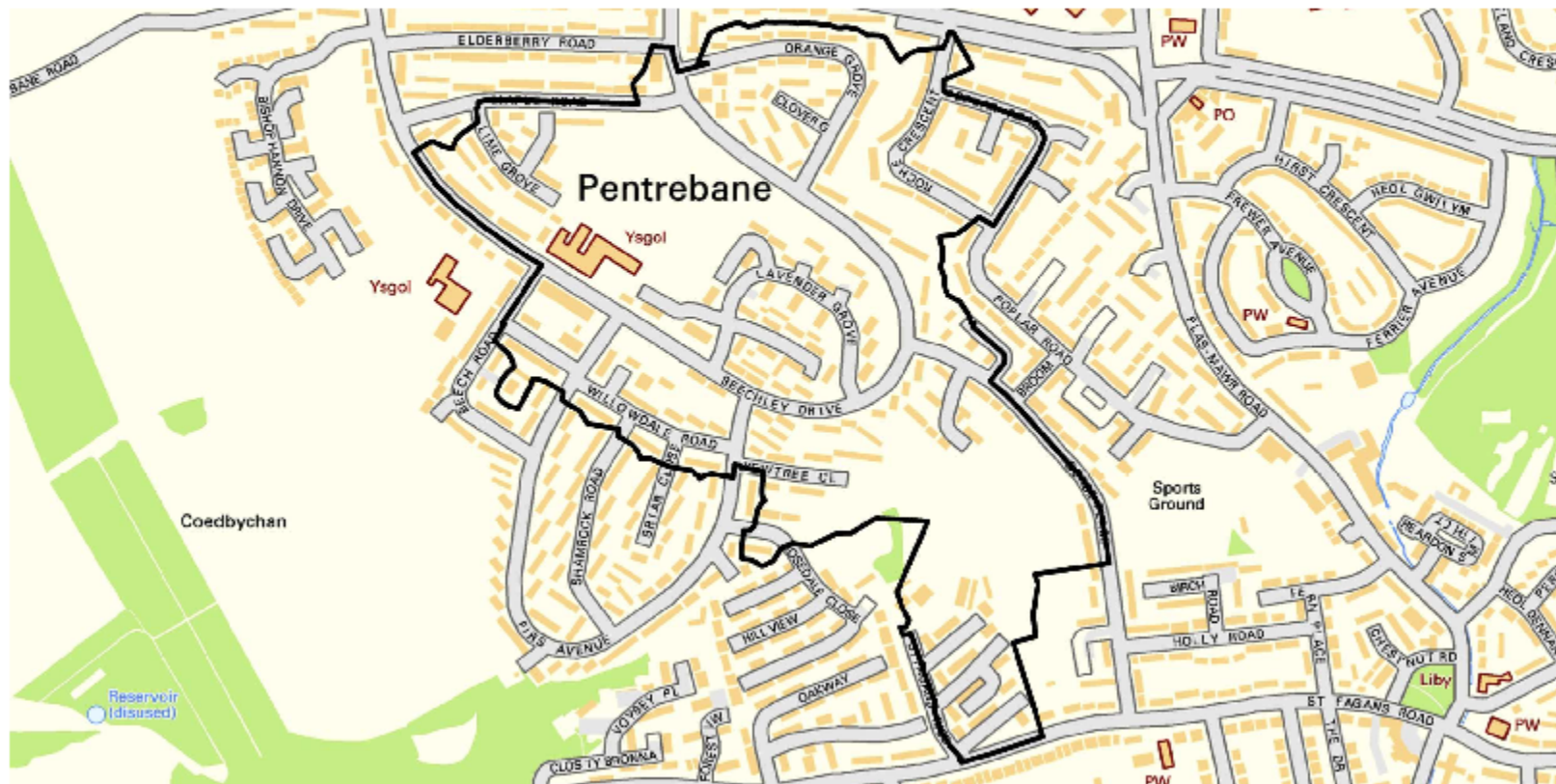


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Residential properties only are eligible. Please check both the street name and the postcode on the reverse, only those listed are eligible.



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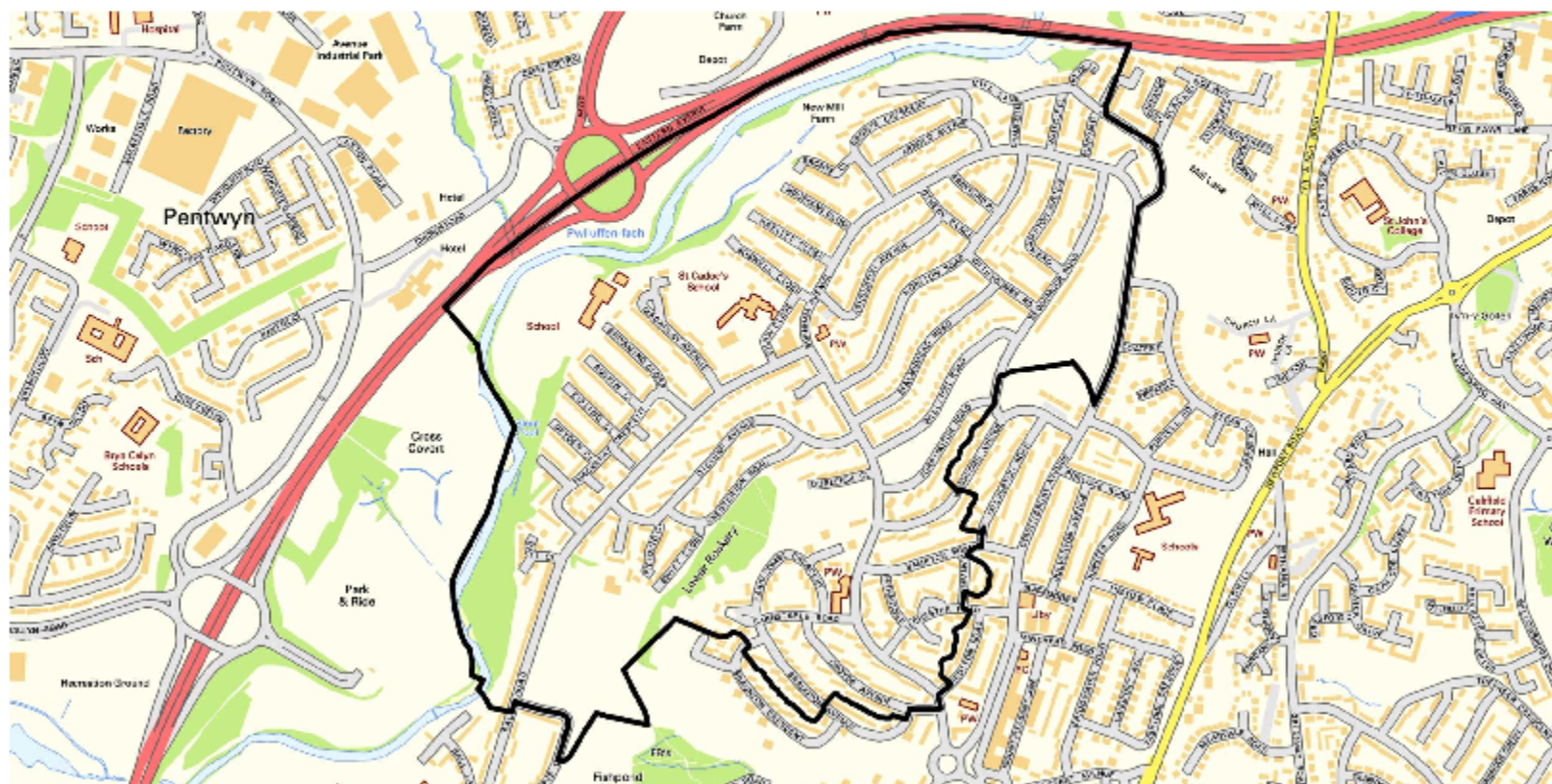
# Flying Start Llanrumney

LLR03, LLR06, LLR07, Glan Yr Afon Primary School Catchment



Flying Start eligible area is within the black boundary line.

Residential properties only are eligible. Please check both the street name and the postcode on the reverse, only those listed are eligible.



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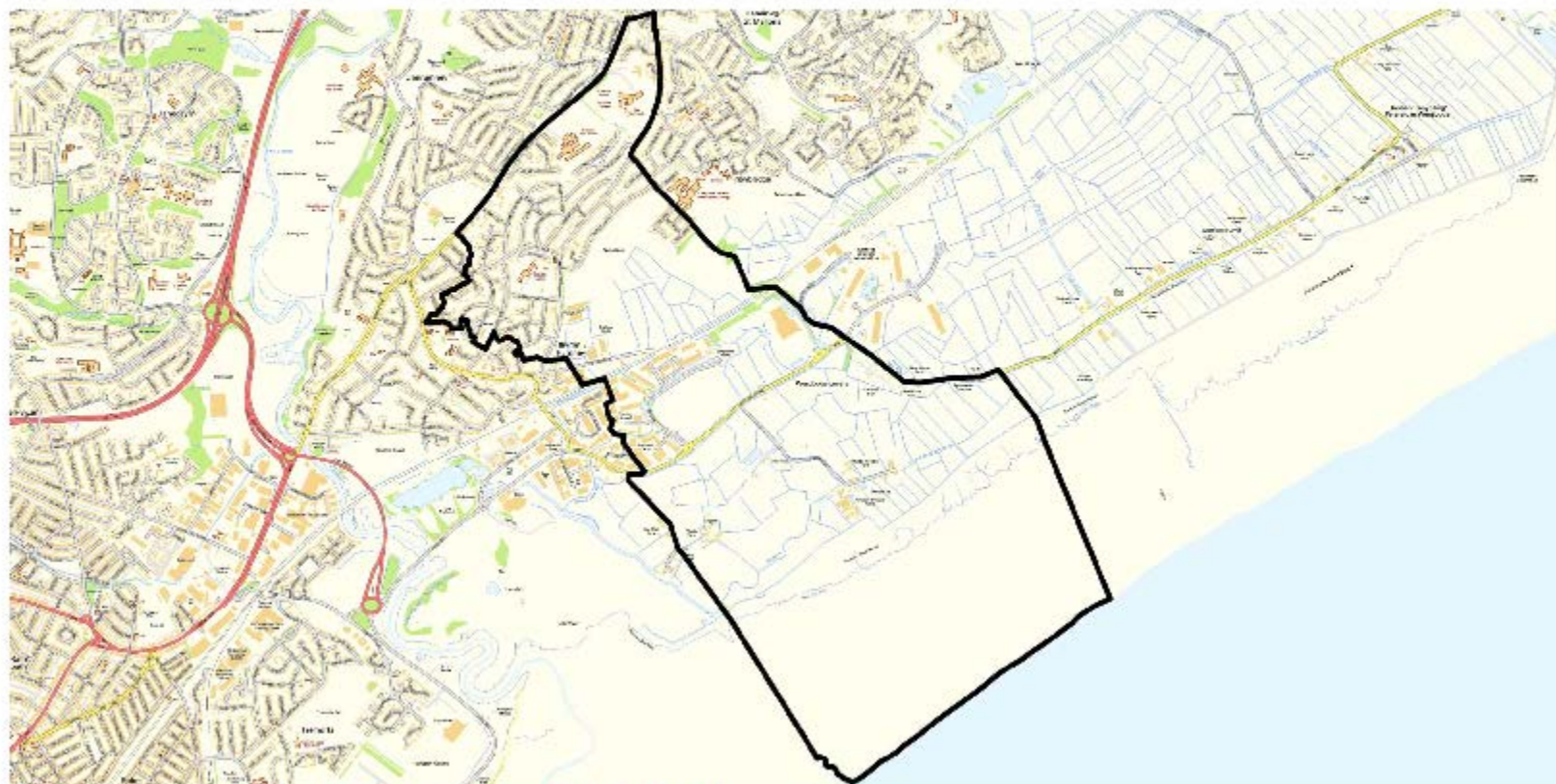
# Flying Start Rumney

RUM04, RUM05, RUM06, Greenway Primary School Catchment



Flying Start eligible area is within the black boundary line.

Residential properties only are eligible. Please check both the street name and the postcode on the reverse, only those listed are eligible.



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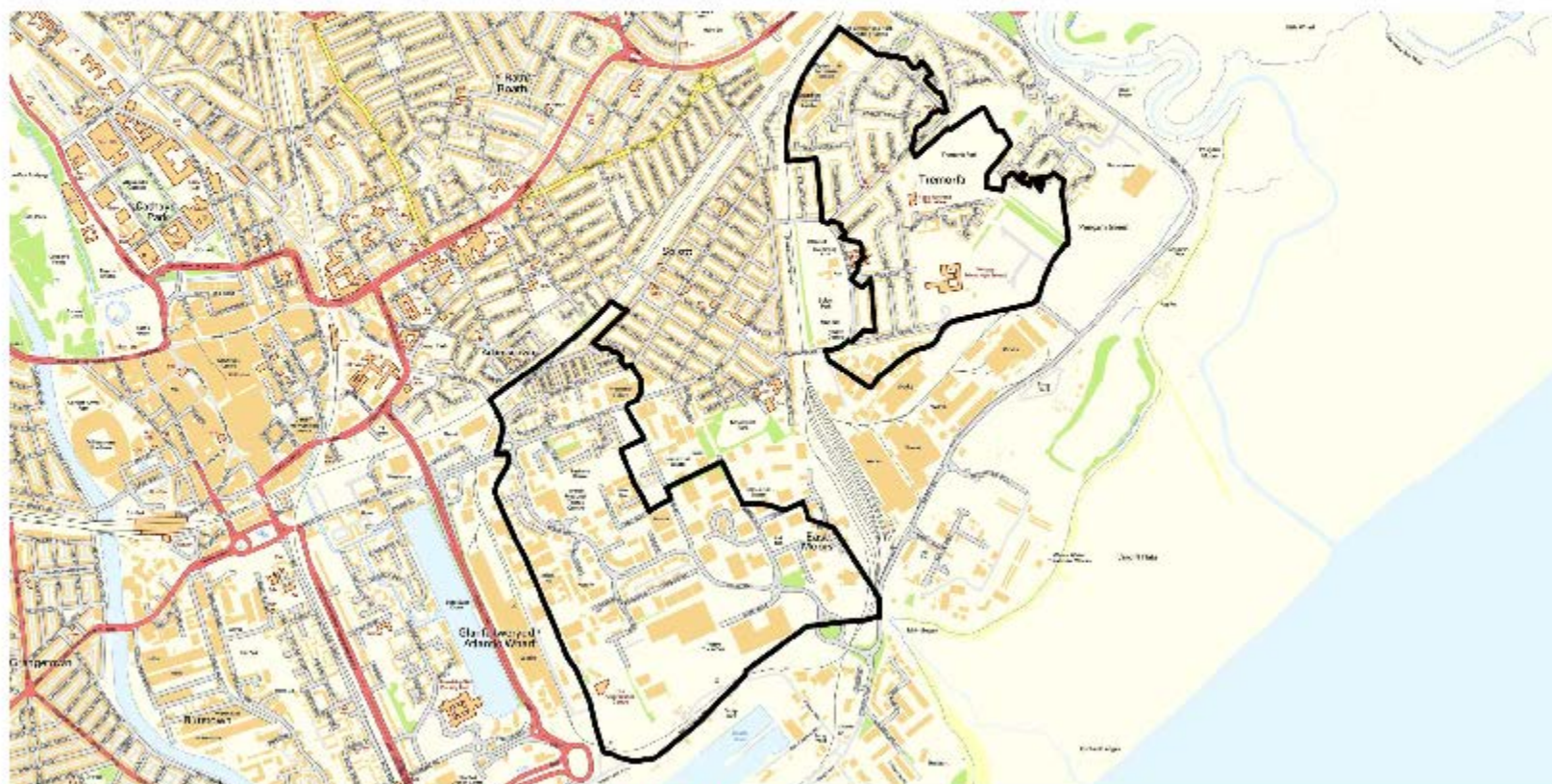
# Flying Start Splott

SPL03, SPL06, SPL08



Flying Start eligible area is within the black boundary line.

Residential properties only are eligible. Please check both the street name and the postcode on the reverse, only those listed are eligible.



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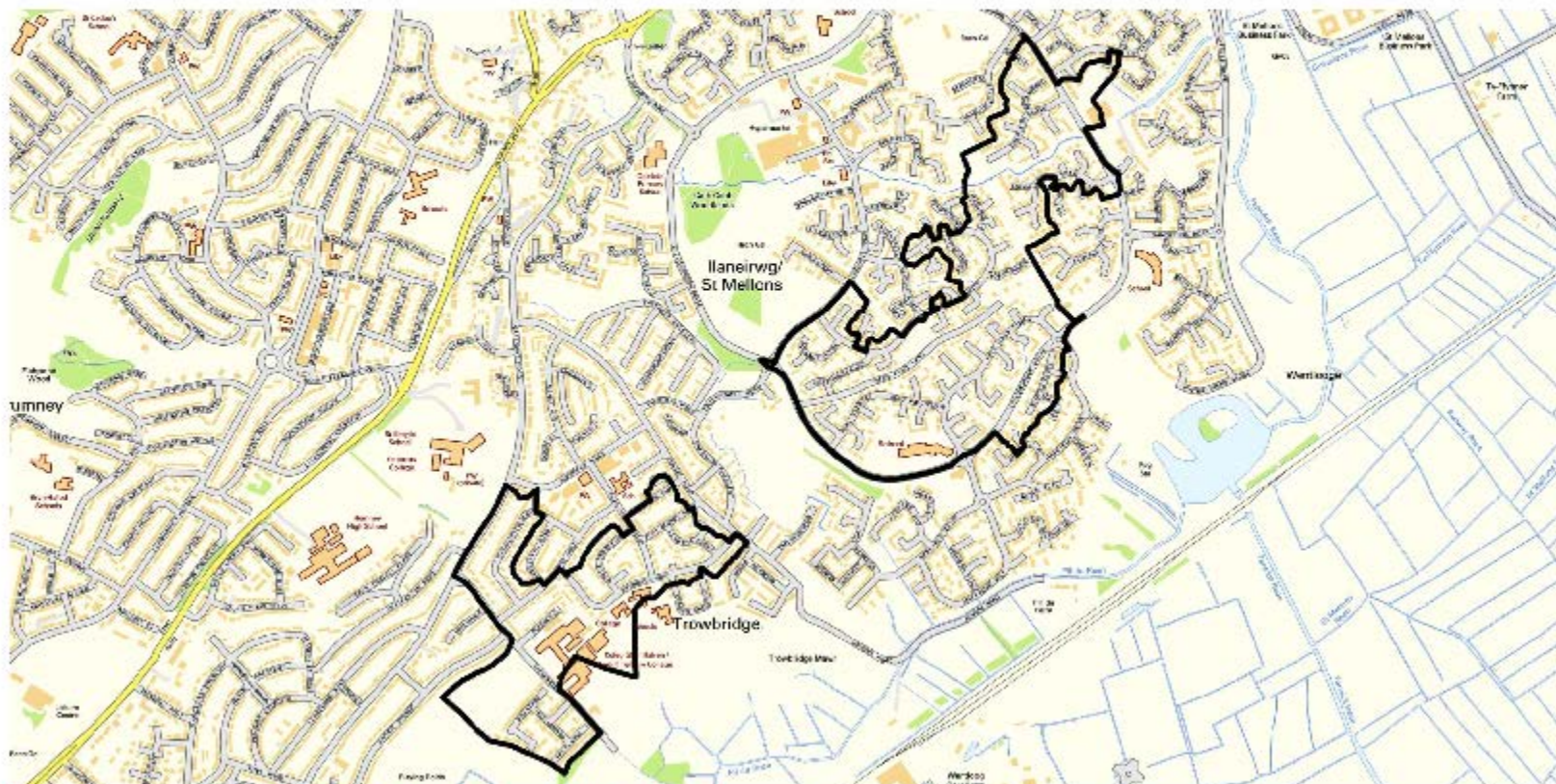
# Flying Start Trowbridge

TRW04, TRW08, TRW10



Flying Start eligible area is within the black boundary line.

Residential properties only are eligible. Please check both the street name and the postcode on the reverse, only those listed are eligible.



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Overall value of contracts proposed for Direct Award:

- a) Cylch Meithrin Pili Pala, for a period of 3 years with an option to extend for a further period of 1 year, with an overall estimated value of £202,800;
- b) Cylch Meithrin Trelai yr Ail (CM Caerau) for a period of 3 years with an option to extend for a further period of 1 year, with an overall estimated value of £243,360;
- c) Cylch Meithrin Glan Morfa for a period of 3 years with an option to extend for a further period of 1 year, with an overall estimated value of £121,680;
- d) Cylch Meithrin Trelai for a period of 3 years with an option to extend for a further period of 1 year with an overall estimated value of £405,600;
- e) Fledglings Playgroup for a period of 3 years with an option to extend for a further period of 1 year, with an overall estimated value of £324,480;
- f) Woodville Playgroup for a period of 3 years with an option to extend for a further period of 1 year, with an overall estimated value of £81,120;
- g) Buttercups Day Nursery for a period of 3 years with an option to extend for a further period of 1 year, with an overall estimated value of £40,560;
- h) Llanrumney Little People for a period of 3 years with an option to extend for a further period of 1 year, with an overall estimated value of £567,840;
- i) Pili Pala Day Nursery for a period of 3 years with an option to extend for a further period of 1 year, with an overall estimated value of £446,160;
- j) Salvation Army Rainbow Crèche for a period of 3 years with an option to extend for a further period of 1 year, with an overall estimated value of £152,100;
- k) Rumney Tiny Tots for a period of 3 years with an option to extend for a further period of 1 year, with an overall estimated value of £121,680;
- l) Fun House for a period of 3 years with an option to extend for a further period of 1 year, with an overall estimated value of £40,560;
- m) Darling Buds Day Nursery for a period of 3 years with an option to extend for a further period of 1 year, with an overall estimated value of £121,680;

By virtue of paragraph(s) 16 of Part(s) 4 and 5 of Schedule 12A of the Local Government Act 1972.

Document is Restricted



Mae'r dudalen hon yn wag yn fwriadol

**CYNGOR DINAS CAERDYDD  
CITY OF CARDIFF COUNCIL**



**CABINET MEETING: 10 NOVEMBER 2016**

**SUSPENDING THE RIGHT TO BUY**

**REPORT OF DIRECTOR FOR COMMUNITIES, HOUSING AND  
CUSTOMER SERVICES**

**AGENDA ITEM: 5**

**PORTFOLIO: HEALTH, HOUSING & WELLBEING (COUNCILLOR SUSAN  
ELSMORE)**

**Reasons for this Report**

1. To update Cabinet with the current arrangements for Right to Buy and Right to Acquire social housing and the Welsh Government's intended action to end these rights.
2. To outline the process for applying for a suspension of the Right to Buy and Right to Acquire, and to seek approval to undertake public consultation on this approach.

**Background**

3. Currently, most Council Tenants have the Right to Buy and some Housing Association Tenants have the Right to Acquire their home. Council tenants can apply to apply to buy their homes after 5 years and receive a discount of £8,000 on the value.
4. The Housing (Wales) Measure 2011 gave local housing authorities the ability to apply to the Welsh Ministers for a direction to suspend the Right to Buy/Acquire in areas of housing pressure for a period of up to 5 years. This could be for a particular area or areas within the local authority area or for a type of property. Carmarthen, Swansea and Ynys Mon have successfully made applications to suspend the Right to Buy/Acquire in their areas, with Denbigh and Flintshire currently preparing their applications.
5. The Welsh Government has recently confirmed the intention to end the Right to Buy and Right to Acquire within the current term of government, however this process has not yet commenced and is likely to take some considerable time. Once the Welsh Government has ended the Right to Buy/Acquire, it is likely that there will be of grace period of up to 2 years during which tenants can continue to apply for the Right to Buy or Right to Acquire on their home.
6. It is envisaged that many properties will be sold during this lengthy process, and

the Welsh Government has indicated that applications to suspend the Right to Buy/Acquire would still be welcomed during this period. Consideration could therefore be given to making an application to Welsh Ministers to suspend the Right to Buy/Acquire in Cardiff.

## **Issues**

7. Cardiff Council currently has stock of 13,470 properties. This stock has reduced from 23,000 properties in 1985, largely through the right to buy. There are approximately 10,000 Housing Association properties in Cardiff, and although only a very small number of these properties are eligible for Right to Buy/Acquire, 73 Housing Association homes have been sold since 2001.
8. Numbers of Right to Buy/Acquire applications did decrease after the extremely high numbers of the early 2000s; however, over recent years they have once again started to increase. Over the past 3 years, the Council and local Registered Social Landlords have sold 55 homes under the Right to Buy/Acquire and have received a further 240 applications to purchase. Of the properties sold, 46 were from council stock, and 40 of that number were houses, subsequently reducing much needed family accommodation.
9. If the suspension is to apply across the city, it is necessary to establish that there is a housing need in all areas and across all property types and that all steps are being taken to meet that housing need.

## **Housing Need**

10. Cardiff has very high housing need for all types of accommodation across all areas of the city, with circa 8,300 applicants on its Common Housing Waiting list requesting social housing. Of these, 4,600 are in significant housing need. The Council's Housing Strategy analyses housing need in the city and has identified that 2,700 families are severely overcrowded; 2,400 households have a significant medical need to move, 1,600 need to move to ground floor accommodation, and 549 need fully accessible housing.
11. While 450 new applications for housing are received every month only 860 council properties became vacant and available to let in the whole of 2015/16.
12. A new Local Housing Market Assessment has recently been undertaken by David Couttee Associates. The need assessment was undertaken in line with Welsh Government guidance. Cardiff is a growing city and the assessment has shown that an additional 2,024 new affordable properties are needed each year for the next 5 years to meet current demand across all areas and types of property in the city, a total of 10,120 new properties.

## **Steps Taken to Meet Housing Need**

13. The Council and its Housing Association partners are constantly seeking to increase the supply of affordable housing through the use of the Social Housing Grant.
14. The table below shows the number of new affordable properties that have been delivered in the past 5 years.

Year	2011/12	2012/13	2013/14	2014/15	2015/16
<b>Total New Properties</b>	189	179	199	233	278

15. In addition, it is anticipated that the following new properties will be completed in 16/17 and 17/18.

Year	2016/17	2017/18
<b>New Properties</b>	266	394

16. The table below shows that, over the past 5 years, the council and housing associations have been successful in securing £18,041,840 of additional Social Housing Grant above the original allocation, and delivering more properties as a result. This has been achieved by having schemes ready to utilise Welsh Government underspends that become available late in the year..

Year	2011/12	2012/13	2013/14	2014/15	2015/16
<b>Standard SHG Allocation</b>	£4,957,000	£4,957,000	£4,227,000	£4,227,000	£4,227,000
<b>Additional SHG Secured</b>	£2,301,500	£2,606,156	£3,968,494	£4,181,298	£4,984,392
<b>Total</b>	<b>£7,258,500</b>	<b>£7,563,156</b>	<b>£8,195,494</b>	<b>£8,408,298</b>	<b>£9,211,392</b>

17. Work is underway to build new council homes through the Housing Partnership Programme. This scheme will deliver around 600 new council homes over the next 8 years. This is a significant investment and it is important that these new properties are available to those who need them most and are not lost through the Right to Buy.
18. Every effort is also made to deliver affordable housing through developer contributions (section 106). The Council's policy is to deliver 30% affordable housing on green field sites and 20% on brown field sites.
19. As set out in the Local Housing Market, there is a total need of 10,120 affordable homes over the next 5 years. The plans set out in the Housing Strategy indicate a potential delivery over the same period, through all sources, of only 4,220 new properties, leaving unmet need of 5,900 affordable homes.
20. Therefore, it is proposed that consideration is given to making an application to the Welsh Government to suspend the right to buy.

### **Application Process**

21. The Welsh Government has provided guidance about the application process. Local Authorities are required to submit evidence of the high housing need in their area, showing how they are taking steps to address this need and the impact that ongoing Right to Buy could have on stock levels. Authorities must also supply evidence of how they are taking steps to try to meet the high housing need by making best use of stock and developing and leasing

additional stock. A report is being drafted to set out Cardiff's response to these issues.

22. Consultation must also be undertaken with a range of interested parties including neighbouring Local Authorities, partner RSLs and social housing tenants. Evidence of this consultation and its outcome must be submitted as part of the application. Once an application has been submitted to Welsh Government, the Minister has 6 months to respond to the application and issue a Direction for Suspension.
23. It is proposed that Cardiff commences this process by carrying out the public consultation exercise. A proposed timetable for the consultation is set out below:

#### **Proposed Timetable**

Cabinet Decision	10 <sup>th</sup> November 2016
Commence Consultation	1 <sup>st</sup> December 2016
Consider Results of Consultation	16 <sup>th</sup> January 2017
Report to Cabinet for final decision	16 <sup>th</sup> February 2017

#### **Consultation Proposals**

24. Initial consultation has taken place with the Chief Executives of Registered Social Landlords and feedback was positive.
25. A range of methods will be used to consult with affected stakeholders. A personal letter and consultation form with an enclosed stamped addressed envelope will be sent to all tenants and applicants affected, and a presentation will be made at the Tenant Participation Tenants' Voice Meeting. The proposals will also be advertised through the Council and Tenants Website with a consultation form, and the Council will encourage local Housing Associations to advertise on their websites. Ward members will also be invited to comment.
26. In addition, it is proposed to write to Chairs of the Council's recognised Tenants and Residents Groups, and encourage our Housing Association partners to do the same.
27. Other written consultation will be undertaken with wider stakeholders, including surrounding Local Authorities, Chief Executives of local Housing Associations, and other interested parties such as homeless charities and equalities groups.
28. An Equality Impact Assessment has been drafted and will be further informed as a result of the consultation process.

#### **Reasons for Recommendations**

29. Cardiff has a very high housing need for affordable housing, and in order to assist in meeting this Cardiff Council and its Registered Social Landlord

partners are developing new affordable housing. The loss of affordable homes through the Right to Buy will undermine the investment to increase affordable stock.

30. The Cabinet is being asked to agree the consultation proposals set out in this report to inform whether to make an application to suspend the Right to Buy for council and Registered Social Landlords tenants across Cardiff.

### **Legal Implications**

31. The legal implications appear throughout the text of this Report.

### **Financial Implications**

32. The report proposes a consultation on a proposal to suspend Right to Buy/Acquire in Cardiff. The current approach results in a loss of assets that would otherwise be available for service delivery at affordable rental levels. The Council's social housing stock forms part of the statutory Housing Revenue Account, which records all income and expenditure arising from the provision of social housing.

## **RECOMMENDATIONS**

The Cabinet is recommended:

1. To note the issues set out in this report and to agree to public consultation taking place on the proposal to apply for a suspension of Right to Buy/Acquire.
2. To agree that a further report setting out the results of the consultation and proposed way forward be brought to a future meeting of the Cabinet.

**SARAH MCGILL**

**Director**

**4 November 2016**

Mae'r dudalen hon yn wag yn fwriadol